As filed with the Securities and Exchange Commission on October 14, 2011

File No. 001-35219

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

Amendment No. 3
to
Form 10

GENERAL FORM FOR REGISTRATION OF SECURITIES PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

Marriott Vacations Worldwide Corporation

(Exact name of registrant as specified in its charter)

Delaware	**45-2598330**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
6649 Westwood Blvd. Orlando, FL	**32821**
(Address of Principal Executive Offices)	*(Zip Code)*

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

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class to be so Registered	**Name of Each Exchange on Which Each Class is to be Registered**
Common stock, par value $0.01 per share	The New York Stock Exchange, Inc.

Securities to be registered pursuant to Section 12(g) of the Act:
None.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934, as amended. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

INFORMATION REQUIRED IN REGISTRATION STATEMENT

CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

The information required by the following Form 10 Registration Statement items is contained in the Information Statement sections that we identify below, each of which we incorporate in this report by reference:

Item 1. Business

The information required by this item is contained under the sections “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business,” “Certain Relationships and Related Party Transactions” and “Where You Can Find More Information” of the Information Statement.

Item 1A. Risk Factors

The information required by this item is contained under the section “Risk Factors” of the Information Statement.

Item 2. Financial Information

The information required by this item is contained under the sections “Summary,” “Description of Capital Stock,” “Selected Historical Combined Financial Data,” “Unaudited Pro Forma Condensed Combined Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the Information Statement.

Item 3. Properties

The information required by this item is contained under the section “Business—Properties” of the Information Statement.

Item 4. Security Ownership of Certain Beneficial Owners and Management

The information required by this item is contained under the section “Security Ownership of Certain Beneficial Owners and Management” of the Information Statement.

Item 5. Directors and Executive Officers

The information required by this item is contained under the section “Management” of the Information Statement.

Item 6. Executive Compensation

The information required by this item is contained under the section “Executive Compensation” of the Information Statement.

Item 7. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is contained under the sections “Management,” “Executive Compensation” and “Certain Relationships and Related Party Transactions” of the Information Statement.

Item 8. Legal Proceedings

The information required by this item is contained under the section “Business—Legal Proceedings” of the Information Statement.

Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

The information required by this item is contained under the sections "Risk Factors," "The Spin-Off," "Dividend Policy," "Executive Compensation" and "Description of Capital Stock" of the Information Statement.

Item 10. Recent Sales of Unregistered Securities

None.

Item 11. Description of Registrant's Securities to be Registered

The information required by this item is contained under the section "Description of Capital Stock" of the Information Statement.

Item 12. Indemnification of Directors and Officers

The information required by this item is contained under the section "Description of Capital Stock—Liability and Indemnification of Directors and Officers" of the Information Statement.

Item 13. Financial Statements and Supplementary Data

The information required by this item is contained under the sections "Description of Capital Stock," "Selected Historical Combined Financial Data," "Unaudited Pro Forma Condensed Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Index to Financial Statements" of the Information Statement.

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 15. Financial Statements and Exhibits

(a) Financial Statements

The information required by this item is contained under the section "Index to Financial Statements" beginning on page F-1 of the Information Statement. Information relating to schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission is included in the notes to the financial statements contained under the section "Index to Financial Statements" beginning on page F-1 of the Information Statement.

(b) Exhibits

We are filing the following documents as exhibits to this registration statement:

Exhibit No.	Description
2.1	Form of Separation and Distribution Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
3.1	Form of Restated Certificate of Incorporation of Marriott Vacations Worldwide Corporation.†
3.2	Form of Restated Bylaws of Marriott Vacations Worldwide Corporation.†

Exhibit No.	Description
4.1	Form of certificate representing shares of common stock, par value $0.01 per share, of Marriott Vacations Worldwide Corporation.
10.1	Form of License, Services and Development Agreement between Marriott International, Inc., Marriott Vacations Worldwide Corporation and the other signatories thereto.
10.2	Form of License, Services and Development Agreement between The Ritz-Carlton Hotel Company, L.L.C., Marriott International, Inc., Marriott Vacations Worldwide Corporation and the other signatories thereto.*
10.3	Form of Employee Benefits and Other Employment Matters Allocation Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.*
10.4	Form of Tax Sharing and Indemnification Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
10.5	Form of Marriott Rewards Affiliation Agreement between Marriott International, Inc., Marriott Rewards, LLC, Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc. and the other signatories thereto.*
10.6	Form of Non-Competition Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
10.7	Form of Omnibus Transition Services Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
10.8	Form of Payroll Services Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
10.9	Form of Human Resources Transition Services Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
10.10	Form of Information Resources Transition Services Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
10.11	Form of Marriott Vacations Worldwide Corporation Stock and Cash Incentive Plan.†
10.12	Amended and Restated Indenture and Servicing Agreement, dated as of September 1, 2011, among Marriott Vacations Worldwide Owner Trust 2011-1, Marriott Ownership Resorts, Inc., and Wells Fargo Bank, National Association.
10.13	Sale Agreement, dated as of September 1, 2011, between MORI SPC Series Corp. and Marriott Vacations Worldwide Owner Trust 2011-1.
10.14	Amendment No. 1 to Sale Agreement, dated as of September 1, 2011, among MORI SPC Series Corp. and Marriott Vacations Worldwide Owner Trust 2011-1.
10.15	Form of $200,000,000 Credit Agreement dated as of October [—], 2011, among Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the other financial institutions set forth in the agreement.
10.16	Form of Guarantee and Collateral Agreement to be entered into by Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc. ("MORI") and certain of MORI's subsidiaries, in favor of JPMorgan Chase Bank, N.A., as administrative agent for the financial institutions party to the foregoing $200,000,000 Credit Agreement.*
21.1	Subsidiaries of Marriott Vacations Worldwide Corporation.†
99.1	Information Statement.
99.2	Form of Certificate of Designation of the Cumulative Redeemable Series A Preferred Stock of MVW US Holdings, Inc.*

* To be filed by amendment.
† Previously filed.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Marriott Vacations Worldwide Corporation

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

Date: October 14, 2011

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

Among

MARRIOTT INTERNATIONAL, INC.,

MARRIOTT VACATIONS WORLDWIDE CORPORATION,

MARRIOTT OWNERSHIP RESORTS, INC.,

MARRIOTT RESORTS HOSPITALITY CORPORATION,

MVCI ASIA PACIFIC PTE. LTD.

and

MVCO SERIES LLC

Dated as of [_____], 2011

TABLE OF CONTENTS

SEPARATION AND DISTRIBUTION AGREEMENT

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

RECITALS

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

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

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

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

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

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

AGREEMENT

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

ARTICLE I
DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Avendra-Related Agreement" means the Avendra-Related Agreement dated as of the Effective Date among MII, MVWC and Avendra, LLC.

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

"Change of Control" means the occurrence of any of the following after the Distribution: (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of MVWC and its Subsidiaries taken as a whole to any person (as used in Section 13(d)(3) of the Exchange Act) or group of related persons for purposes of Section 13(d) of the Exchange Act other than MVWC or one of its Subsidiaries; (b) the approval by the holders of MVWC Common Stock of any plan or proposal for the liquidation or dissolution of MVWC or MVWC's approval or making of any bankruptcy filing; (c) the consummation of any transaction (including any merger or consolidation) the result of which is that any person (as used in Section 13(d)(3) of the Exchange Act) or group of related persons for purposes of Section 13(d) of the Exchange Act other than MVWC or one of its Subsidiaries becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of MVWC voting securities; or (d) the first day on which a majority of the members of MVWC's board of directors are not Continuing Directors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Information" means information, including books and records, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

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

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

"Insurance Proceeds" means those monies:

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

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

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

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

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

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

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

"Law" means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, government approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"MVWC Assets" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II
THE SEPARATION

Section 2.1 Internal Reorganization; Transfer of Assets and Assumption of Liabilities. Prior to the Effective Time, the parties will cause the Internal Reorganization to be completed.

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

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

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

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

Section 2.2 Governmental Approvals and Consents.

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

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

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

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

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

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

Section 2.3 Termination of Agreements.

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

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

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

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

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

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

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

(vi) the Parent Undertaking Agreements;

(vii) the Shared Services Agreements; and

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

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

Section 2.4 Novation of MVWC Assumed Liabilities.

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

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

Section 2.5 Novation of MII Assumed Liabilities.

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

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

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

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

Section 2.7 Replacement of Credit Support.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III
ACTIONS PENDING THE DISTRIBUTION

Section 3.1 Actions Prior to the Distribution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV
THE DISTRIBUTION

Section 4.1 The Distribution.

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

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

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

Section 4.2 Fractional Shares.

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

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

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

ARTICLE V
MUTUAL RELEASES; INDEMNIFICATION

Section 5.1 Release of Pre-Distribution Claims.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 5.5 Procedures for Indemnification of Third-Party Claims.

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

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

(i) Unless the parties otherwise agree, within 30 days after an Indemnifying Party receives notice of a Third-Party Claim in accordance with Section 5.5(a), the Indemnifying Party will defend the Third-Party Claim (and, unless the Indemnifying Party has specified any reservations or exceptions, seek to settle or compromise such Third-Party Claim), at its expense and with its counsel. The Indemnitee may, at its expense, employ separate counsel and participate in (but not control) the defense, compromise, or settlement of the Third-Party Claim. However, the Indemnifying Party will pay the fees and expenses of counsel the Indemnitee engages (A) for any period during which the Indemnifying Party has not assumed the defense of the Third-Party Claim (other than for any period in which the Indemnitee did not notify the Indemnitee of the Third-Party Claim as required by Section 5.5(a)) or (B) if engagement of counsel is as a result of a conflict of interest, as the Indemnitee reasonably determines in good faith.

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

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

Section 5.6 Additional Matters.

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

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

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

Section 5.7 Contribution.

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

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

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

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

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

Section 5.11 Change of Control Triggering Event. Upon a Change of Control Triggering Event prior to the fifth anniversary of the Distribution, MVWC promptly will provide notice to MII describing in reasonable detail the circumstances surrounding the Change of Control Triggering Event. Immediately after such Change of Control Triggering Event and until the fifth anniversary of the Distribution, MVWC will provide credit support in the form of one or more standby letters of credit in an amount equal to $50 million (the other terms and provisions of which will be reasonably satisfactory to MII) to support MVWC's obligations under Section 5.2.

ARTICLE VI
INSURANCE

Section 6.1 Insurance Matters.

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

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

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

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

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

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

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

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

ARTICLE VII
EXCHANGE OF INFORMATION; CONFIDENTIALITY

Section 7.1 Agreement for Exchange of Information.

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

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

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

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

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

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

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

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

Section 7.7 Production of Witnesses; Records; Cooperation.

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

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

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

Section 7.8 Confidentiality.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII
FURTHER ASSURANCES

Section 8.1 Further Assurances.

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

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

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

ARTICLE IX
TERMINATION

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

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

ARTICLE X
DISPUTE RESOLUTION

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

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

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

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

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

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

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

ARTICLE XI
MISCELLANEOUS

Section 11.1 Counterparts; Entire Agreement; Corporate Power.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd
Orlando, FL 32821
Attention: President and Chief Executive Officer
Facsimile: (407) 513-6680

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

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

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

Section 11.9 Expenses.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XII
GUARANTY

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

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

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

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

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

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

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

[The remainder of this page is intentionally left blank.]

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

MARRIOTT INTERNATIONAL, INC.

By: _____
Name:
Title:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name:
Title:

MARRIOTT OWNERSHIP RESORTS, INC.

By: _____
Name:
Title:

MARRIOTT RESORTS HOSPITALITY CORPORATION

By: _____
Name:
Title:

MVCI ASIA PACIFIC PTE. LTD.

By: _____
Name:
Title:

MVCO SERIES LLC

By: _____
Name:
Title:

[Signature Page to Separation and Distribution Agreement]

Parent Undertaking Agreements

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

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

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

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

MVWC Credit Support Instruments

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

Letters of Credit

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

Surety, Performance and Related Bonds

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

MII Assumed Liabilities

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

MII Transferred Assets

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

MVWC Assumed Liabilities

- All Liabilities on the MVWC Balance Sheet
- Any and all Liabilities associated with the Assets listed on Schedule IV
- Any and all Liabilities of the entities listed on Schedule V
- Any and all Liabilities and obligations of MII Entities with respect to the following:

Euro Disney ticket purchase obligations
Kapalua, Hawaii “bad boy” guarantee
Kapalua, Hawaii completion guarantee
Kapalua, Hawaii guarantee of loans associated with fractional interests
Shadow Ridge, California resort procurement services obligations
Vail, Colorado lease of commercial unit in Bridge Street Building
Newport Beach, California office space lease from The Irvine Co.
2010 and earlier timeshare note securitizations
Merchant acquiring business relationship between MVCI Asia Pacific Pte. Ltd and Citibank Singapore Limited

MVWC Transferred Assets

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

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

- All assets held by the MII Group in respect of the MVWC Business relating to The Ritz-Carlton Destination Club resort, St. Thomas, USVI.
- Certain economic benefits and burdens under the residential license agreement for Vail, Colorado, as and to the extent separately agreed to between MVWC and MII.

MVWC Subsidiaries

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

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

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

Exhibit 4.1

COMMON STOCK

NUMBER

VAC

COMMON STOCK

Marriott Vacations Worldwide Corporation

THIS CERTIFICATE IS TRANSFERABLE IN JERSEY CITY, NJ, NEW YORK, NY AND PITTSBURGH, PA

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

CUSIP 57164Y 10 7

SEE REVERSE FOR CERTAIN DEFINITIONS

$0.01 PAR VALUE

THIS CERTIFIES THAT

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF

Marriott Vacations Worldwide Corporation transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the Certificate of Incorporation of the Corporation, as amended, to all of which the holder of this certificate by acceptance hereof expressly assents. This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

CORPORATE SECRETARY

SEAL 2011

PRESIDENT

BY:

AUTHORIZED OFFICER

COUNTERSIGNED AND REGISTERED:
MELLON INVESTOR SERVICES LLC
TRANSFER AGENT AND REGISTRAR

MARRIOTT VACATIONS WORLDWIDE CORPORATION

The Company will furnish without charge to any stockholder who so requests a full statement or summary of the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such request may be made to the Secretary of the Company or the Transfer Agent for the Company's common stock.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	– as tenants in common	UNIF GIFT MIN ACT–	_____ Custodian _____
TEN ENT	– as tenants by the entireties		(Cust) (Minor)
JT TEN	– as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ *hereby sell, assign and transfer unto*

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ *shares of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint*

_____ *Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.*

Dated _____

NOTICE: _____ THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE(S) GUARANTEED: _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, MUTILATED OR DESTROYED, THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

Form of

LICENSE, SERVICES AND DEVELOPMENT AGREEMENT

BETWEEN

MARRIOTT INTERNATIONAL, INC. AND MARRIOTT WORLDWIDE CORPORATION

AND

MARRIOTT VACATIONS WORLDWIDE CORPORATION

FOR

MARRIOTT PROJECTS

TABLE OF CONTENTS

LICENSE, SERVICES, AND DEVELOPMENT AGREEMENT

This License, Services, and Development Agreement ("License Agreement" or "Agreement") is effective as of the _____ day of _____, 2011 ("Effective Date") by Marriott International, Inc., a Delaware corporation ("MII"), and Marriott Worldwide Corporation, a Maryland corporation ("MWC") (MII and MWC are referred to collectively herein as "Licensor"), and Marriott Vacations Worldwide Corporation, a Delaware corporation ("Licensee").

RECITALS

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

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

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

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

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

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

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

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

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

1. LICENSE

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

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

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

provided, however,

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

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

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

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

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

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

2. NONCOMPETITION AGREEMENT; EXCLUSIVITY AND RESERVED RIGHTS

2.1 Noncompetition Agreement.

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

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

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

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

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

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

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

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

2.3 Licensor's Reserved Rights.

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

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

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

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

E. Licensee acknowledges and agrees that, notwithstanding anything in this Agreement to the contrary, Licensor shall not be restricted in any manner from using the terms "vacation", "resort", "club", "lodge", "villa", "destination", or similar terms in connection with the development, promotion, or operation of any of Licensor's businesses.

2.4 Licensee's Reserved Rights.

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

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

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

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

2.5 Similar Lines of Businesses.

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

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

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

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

3. FEES

3.1 Royalty Fees.

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

(i) the Base Royalty, plus

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

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

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

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

(i) (a) two percent (2%) of the Gross Sales Price with respect to initial sales of interests held by Licensee, its Affiliates, or entities in which Licensee or its Affiliates hold an Ownership Interest, in Licensed Residential Units, whether directly or through the issuance of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.2 Usage Fees and Reimbursable Expenses; Maintenance Costs.

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

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

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

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

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

3.4 Travel Expenses and Reimbursement.

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

3.5 Marketing and Sales Fees and Charges.

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

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

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

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

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

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

3.7 Interest on Late Payments.

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

3.8 Currency and Taxes.

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

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

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

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

4. TERM

4.1 Initial Term.

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

4.2 Extension Term; Tail Period.

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

B. For a “tail period” of thirty (30) years following the end of the Initial Term (if Licensee does not exercise its right to obtain an Extension Term), the first Extension Term (if Licensee does not exercise its right to obtain a second Extension Term), or the second Extension Term, as applicable (but not following any termination of this Agreement under Section 18), Licensee shall be entitled (but not required) to continue to operate the then-existing Licensed Destination Club Projects and Licensed Residential Projects (including any New Projects under development as contemplated in (ii) below) in the Territory (provided, however, Licensee shall have no right (subject to Section 13.1.E.) to use the Licensed Marks or the System in the Excluded Area and shall not have the right to any indemnity under Section 16.1.B. with respect to third-party claims resulting from Licensee’s or its Affiliates’ use of the Licensed Marks or the System in the Excluded Area, and any third-party claim related to the use of the Licensed Marks or the System in the Excluded Area shall be subject to indemnification by Licensee pursuant to Section 16.1.A.), provided that such operation is in compliance with the terms and conditions of this Agreement. The parties agree that (i) the exclusivity granted in Section 1.A. and the restrictions

and limitations on Licensor and its Affiliates in Section 2.2 shall immediately cease and be of no further force or effect as of the first day of the tail period; (ii) Licensee shall have no right to propose New Projects during the tail period (but will have the right to continue and complete the development of any New Projects that have been approved by Licensor pursuant to this Agreement prior to the commencement of the tail period); and (iii) Licensee shall not be required to pay any Base Royalty during the tail period. All other applicable terms and conditions of this Agreement, including, without limitation, the requirement to pay all portions of the Royalty Fees other than the Base Royalty and other amounts under Sections 3 and 11, shall remain in place and be applicable during the tail period.

5. EXISTING PROJECTS; DEVELOPMENT RIGHTS AND RESTRICTIONS

5.1 Designation of Projects; Existing Projects.

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

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

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

5.2 New Projects.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Prior to negotiating a sale of any of the Undeveloped Parcels (or any part thereof) listed on Exhibit B-2 (or a Controlling interest in the owner(s) of such Undeveloped Parcels), Licensee will give Licensor written notice of its decision to sell the Undeveloped Parcel or interest, as applicable, and, during the period of thirty (30) day period after such notice Licensee negotiate in good faith with Licensor for a mutually satisfactory agreement for the purchase of the Undeveloped Parcel. If, after the expiration of thirty (30) days following the date of Licensee's notice of its desire to sell the Undeveloped Parcel, Licensee and Licensor have not entered into a mutually acceptable agreement for the purchase of the Undeveloped Parcel, subject to Section 5.3.C, Licensee shall be free to enter within a period of two hundred seventy (270) days thereafter into a binding contract to sell the Undeveloped Parcel to a third-party so long as the price to such third-party is no more favorable to such third-party than 95% of the price that Licensee offered to sell the Undeveloped Parcel to Licensor. Licensee shall promptly provide Licensor with the name of the prospective purchaser, the price, and the terms and conditions of such proposed sale of the Undeveloped Parcel, together with all other information reasonably requested by Licensor in order for Licensor to confirm that the requirements of this Section 5.3.B have been met.

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

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

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

5.4 Projects Located at Hotels other than Licensor Lodging Facilities.

A. Licensee will not develop any New Projects that are located in, co-located in conjunction with, or are otherwise a part of a hotel ("Co-Located Hotel") that is not a Licensor Lodging Facility without using commercially reasonable efforts to secure for Licensor a right to negotiate with the owner of the Co-Located Hotel for (i) the management of the Co-Located Hotel by Licensor or its Affiliate (if Licensee does not intend to manage the Co-Located Hotel) or (ii) the franchising of the Co-Located Hotel by Licensor or its Affiliate, whether Licensee intends to manage the Co-Located Hotel or not. Additionally, if Licensee or one of its Affiliates is the owner of the Co-Located Hotel, Licensee or its Affiliate will negotiate with Licensor in a commercially reasonable manner to enter into (i) a management agreement with Licensor or its Affiliate (if Licensee does not intend to manage the Co-Located Hotel) or (ii) a franchise agreement with Licensor or its Affiliate, whether Licensee intends to manage the Co-Located Hotel or not, on Licensor's or its Affiliate's then-current form of management agreement or franchise agreement, as applicable, in each case with such changes as Licensee and Licensor or its Affiliate agree. Licensee shall provide Licensor with notice (the "Negotiation Opportunity Notice") of any such proposed New Project and the opportunity for Licensor to negotiate for the management or franchise, as applicable, of the Co-Located Hotel.

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

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

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

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

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

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

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

If a third-party developer of a Licensor Lodging Facility desires to have a Destination Club Project as a component of or adjacent to such Licensor Lodging Facility project (the "Co-Located Licensor Lodging Facility"), Licensor will use commercially reasonable efforts to secure for Licensee a right to negotiate with such developer regarding Licensee's involvement in such Destination Club Project. Licensor shall provide Licensee with notice (the "Negotiation Opportunity Notice") of any opportunity for Licensee to negotiate regarding Licensee's involvement in such Destination Club Project. If Licensee declines to participate or cannot reach agreement with such developer and Licensor regarding Licensee's

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

5.7 Limitations on Licensed Business; Compliance with Contractual Restrictions.

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

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

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

5.8 Delegation of Certain Functions; Sublicensing of Marketing Functions.

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

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

C. Notwithstanding Sections 5.8.A. and B., subject to Section 8.3.B(iv), Licensee may not delegate any of the key functions of the Licensed Business, including Member services, senior management of any Project, brand-level marketing, and substantially all of the consumer financing servicing function of the notes for which Licensor or any of its Affiliates is a guarantor, without Licensor's consent in Licensor's reasonable business judgment.

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

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

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

6.2 Design Review.

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

6.3 Site Inspection.

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

6.4 Construction/Conversion/Renovation.

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

7. SYSTEM AND STANDARDS

7.1 Brand Standards.

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

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

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

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

7.2 Modification of Brand Standards.

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

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

(ii) Prior to any such modifications to the Brand Standards taking effect, such modifications shall be subject to Licensee's prior written consent, which shall not be unreasonably withheld; provided, however, that Licensee shall have no right to consent to modifications: (1) in fire and life safety components of the Brand Standards (although Licensee may request that Licensor's life safety committee consider such exceptions as Licensee may propose); (2) to Brand Standards related to food safety, and global safety and security; (3) in the Electronic Systems Standards, subject, however, to

Section 10.1.B (provided that such modifications do not conflict with Data Protection Laws that apply to the Licensed Business, and if such conflicts would result from the modification, the parties will seek to resolve such conflict, and Licensee will comply with a standard that does not conflict with Licensee's obligations under Data Protections Laws that most closely addresses the requirements of the modified Brand Standard); (4) to the cross-selling standards and protocols applicable to all Licensor Lodging Facilities as such standards and protocols apply to inventory in the Reservation System; (5) the Brand Standards related to any of the Licensed Marks described in (vi) of the definition of Licensed Marks and/or the appearance, including the color, font, stylization, script, or format, of the word "Marriott" used as part of the Licensed Marks, subject in each case to the requirements of Section 13.2.B(3); or (6) that are required by Applicable Law. Licensor agrees that if Licensor changes the cross-sell standards or protocol, Licensor will do so only if there is a bona fide commercial basis for such change that is consistent with Licensor's reasonable business judgment as set forth in Section 21.1 and is not motivated by a desire to reallocate or shift business away from Licensee, even though such effect might result from such change. For the avoidance of doubt, if Licensor or its Affiliates acquires or develops a Licensor Lodging Facility brand or changes the segment or brand positioning of an existing Licensor Lodging Facility brand, Licensor may place such new, or existing but repositioned, Licensor Lodging Facility brand in a higher priority in the cross-sell protocol than it is as of the Effective Date relative to the positioning of the Projects.

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

(iv) With respect to modifications that are subject to Licensee's prior written consent pursuant to Section 7.2.B(ii), Licensee shall notify Licensor within thirty (30) days of receipt of Licensor's notice pursuant to Section 7.2.B(i) of Licensee's consent or objection to any such modifications. With respect to modifications for which Licensee has provided its written consent, such modifications shall take effect within a reasonable period of time agreed to by the parties after Licensee has provided its written consent, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable MHR Hotel implementation schedule with respect to such modifications. If the parties cannot agree to a timeline for implementation of the modification within thirty (30) days following receipt of Licensor's notice pursuant to Section 7.2.B(i), then Licensee may object to the proposed modification on that basis. If Licensee does not consent or object to such proposed modifications to the Brand Standards within thirty (30) days following receipt of Licensor's notice pursuant to Section 7.2.B(i), such proposed modifications shall be deemed consented to by Licensee and will take effect as set forth in the immediately preceding sentence.

C. Licensee may from time to time propose modifications to the Brand Standards with respect to any aspect of the Licensed Business. Licensee shall provide notice to Licensor of any such modifications proposed by Licensee. Prior to any such modifications to the Brand Standards taking effect, such modifications shall be subject to Licensor's prior written consent, which (i) in the case of modifications to the Brand Standards described in Section 7.2.B(ii)(1) through (6), may be granted or withheld in Licensor's sole discretion and (ii) in the case of modifications to all other Brand Standards, including those that are part of the Operational Brand Standards, the Design Guide, the Brand Style and

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

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

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

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

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

E. In the event that Licensee does not consent to modifications to any service aspect of the Brand Standards proposed by Licensor with respect to which Licensee has consent rights under Section 7.2.B, and customer satisfaction levels at the Projects decrease greater than five (5) percentage points during the twelve (12) month period immediately following the date on which such change was to

have been implemented, the parties shall investigate the reason(s) for the decrease. If the failure to implement one or more proposed modifications to any service aspect of the Brand Standards is determined to be a material reason for any such decrease, then Licensee shall promptly implement such modifications, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable MHR Hotel implementation schedule with respect to such modifications.

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

8. OPERATIONS

8.1 Operating the Projects and the Licensed Business.

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

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

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

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

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

8.2 Employees.

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

8.3 Management and Operation of the Projects.

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

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

8.4 Customer Satisfaction System and Quality Assurance Audit System.

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

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

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

D. If Licensor determines that there is a Deficiency in the Customer Satisfaction System or the Quality Assurance Audit System, Licensor will notify Licensee of the Deficiency, provide Licensee with reasonable detail regarding the Deficiency, and the parties will work together to identify potential resolutions for, and agree on the measures that Licensee will take to resolve, such Deficiency. If the parties fail to agree on a process to resolve the Deficiency within sixty (60) days following such

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

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

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

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

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

9. RESTRICTIONS AND LIMITATIONS ON CONDUCT OF LICENSED BUSINESS

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

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

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

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

D. All Licensed Business Customer Information, whether acquired, obtained or developed prior to or after the Effective Date, shall be used solely for engaging in the Licensed Business or the Ritz-Carlton Licensed Business, and for no other use or purpose whatsoever. Other than as permitted under this Agreement, Licensee will not have, claim, or assert any right against or to such Licensed Business Customer Information. Within sixty (60) days after the end of each calendar year during the Term, Licensee shall provide Licensor with a written certification (in the form required by Licensor) signed by Licensee's chief executive officer and chief information officer, that Licensee and its Affiliates have maintained, in all material respects, effective internal control over the maintenance and security of Licensed Business Customer Information in accordance with the terms of this Agreement

related to the treatment and use of Licensed Business Customer Information during the immediately preceding calendar year. After the expiration of the Term or termination of this Agreement, all Licensed Business Customer Information shall be used only as set forth in Section 19.2(7) . Licensor acknowledges that Property Owners' Associations, boards, and Members have certain rights to Licensed Business Customer Information for their respective Projects and that Licensed Business Customer Information is in the public record in some jurisdictions and may be compiled or derived by third parties. Without limitation of the forgoing, Licensee shall not sell any Licensed Business Customer Information to third parties, and Licensee shall not disclose or otherwise provide any Licensed Business Customer Information to any third-parties other than in connection with the operation of the Licensed Business and in accordance with this Agreement. Licensor acknowledges that Licensed Business Customer Information may be used by Licensee in connection with the Ritz-Carlton Licensed Business pursuant to the terms and conditions of the Ritz-Carlton License Agreement.

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

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

G. Licensee will be permitted to use the Licensed Marks on logoed collateral merchandise, such as golf shirts, other apparel and promotional items (collectively, "Logoed Merchandise") that is provided solely to promote the Projects and solely through gift or retail shops located at Projects or Sales Facilities or through Licensee's Website, all in a manner that is consistent with Licensee's or its Affiliates' use of the Licensed Marks in such respect as of the Effective Date and with an overall level of quality of Logoed Merchandise that is consistent with the Upscale Brand Segment and Upper-Upscale Brand Segment. Licensee acknowledges and agrees that (i) Licensor has not applied for and does not maintain registrations for the Licensed Marks covering some or all of the Logoed Merchandise in any jurisdiction and has no obligation to apply for or maintain such registrations in the future; (ii) Licensor makes no representations or warranties regarding Licensee's ability to use the Licensed Marks on Logoed Merchandise in any jurisdiction or that Licensee's use of the Licensed Marks

on Logoed Merchandise in any jurisdiction will not infringe, dilute or otherwise violate the trademark or other rights of any third party; (iii) Licensee's use of the Licensed Marks on Logoed Merchandise shall be at Licensee's sole risk and without recourse against Licensor or its Affiliates; (iv) Licensee shall not knowingly engage in any act or omission which may diminish, impair or damage the goodwill, name or reputation of Licensor or its Affiliates or the Licensed Marks, including without limitation by utilizing any facility which manufactures or assembles Logoed Merchandise in violation of the laws of the country in which such facility is located ("Illegal Facilities"); (v) Licensee will comply, at its sole expense, with all Applicable Laws in connection with the manufacture, sale, marketing, and promotion of the Logoed Merchandise in the countries where such activities take place, including without limitation any prohibitions against Illegal Facilities; (vi) at Licensor's request, Licensee will promptly provide to Licensor representative samples of then-current Logoed Merchandise and any associated packaging and displays; (vii) at Licensor's request, Licensee will promptly make any changes to its Logoed Merchandise or its uses of the Licensed Marks on Logoed Merchandise that do not comply with this Section 9.1.G.; (viii) Licensee will use the Licensed Marks on Logoed Merchandise in accordance with the then-current Brand Standards; and (ix) Licensee shall promptly cease use, distribution, promotion, marketing and sale of Logoed Merchandise bearing the Licensed Marks in any jurisdiction where Licensor requests such use to cease as a result of a claim or challenge raised by a third party or if Licensor in its sole discretion believes such use diminishes, impairs or damages the goodwill, name or reputation of Licensor or its Affiliates or the Licensed Marks.

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

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

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

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

9.3 No Affiliation with Other Brands/Businesses.

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

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

(ii) Licensor has entered into such plans in the past to address the actual factual issues raised by the licensee business structure to protect against misuse of licensor's confidential information and against inappropriate sharing or discussion of pricing and other sensitive information. A Separation Plan in this instance would require, among other things, that Licensee's business related to the Licensee Competitive Lodging Brand, on one hand, and the Licensed Business and Licensee's Lodging Business related to Licensor Lodging Facilities, on the other hand, be operated by different individuals who are located in geographically separate facilities, and enough other separation to ensure separate day-to-day operating teams with different employees and separate books and records. The goal of the Separation Plan is to prevent Licensee from using, sharing or discussing confidential information, pricing and other sensitive information with or for the benefit of the Licensee Competitive Lodging Brand and to maintain the confidentiality of such information, whether this is accomplished by physical separation or by Licensor not providing such information. The confidential information, pricing and other sensitive information covered by the Separation Plan would include Licensor Confidential Information, any pricing data, market data, marketing plans, customer lists, marketing participation information, revenue or inventory management systems, personal guest profiles and information regarding guest preferences, marketing or brand initiatives, or other similar non-public information or materials related to ownership, management and operation of Licensor Lodging Facilities. In furtherance of the foregoing the Separation Plan will likely need to provide that (a) Licensor may limit Licensee and its Affiliates from access in connection with Licensee's Lodging Business to certain information that Licensor reasonably determines is highly sensitive or confidential, such as pricing, market strategy, customer lists, and other similar information with respect to Licensor Lodging Facilities, and Licensor may restrict such access by limiting or prohibiting participation in programs, meetings, and other shared services arrangements even if other franchisees or owners of Licensor Lodging Facilities are allowed access to such programs, meetings and other shared services; (b) Licensor shall have the right to limit or exclude Licensee and its employees, officers, directors and Affiliates from participating in or holding an officer position on any franchise advisory council or similar entity for Licensor Lodging Facilities, and (c) no Licensor Lodging Facility may be advertised or marketed in any manner or in connection with the Licensee Competitive Lodging Brand. For purposes of clarification, the foregoing is not intended to affect access by Licensee and its Affiliates to information with respect to the Licensed Business pursuant to this Agreement.

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

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

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

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

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

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

C. Licensee shall not allow its Members of any Project to exchange their right to use and occupy Licensed Destination Club Units for stays (or other benefits) at luxury or upscale hotels other than those operated or franchised by Licensor or its Affiliates, except through general Exchange Programs or through tour operator arrangements that are in compliance with Licensor's Brand Standards related to approved distribution channels; provided that Licensee shall be permitted to include hotels that are neither Licensor Lodging Facilities nor a part of a Lodging Competitor's hotel system in its Explorer, Club Connections, or similar program in locations where a Licensor Lodging Facility of the same brand segment and of a suitable experience type (e.g., resort) is not available. Licensor will not object to the Exchange Program and tour operator arrangements that Licensee has in place as of the Effective Date as not being in compliance with Brand Standards, and Licensee may continue such arrangements after the Effective Date with respect to the Projects covered thereby; provided, however, that Licensee shall not enter into any new or additional such arrangements that do not meet the Brand Standards, and Licensor does not waive any claims related to misuses of the Licensed Marks. Licensee shall have the right to operate its own Exchange Programs. Licensee may use the Licensed Marks as part of a branded Exchange Program name approved in writing by Licensor. Branded Exchange Programs operated by Licensee or its Affiliates in which both Licensed Destination Club Units and other Destination Club Units participate shall be subject to commercially reasonable safeguards to be agreed by Licensor and Licensee, such as a prohibition on prominently featuring or marketing products under brands other than the Licensed Marks in such a way as to imply endorsement of such other brands by, or affiliation with, Licensor, and limits on the right of Licensee to use the Licensed Business Customer Information to benefit such Exchange Programs. At Licensor's request, use of the Licensed Marks as part of a branded Exchange Program name shall be discontinued if (i) at any time the aggregate number of Licensed Destination Club Units that participate in such branded Exchange Program is less than one-half (1/2) of the total number of all Destination Club Units that participate in such branded Exchange Program or (ii) Licensee permits Destination Club Units operated under any Hilton Brand or Starwood Brand to participate in such Exchange Program, provided that if clause (ii) is implicated, Licensee shall, in no event, be required to discontinue such use until the fifth (5th) anniversary of the Effective Date.

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

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

9.6 Changes in Programs, Services or Benefits.

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

10. ELECTRONIC SYSTEMS

10.1 Systems Installation.

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

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

10.2 Reservation System.

A. Licensor will make the Reservation System available to Licensee in connection with the Licensed Business, including for reservations relating to Member usage, marketing usage, transient rental usage, and other usages of Licensed Destination Club Units and Licensed Residential Units. All Licensed Destination Club Units and Licensed Residential Units inventory made available by Licensee for transient rental stays of thirty (30) days or less must be listed in the Reservation System, but such inventory shall not be included in Lodging Competitors' distribution channels, provided that for the purposes hereof, any distribution channels included within Licensor's channel standards or otherwise approved by Licensor shall not be deemed Lodging Competitors' distribution channels. Licensee will comply with all Brand Standards applicable to the Licensed Business related to participation in the Reservation System, including, without limitation, the prohibitions on the inclusion of transient rental inventory other than inventory in Licensor Lodging Facilities or in Licensed Projects in elements of the Reservation System visible by customers, travel agents, and other members of the public. For purposes of the foregoing, Licensor and Licensee acknowledge that the seasonal nature of the Licensed Destination Club Business and Member use patterns (including increased Member use in high demand seasons) and leisure-based use patterns (including higher weekend occupancy and lower weekday occupancy) create transient rental inventory availability patterns that may differ from those for Licensor Lodging Facilities. As such, certain Brand Standards relating to participation in the Reservation System may not be suitable for the Licensed Destination Club Business (such as minimum room availability requirements for Brand Loyalty Program redemptions or the "50% Off Associate Rate" winter offer).

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

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

10.3 Electronic Systems Provided Under License.

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

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

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

10.4 Proposed Enhancements.

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

11. LICENSOR SERVICES AND SUPPORT

11.1 Training.

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

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

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

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

11.2 Other Services.

A. Licensor or its Affiliates will provide certain services to, and cooperate with, and provide access to certain systems, to Licensee and its Affiliates in connection with the Licensed Business substantially in accordance with practice of Licensor or its Affiliates as of the date of the Spin-Off Transaction, as set forth in the Services Manual and subject to the provisions, terms, conditions, restrictions and costs as set forth in the Services Manual. Those services and systems include services and systems relating to: (i) sales services, including global incentives and gift cards, the centralized travel agent commission program, the TMC/consortia program, travel agency and intermediary training programs, wholesale sales programs, and national group sales; (ii) marketing services, including global partnerships and alliances, global promotions, portfolio brand strategy services, facilitation of marketing opportunities at Licensor Lodging Facilities, brand programs and customer research; (iii) data access services, including Licensed Business Customer Information; (iv) global engineering services, including energy management and training; (v) data communications, reservations, telecommunications support, and IMS system access; (vi) operational audit systems; (vii) food and beverage training, procedures and specifications; (viii) e-commerce and information resources services (as set forth in the exhibit to the Electronic Systems License Agreement); and (ix) real estate tax appeals services in certain jurisdictions. The Services Manual may not be amended, modified or supplemented except as expressly permitted herein, including in Section 11.2.C. Licensor and its Affiliates will provide such services in accordance with the applicable standard for the provision of such services as set forth in the Services Manual.

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

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

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

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

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

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

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

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

12. REPAIRS AND MAINTENANCE

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

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

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

13. PROPRIETARY MARKS AND INTELLECTUAL PROPERTY

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

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

B. Licensor acknowledges that Licensee has provided Licensor with a list of (i) all trademarks, service marks, and trade names that Licensee or its Affiliates are currently using or intend to use in connection with the Licensed Destination Club Business and Licensed Whole Ownership Residential Business (whether or not such trademarks, service marks, and trade names have been

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

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

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

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

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

D. Licensor covenants with respect to the Licensed Marks that:

(1) Subject to Section 13.1.D(2), it will take or will cause to be taken all commercially reasonable steps necessary to preserve and protect the ownership and validity of the Licensed Marks; provided, however, that Licensor will not be required to maintain any particular registration or application for the Licensed Marks that Licensor determines cannot or should not be maintained, and Licensor will not be required to take action against any third-party trademark, name or other identifier that Licensor determines cannot or should not be challenged; and

(2) (i) If Licensee has a commercially reasonable expectation that it will render Licensed Services under the Licensed Marks in any particular Unregistered Area or in a jurisdiction of which Licensor has notified Licensee may have Vulnerable Registrations under Section 13.1.C(2) (“Subject Jurisdictions”), Licensee will provide notice to Licensor of the Subject Jurisdiction(s)

at least ninety (90) days prior to rendering any Licensed Services under the Licensed Marks or entering into any sublicense agreement under Sections 5.1.C., 5.2.D., or 5.8.B., in any Subject Jurisdiction. Upon receipt of such notice(s), Licensor or its Affiliate will file and prosecute new trademark application(s), or continue to use commercially reasonable efforts to prosecute any then-pending trademark applications, at Licensor's expense, subject to any prior or superior third-party rights in that country or jurisdiction and the laws and regulations of that country or jurisdiction. Licensor shall have no obligation to file applications for or otherwise obtain any trademarks that have previously been registered or applied for by third parties or with respect to which there are prior users or prior conflicting rights held by third parties. Licensor agrees to consult with Licensee upon learning of third-party rights that may conflict with Licensor's ability to obtain a registration in the Subject Jurisdiction; provided, however, that such consultation shall not, and is not intended to, modify the provision above that Licensor has no obligation to file or obtain such trademarks and that Licensor may make such determination in its sole and final discretion. Licensee shall have no claim against Licensor or its Affiliates with respect to, and neither Licensor nor its Affiliates shall be liable for, any failure by Licensor or its Affiliates to obtain registration of the Licensed Marks in any Unregistered Area or to obtain any protection of the Licensed Marks in jurisdictions with Vulnerable Registrations. Licensee shall have no right to use, sublicense, or otherwise permit or consent to the use of, any of the Licensed Marks for any purpose in any Unregistered Areas or any jurisdictions of which Licensor has notified Licensee may have Vulnerable Registrations until Licensor has notified Licensee in writing that Licensee is authorized to use the Licensed Marks in such jurisdiction(s).

(ii) Licensor acknowledges that in certain circumstances Licensee or its Affiliates may need to pursue opportunities in Subject Jurisdictions prior to the time that Licensee has been notified by Licensor that Licensee or its Affiliates are authorized to use the Licensed Marks in such Subject Jurisdictions and, notwithstanding Section 13.1.D.(2)(i), such use will not be deemed a breach of this Agreement prior to Licensor notifying Licensee that a Licensed Mark in a Subject Jurisdiction cannot be registered or cannot be used due to prior or superior third party rights. Until such time that Licensor has authorized Licensee's or its Affiliate's use of the Licensed Marks in the Subject Jurisdiction, if Licensee or its Affiliate elects to proceed with the use of the Licensed Marks prior to receiving such notice, (x) such use shall be at Licensee's or its Affiliates' sole risk and Licensee shall indemnify Licensor as if such use were an unauthorized use pursuant to Section 16.1.A.(i), and (y) notwithstanding anything in Section 16.1.B. to the contrary, Licensor will have no obligation to indemnify Licensee or its Affiliates for such use. If Licensor determines, and notifies Licensee, that a Licensed Mark in a Subject Jurisdiction cannot be registered or cannot be used due to prior or superior third party rights, Licensee and its Affiliates shall cease any use that it commenced with respect to the applicable Licensed Mark under this Section 13.1.D.(2)(ii) promptly following receipt of such notice.

E. If, following the Effective Date, Licensor or its Affiliates secure a trademark registration for the applicable elements of the Licensed Business for the registered services (that are Licensed Services) under the applicable Licensed Mark in any portion of the Excluded Area, Licensee will be granted the right to use the Licensed Marks and the System pursuant to Section 1.A in the subject portion of the Excluded Area, but only with respect to the specific Licensed Services covered by the newly secured registration.

13.2 Licensee's Use of System and Licensor Intellectual Property.

A. With respect to Licensee's use of the System and Licensor Intellectual Property under this Agreement:

(1) Licensee will use the System and Licensor Intellectual Property only as and in the form and manner expressly authorized by Licensor. Unauthorized use of Licensor Intellectual Property by Licensee will constitute an infringement of Licensor's rights as well as a material default of this Agreement;

(2) Licensee will use the Licensed Marks only in substantially the same places, combination, arrangement, and manner as provided in the Brand Standards or approved by Licensor. Licensee will use the symbol "®," "™," "℠" or such symbols or words as Licensor may designate to use with or otherwise protect the Licensed Marks;

(3) (i) Licensee will identify itself as a licensee of Licensor and the owner and/or operator of the Licensed Business and each Project as allowed or required by Licensor under the Brand Standards.

(ii) Licensor hereby licenses Licensee to use "Marriott" in the name "Marriott Vacations Worldwide Corporation" as the corporate name for Licensee ("Permitted Corporate Name"), and where applicable to use "Marriott" as part of the corporate names of Licensee's Affiliates existing as of the date of the Spin-Off Transaction ("Permitted Licensee Affiliate Names") as set forth in Exhibit J.

(iii) Licensor may terminate such license to use the Permitted Corporate Name and/or, subject to (iv) below, the Permitted Licensee Affiliate Names immediately upon notice to Licensee, in which event, Licensee's and its Affiliates' use of such names shall be immediately discontinued and such corporate names shall be promptly changed to names that do not use the word "Marriott" or any of Licensor's or its Affiliates' other trademarks or trade names or any similar trademarks or trade names if (i) at any time the aggregate number of Licensed Destination Club Units is less than one-half (1/2) of the total number of Destination Club Units owned or operated by Licensee, or (ii) Licensee acquires, or merges or is combined with, the Destination Club Business of Hilton Worldwide or its successors-in-interest (excluding Licensor or its Affiliates) or Starwood Hotels and Resorts or its successors-in-interest (excluding Licensor or its Affiliates) or any Hilton Brand or Starwood Brand, and continues to use any Hilton Brand or Starwood Brand on or in connection with its Destination Club Business, provided that if clause (ii) is implicated, Licensee shall, in no event, be required to discontinue such use until the fifth (5th) anniversary of the Effective Date. Additionally, if any Affiliate of Licensee that is using a Permitted Licensee Affiliate Name affiliates with a Lodging Competitor Brand, Licensor may terminate the right to use the Permitted Licensee Affiliate Name as to that Affiliate, in which event, the use of the Permitted Licensee Affiliate Name of such Affiliate shall be immediately discontinued and such corporate name shall be promptly changed to a name that does not use the word "Marriott" or any of Licensor's or its Affiliates' other trademarks or trade names or any similar trademarks or trade names.

(iv) In the event that it is impossible for any Permitted Licensee Affiliate Name to be changed to a corporate name that does not use of the word "Marriott" pursuant to (iii) above, the license to use the Permitted Licensee Affiliate Name will remain in place for so long during the Term as it remains impossible to change the name; provided, however, the parties will discuss and agree on a solution whereby there are no further consumer-facing uses of the Permitted Licensee Affiliate Name, which may include the adoption of a "doing business as" (DBA) name that does not use the word "Marriott" or any of Licensor's or its Affiliates' other trademarks or trade names or any similar trademarks or trade names.

(v) Licensee shall not, at any time, include any brand name in its corporate name (other than the name "Marriott" in the Permitted Corporate Name and Permitted Licensee Affiliate Names), other than a new brand name developed by Licensee that does not contain any of the Licensor Intellectual Property or any similar marks or names, provided, that Licensee and its Affiliates may at any time use the words "Vacation", "Vacations", "Worldwide", and/or "Corporation" in an entity name that does not contain any of the Licensor Intellectual Property or any similar marks or names.

(vi) Licensee acknowledges and agrees that the grant of rights to use the Permitted Corporate Name and the Permitted Licensee Affiliate Names hereunder shall not restrict or limit in any way Licensor's or its Affiliates' ability to use the words "Marriott", "Vacations", "Vacation", or "Worldwide" in any form, manner, or combination or in any context or respect at any time, provided that Licensor and its Affiliates will not use all three of the words "Marriott", "Vacations", and "Worldwide" together in the name of a single entity for consumer-facing purposes at any time during the Term that Licensee is permitted to use the Permitted Corporate Name and Permitted Licensee Affiliate Names hereunder, but Licensor and its Affiliates may use such words in any other combination or manner without any restriction whatsoever.

(vii) Licensor acknowledges that as of the Effective Date certain Non-Controlled Property Owners' Associations have names that contain the word "Marriott" ("Existing Association Names"). Except for the Existing Association Names, Licensee will not permit any other Property Owners' Associations to use the word "Marriott" or any other Licensor Intellectual Property or any similar marks or names in their names. Licensee will use commercially reasonable efforts to cause each Non-Controlled Property Owners' Association with an Existing Association Name to change its name to a name that does not contain the word "Marriott" or any of Licensor's or its Affiliates' other trademarks or trade names or any similar trademarks or trade names.

(4) Notwithstanding Section 13.2.A.(3) or any "fair use" rights that Licensee or its Affiliates may have with respect to the Permitted Corporate Name or the Permitted Licensee Affiliate Names, Licensee and its Affiliates are expressly prohibited from using, and Licensee hereby agrees not to use and agrees to cause its Affiliates not to use, the Permitted Corporate Name or the Permitted Licensee Affiliate Names (or any variation thereof) as part of, or in any way associated with, the name of any property that is not part of the Licensed Business without Licensor's prior written consent in its sole discretion. For illustrative purposes only, Licensee and its Affiliates would be prohibited from using the following name: "Napa Valley Destination Club operated by Marriott Vacations Worldwide Corporation". However, if a jurisdiction recognizes nominative fair use rights and a Member makes nominative fair use of a Licensed Mark in connection with a sale of its interests in a Project in such jurisdiction, then this section is not intended to limit or modify such fair use rights. If Licensee or its Affiliates use the Permitted Corporate Name, the Permitted Licensee Affiliate Names, or any variation thereof in violation of this Section 13.2.A(4), then, in addition to any damages that Licensor or its Affiliates may be entitled to hereunder or under Applicable Law, Licensor will have the right to require Licensee or its Affiliates, as applicable, to pay Royalties for each property with respect to which Licensee or its Affiliates are using the Permitted Corporate Name, the Permitted Licensee Affiliate Names, or a variation thereof, in violation of this Section 13.2.A(4).

(5) Licensee does not have any right to and will not Transfer, sublicense, or allow any Person to use any of the Licensor Intellectual Property, except as expressly permitted in this Agreement;

(6) Licensee will not use the Licensor Intellectual Property to incur any obligation or indebtedness on behalf of Licensor or any of its Affiliates;

(7) Licensee will not apply for trademark or service mark registration of any Proprietary Mark, any variation thereof, or any mark determined by Licensor to be similar to, or that includes, any Proprietary Mark in the United States or any other country or jurisdiction. If Licensee requests that Licensor file an application for a new trademark that includes any Proprietary Mark which is

related to a new program or initiative under the Licensed Business and Licensor approves such request (such approval to be granted if the request is commercially reasonable), Licensor will file such application at Licensor's expense. If Licensee wishes to modify an existing Licensed Mark and requests that Licensor file an application for such modified Licensed Mark, and Licensor approves such request to modify, Licensor will file such application, but Licensee must reimburse Licensor for all costs and expenses related to such application (including without limitation the costs for conducting a trademark search, filing and prosecuting an application through to registration, maintenance of any resulting registrations (unless such resulting registration replaces an existing registration that is not maintained), and any related appeals, proceedings, disputes, oppositions and litigation).

(8) If Licensee or any of its Affiliates registers or has registered or directly or indirectly controls any domain name that is determined by Licensor to be similar to the domain names owned by Licensor or its Affiliates as described in Section 13.2.B(1) below or that incorporate any of the Proprietary Marks (or any variation thereof), Licensee or its Affiliates, as applicable, must unconditionally assign such domain names to Licensor or its Affiliate;

(9) Licensee will obtain Licensor's approval of, and will comply with Licensor's instructions in filing and maintaining, any required business, trade, fictitious, assumed, or similar name registrations containing the Licensed Marks. Licensee will also execute any documents and take such other action deemed necessary by Licensor or its counsel to protect and enforce the Proprietary Marks or maintain their validity and enforceability; and

(10) If litigation or other demand or action involving the Licensor Intellectual Property is instituted or threatened against Licensee or any notice of such infringement is received by Licensee, or if Licensee becomes aware of any infringement or other violation of the Licensor Intellectual Property by Licensee or a third party, Licensee will promptly notify Licensor in writing and will cooperate fully with Licensor and comply with Licensor's instructions in connection with Licensor's defense, prosecution or settlement of such litigation, notice, infringement or violation. Licensor shall have sole responsibility for enforcing the Licensor Intellectual Property at its sole discretion and cost and is entitled to all settlements, damages, costs, attorneys' fees or other amounts received from such enforcement efforts. If any such settlement amount or damage award received by Licensor is solely based on damage to or impact on the exclusively licensed aspects of the Licensed Business, then after applying such amount or award toward Licensor's attorneys' fees and other costs related to the matter, Licensor will share any remaining portion of the settlement amount or damage award with Licensee in a equitable manner as determined by Licensor based on the relative interests of the parties.

B. Licensee agrees that:

(1) Licensor and/or its Affiliates are the owners or licensees of all right, title, and interest in and to the System (other than Electronic Systems provided by or licensed by third parties), the goodwill associated with and symbolized by the Proprietary Marks, and the domain names www.marriottvacationclub.com, www.marriottvacationsworldwide, www.grandresidenceclub.com, and www.marriott.com, and other domain names owned by Licensor or its Affiliates;

(2) the Proprietary Marks are valid and serve to identify the System and those who hold rights to operate under the System;

(3) the Proprietary Marks are subject to replacement, addition, deletion, and other modification by Licensor (or the Affiliate that owns the Proprietary Marks) in its discretion. In such event,

(a) Licensor may require Licensee to discontinue or modify Licensee's use of any of the Licensed Marks or to use one or more additional or substitute or modified marks; provided, however, that Licensor shall not amend, modify, delete, or change the word "Marriott" in any of the Licensed Marks described in clauses (i) through (iv) of the definition of "Licensed Marks" as used in connection with the Licensed Business (other than the appearance, including the color, font, stylization, script, or format of the word "Marriott" used as part of such Licensed Marks, provided that Licensor will not change the size or location of the word "Marriott" in relation to the other components of the marks described in (i) through (iv) of the definition of Licensed Marks) without Licensee's prior written consent in its sole discretion. Notwithstanding the foregoing, Licensee will not be required to discontinue using or change any Licensed Mark that is used solely in connection with the Licensed Business and is not the same as or similar to any mark owned by Licensor or its Affiliates for use in connection with Licensor Lodging Facilities or other businesses and activities of Licensor and its Affiliates; and

(b) Licensor may require that Licensee bear the costs related to such replacement, addition, deletion, or other modification in respect of the Licensed Business; provided, however, that Licensor shall treat Licensee in the same way that Licensor treats franchisees or licensees of Licensor Lodging Facilities with respect to such costs, or the economic equivalent thereof.

(4) During the Term and thereafter, Licensee will not directly or indirectly (i) attack or otherwise challenge the ownership, title or rights of Licensor or its Affiliates in and to any part of the System; (ii) contest the validity of any part of the System, or the right of Licensor to grant to Licensee the use of any part of the System (other than Electronic Systems provided by or licensed by third parties) in accordance with this Agreement; (iii) take any action or refrain from taking any action that could impair, jeopardize, violate, or infringe any part of the System; (iv) claim adversely to Licensor or its Affiliates any right, title, or interest in and to the System; (v) assert any interest in all or any part of the System or the Licensor Intellectual Property by virtue of a constructive trust; (vi) misuse or harm or bring into dispute the System; or (vii) make any demand, or serve any notice orally or in writing, on a third party or institute any legal action against a third party, or negotiate, litigate, compromise or settle any controversy with a third party in relation to any claim, suit or demand, involving the Licensor Intellectual Property without first obtaining Licensor's consent, which consent may be granted or withheld in Licensor's discretion;

(5) Licensee has no Ownership Interest in the System or the Licensor Intellectual Property (including any modifications, derivatives or additions thereto proposed by or on behalf of Licensee or its Affiliates (for purposes hereof, collectively, "modifications")), and Licensee's use of the System and the Licensor Intellectual Property in connection with the operation of the Licensed Business and the Projects will not give Licensee any Ownership Interest therein. Licensee hereby assigns (and will cause each of its employees or independent contractors who contributed to such modifications to assign) to Licensor, in perpetuity throughout the world, all rights, title and interest (including the entire copyright and all renewals, reversions and extensions thereof) in and to all modifications to the Licensor Intellectual Property and other aspects of the System proposed or created by or on behalf of Licensee or its Affiliates. Licensee waives (and will cause each of its employees or independent contractors who contributed to such modifications to waive) all rights of "droit moral" or "moral rights of authors" or any similar rights that Licensee (or its employees or independent contractors) may now or hereafter have in such modifications, and Licensee disclaims any interest in such modifications by virtue of a constructive trust. Licensee agrees to execute (or cause to be executed) and deliver to Licensor any documents and to do any acts that may be deemed necessary by Licensor to perfect or protect the title in the modifications herein conveyed, or intended to be conveyed now or in the future; and

(6) all goodwill arising from Licensee's use of the System (other than Electronic Systems provided by or licensed by third parties) and any other aspect of the System will inure solely and exclusively to Licensor's benefit, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with Licensee's use of any aspect of the System.

C. The provisions of this Section 13.2 will survive the expiration or termination of this Agreement.

13.3 Licensee's Use of Other Marks.

A. Licensee will not use in any manner any of the System in connection with any Other Mark(s) (except the Licensee Marks), without Licensor's prior written approval in Licensor's sole discretion.

B. Licensee will not use any name or Other Mark (including the Licensee Marks) in connection with the Licensed Business or the Projects that may infringe upon, or tend to be confused with, dilute or otherwise violate a third party's trade name, trademark, or other rights in intellectual property.

C. Except as otherwise expressly permitted by Section 9.3 and 9.5, Licensee will not use or permit the use of any Other Mark (except for the Licensee Marks) in connection with the Licensed Business or the Projects or in any Marketing Content, advertising of, for, relating to or involving the Licensed Business or the Projects or its operation without Licensor's prior approval, which approval may be granted or withheld in Licensor's sole discretion; provided, however, nothing in this Section 13.3.C is intended to prohibit Licensee or its Affiliates from utilizing Other Marks in connection with the operation of country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops in the ordinary course of business at Projects.

13.4 Licensee Website.

A. Licensee has established and intends to continue the use of an Internet website to advertise and promote the Licensed Business and the Projects ("Licensee's Website"). Except as permitted with respect to Licensee's Website as described below, Licensee will not display the Licensed Marks or associate the System with (through a link or otherwise) any website, electronic Marketing Content, domain name, address, designation, or listing on the Internet or other communication system, except in compliance with the Brand Standards. Licensor will not object to foregoing items that Licensee has in place as of the Effective Date as not being in compliance with Brand Standards, other than misuses of the Licensed Marks; provided, however, that, following the Effective Date, any changes, additions, expansions, or other modifications of the foregoing and any new uses with respect to the foregoing must be in accordance with the Brand Standards. Licensor will permit Licensee to operate and maintain Licensee's Website, provided that (a) the form, content and appearance of the Licensed Marks that appear on Licensee's Website, and any modifications thereto, comply with the Brand Style and Communications Guide or are otherwise approved in writing by Licensor (such approval not to be unreasonably withheld, conditioned or delayed) before being posted on the Internet; and (b) Licensee's Website complies with all Data Protection Laws and the data protection laws of other jurisdictions that apply to Licensee's Website.

B. Licensee agrees that Licensor will be the registrant (i.e., registered owner) of all domain names that contain or are comprised of any of the Licensed Marks now and in the future (collectively, "Licensed Domains"), and that all Licensed Domains will be registered and maintained with Licensor's domain name registrar (the "Registrar"), which, as of the Effective Date, is CSC. Licensor

will have a “parent account” at the Registrar, and Licensee will have a “child account” at the Registrar under Licensor’s parent account for purposes of registering and managing all Licensed Domains that Licensee is permitted to use under this Agreement. Licensee will serve as and be identified as the administrative and technical contacts for the Licensed Domains, and Licensee will be solely responsible for the use and maintenance of the Licensed Domains (including without limitation controlling the child account and the user name and password for that account, paying all registration and renewal fees, maintaining and updating the servers for the Licensed Domains and any corresponding websites, and maintaining accurate contact information on the WHOIS records for the administrative and technical contacts). However, Licensor has the option, but is not required, to pay registration and renewal fees and take any actions to prevent the cancellation or expiration of any of the Licensed Domains. Licensee will not directly or indirectly: (1) delete or cancel any of the Licensed Domains without prior notice to Licensor and affording Licensor an opportunity to assume control or management of such Licensed Domains, (2) transfer control or management of any of the Licensed Domains to a new registrar, (3) transfer ownership of any of the Licensed Domains to an owner other than Licensor, (4) except as consented to by Licensor, encumber any of the Licensed Domains in any way (collectively, the “Changes”), or (5) permit use of the Licensed Domains, directly or indirectly, in any manner inconsistent with the terms of this Agreement. Licensee’s child account with the Registrar will not permit Licensee to make any Changes. Upon expiration or termination of the Agreement, Licensor will subsume Licensee’s child account into its parent account and will take over the disposition and management of all Licensed Domains in that account as Licensor may determine in its sole discretion, and Licensee will provide any cooperation necessary to carry this out.

13.5 Credit and Debit Cards.

A. Except to the extent used under Section 13.5.13(ii)(a), Licensee and its Affiliates shall not use any of the Licensor Intellectual Property, including the Licensed Marks or the Licensed Business Customer Information, to brand, co-brand, sponsor, market, promote or otherwise affiliate with a credit, charge or debit card other than through an arrangement with Licensor in connection with a Marriott branded, co-branded, sponsored, marketed or promoted credit, charge or debit card.

B. Licensee shall not market or promote the acquisition of a credit, charge or debit card in connection with the Licensed Business, including using any customer-facing sales assets or facilities that contain or display any of the Licensor Intellectual Property (including phone numbers, websites, domain names, screen names, social networking names, email addresses, and customer information) or Branded Elements in connection with the marketing or promotion of the acquisition of a credit, charge or debit card, other than (i) in an arrangement with Licensor in connection with a Marriott branded, co-branded, sponsored, marketed or promoted credit, charge or debit card, or (ii) in an arrangement that complies with Section 13.5.A above, and each of the following, subject to Section 13.5.C: (a) Licensee and its Affiliates may not market or promote such card except to existing Members of Licensed Destination Club Products, (b) Licensee and its Affiliates may not market or promote such card at Licensed Destination Club Projects or Licensed Residential Projects, (c) such card may offer benefits to cardholders such as discounts on Licensed Destination Club Products, or stays, products or services at Licensed Destination Club Projects, but may not offer points or other benefits that consist of or are exchangeable into points under a Brand Loyalty Program, or usage rights for Licensed Destination Club Units that may be used or converted into stays or other benefits at Licensor Lodging Facilities, and (d) such card may not be branded or sponsored by any Lodging Competitor Brand.

C. Licensee shall only be obligated to participate in an arrangement with Licensor in connection with a Marriott branded, co-branded, sponsored, marketed or promoted credit, charge or debit card provided that Licensor is complying with its obligations relating to such arrangement in the Services Manual. Unless Licensee elects to no longer participate in such arrangement, so long as Licensee is participating in such an arrangement and Licensor is complying with its obligations relating to such arrangement in the Services Manual, Licensee shall not have the right to enter into an arrangement described in clause (ii) of Section 13.5.B.

D. Nothing in this Section 13.5 shall restrict Licensee from entering into (i) credit, charge or debit card acceptance, merchant, servicing, and similar arrangements in the ordinary course of business with credit, charge and debit card companies, or (ii) subject to Sections 9.3 and 9.5, co-marketing, promotional and similar arrangements with credit, charge and debit card companies designed to promote the sale and general awareness of Licensed Destination Club Products and Licensed Residential Units to the card company's customer base or (iii) subject to Sections 9.3 and 9.5, arrangements with credit, charge and debit card companies under which the card company's customers can use credit card points for stays and services at Projects. For the avoidance of doubt, with respect to clauses (ii) and (iii) in the previous sentence, Licensee is not permitted to use any Licensed Business Customer Information; provided, that in the case of clause (ii), Licensee may use the list of Members of Licensed Destination Club Products for the sole purpose of expunging such Members from the card company's recipient list for such promotion**.**

13.6 Use of Licensee Marks.

A. Licensee represents that: (i) Licensee owns the registrations and/or the applications to register the Licensee Marks; and (ii) to the best of its actual knowledge: (x) Licensee has the right to consent to Licensor's use of the Licensee Marks and (y) there are no claims, litigation or proceedings pending or threatened by any Person that would materially affect Licensor's use of the Licensee Marks as contemplated by the terms of this Agreement. Licensee hereby consents to Licensor's and its Affiliate's use of the Licensee Marks in connection the Licensed Business and the Projects (including in printed marketing and promotional materials, and on Licensor's website) and agrees that such consent shall remain in full force and effect until thirty (30) days following the termination of this Agreement for any reason. Licensor consents to Licensee's use of the Licensee Marks in connection with the Licensed Marks on the terms and conditions set forth in this Section 13.6.

B. Licensee will use the Licensee Marks together with the Licensed Marks only as authorized under this Agreement in connection with the Licensed Business and the Projects and only in accordance with the Brand Style and Communications Guide or as otherwise authorized in advance by Licensor in writing. Licensee will strictly conform all uses of the Licensee Marks together with the Licensed Marks to the content, layout and graphic design of sample materials in accordance with the Brand Style and Communications Guide or as otherwise approved in advance by Licensor, and Licensee shall restrict such usage to types of activity, medium or signage in accordance with the Brand Style and Communications Guide or as otherwise specifically approved in advance by Licensor.

C. Licensee will not file, seek or make any registration containing any of the Licensee Marks together with any Licensed Marks. If such filing is required by Applicable Law, such registration shall be subject to the prior written approval of Licensor and shall be made solely by Licensor. Licensee shall withdraw, cancel or assign to Licensor, at Licensor's option, any unauthorized registration upon the request of Licensor. At Licensee's request upon the expiration or termination of this Agreement, Licensor shall withdraw or cancel any registration containing any Licensee Marks together with Licensed Marks.

D. Upon termination of this Agreement for any reason, Licensee will cease using the Licensed Marks as specified in Section 19 of this Agreement, including all use of the Licensed Marks together with the Licensee Marks as authorized pursuant to this Section 13.6. Upon termination of this Agreement for any reason, Licensor will cease using the Licensee Marks as specified in Section 19 of this Agreement, including all use of the Licensee Marks together with the Licensed Marks as authorized pursuant to this Section 13.6.

E. Licensee acknowledges and agrees that (a) it shall not acquire any right, title or interest in or to the Licensed Marks as a result of the use of the Licensee Marks together with the Licensed Marks, (b) all goodwill associated with the Licensed Marks generated by their use together with the Licensee Marks shall inure solely to Licensor, and (c) it shall not assert that the Licensed Marks and

the Licensee Marks when used together comprise a composite mark. Licensor acknowledges and agrees that (a) it shall not acquire any right, title or interest in or to the Licensee Marks as a result of the use of the Licensed Marks together with the Licensee Marks, (b) all goodwill associated with the Licensee Marks generated by their use together with the Licensed Marks shall inure solely to Licensee, and (c) except as necessary in connection with a filing by Licensor under Section 13.6.C, it shall not assert that the Licensee Marks and the Licensed Marks when used together comprise a composite mark.

F. Licensee hereby acknowledges and agrees that if at any time the use of the Licensee Marks in connection with the Licensed Business or any Project is challenged by a third party, Licensor may require that such use immediately cease or that the affected Licensee Marks be changed in a manner that resolves the challenge raised by the third party. Notwithstanding the potential requirement above by Licensor that Licensee cease using or use a changed Licensed Mark upon a third-party challenge to the Licensed Mark, if Licensee believes such challenge is without merit, Licensee may request that Licensor contest such challenge and Licensor shall determine how to proceed in Licensor's discretion. Except as otherwise set forth in this Agreement, Licensee shall have sole responsibility for enforcing the Licensee Marks in its discretion and cost and is entitled to all settlements, damages, costs, attorneys' fees or other amounts received from such enforcement efforts. To the extent any Licensee Mark is used in connection with any of the Licensed Marks, enforcement of the Licensed Marks is governed by Section 13.2.A(10).

13.7 Assignment of Certain Intellectual Property to Licensee.

Effective as of the date of the Spin-Off Transaction, Licensor and/or its Affiliates will assign, or have assigned, to Licensee certain intellectual property pursuant to an assignment agreement in the form agreed to by the parties.

14. CONFIDENTIAL INFORMATION; DATA PROTECTION LAWS

14.1 Confidential Information.

A. Licensee will not, during the Term or thereafter, without Licensor's prior consent, which consent may be granted or withheld in Licensor's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" Person any Licensor Confidential Information or use the Licensor Confidential Information in any manner not expressly authorized by this Agreement. Licensee may divulge such Licensor Confidential Information only to such of Licensee's employees or agents as require access to it in order to operate the Licensed Business and the Projects and to comply with Licensee's obligations under the Transaction Agreements, and only if such employees or agents are apprised of the confidential nature of such information before it is divulged to them and they are bound by confidentiality obligations substantially similar to those listed above. All other Persons, including, without limitation, any acquirer or potential acquirer of Licensee, are "unauthorized" for purposes of this Agreement. Licensee agrees that the Licensor Confidential Information has commercial value and that Licensor and its Affiliates have taken commercially reasonable measures to maintain its confidentiality, and, as such, the Licensor Confidential Information is proprietary and a trade secret of Licensor and its Affiliates. Licensee will be liable to Licensor for any breaches of the confidentiality obligations in this Section 14.1.A by its employees and agents. Licensee will maintain the Licensor Confidential Information in a safe and secure location and will immediately report to Licensor the theft or loss of all or any part of the Licensor Confidential Information.

B. Licensor will not, during the Term or thereafter, without Licensee's prior consent, which consent may be granted or withheld in Licensee's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" Person any

Licensee Confidential Information or use the Licensee Confidential Information in any manner not expressly authorized by this Agreement. Licensor may divulge such Licensee Confidential Information only to such of Licensor's employees or agents as require access to it in order to comply with its obligations with respect to the operation of the Projects and the Licensed Business and with the Transaction Agreements, and only if such employees or agents are apprised of the confidential nature of such information before it is divulged to them and they are bound by confidentiality obligations substantially similar to those listed above. All other Persons are "unauthorized" for purposes of this Agreement. Licensor agrees that the Licensee Confidential Information has commercial value and that Licensee and its Affiliates have taken commercially reasonable measures to maintain its confidentiality, and, as such, the Licensee Confidential Information is proprietary and a trade secret of Licensee and its Affiliates. Licensor will be liable to Licensee for any breaches of the confidentiality obligations in this Section 14.1.B by its employees and agents. Licensor will maintain the Licensee Confidential Information in a safe and secure location and will immediately report to Licensee the theft or loss of all or any part of the Licensee Confidential Information.

14.2 Data Protection Laws; Data Security.

A. With respect to the Licensed Business, each party will comply with all applicable Data Protection Laws and the Brand Standards related thereto and do and execute, or arrange to be done and executed, each act, document and thing necessary or desirable to keep the other party and its Affiliates in compliance with any of the Data Protection Laws. Each party shall reimburse the other party and its Affiliates for any and all costs incurred in connection with the breach by such party of such Data Protection Laws or the Brand Standards.

B. Without limiting the foregoing, each party shall implement with respect to the Licensed Business reasonable, current security measures to prevent unauthorized access to data relating to the Licensed Business (including the Licensed Business Customer Information) under such party's control. Such measures shall in no event be less stringent than (i) those used by such party to safeguard the Licensee Confidential Information and the Licensee Intellectual Property (in the case of Licensee) or the Licensor Confidential Information and the Licensor Intellectual Property (in the case of Licensor) or (ii) industry standard security measures used by companies of a similar size. Such measures shall include, where appropriate, use of updated firewalls, virus screening software, logon identification and passwords, encryption, intrusion detection systems, logging of incidents, periodic reporting, and prompt application of current security patches, virus definitions and other updates.

C. Each party shall secure all Personally Identifiable Information from unauthorized access, use, disclosure and loss using commercially reasonable security practices and technologies. If either party becomes aware of a suspected or actual breach of security involving Personally Identifiable Information, such party will notify the other party promptly after becoming aware of such occurrence. For purposes of such notification, Licensee shall notify Licensor's Information Protection and Privacy Department at privacy@marriott.com, and Licensor shall notify Licensee's Information Protection and Privacy Department at mvciprivacy@vacationclub.com, in either case or such other email addresses as a party may notify in writing to the other party from time to time.

15. ACCOUNTING AND REPORTS

15.1 Books, Records, and Accounts.

Licensee at its expense will maintain and preserve for at least the period of time required by Applicable Law, complete and accurate books, records, and accounts in accordance with United States generally accepted accounting principles, consistently applied, and Applicable Law, for the Licensed

Business, including, without limitation, each sale of an interest in Destination Club Units and Residential Units and other reasonable information that is necessary for Licensor to determine whether Licensee is in compliance with this Agreement. Licensee's obligation to preserve such books, records and accounts will survive the expiration or termination of this Agreement.

15.2 Reports.

A. Licensee will, at its expense, submit to Licensor within fifteen (15) days after the close of each Accounting Period during the Term a statement, in the form attached hereto as Exhibit D, containing specified sales information for such Accounting Period with respect to the Licensed Business, including aggregate initial sales relating to Gross Sales Prices, aggregate re-sales relating to Gross Sales Prices, aggregate initial sales relating to Gross Commissions, and aggregate re-sales relating to Gross Commissions and the Project count (showing the number of open and operating Projects and the corresponding number of Licensed Destination Club Units and Licensed Residential Units built and that have a certificate of occupancy) as of the end of each such Accounting Period.

B. Licensee will, at its expense, submit to Licensor within ninety (90) days following the end of each calendar year during the Term information regarding the length of the terms, renewal rights, and expiration dates of Property Owners' Association management agreements.

15.3 Licensor Examination and Audit of Licensee's Records.

A. Licensor and its authorized representatives have the right, at any time (but not more than once per calendar year, unless an audit reveals an understatement in such year), upon reasonable notice to Licensee, to: (i) examine all books, records, and accounts of Licensee for the five (5) years preceding such examination that relate to support for calculation of the Royalty Fees and other amounts payable under this Agreement where the calculation of such amount depends on information provided by Licensee and copy such information that is reasonably necessary for, and relevant to, such audit; and (ii) have an independent audit made of any of such books, records, and accounts. Licensee will provide such other assistance as may be reasonably requested related to the audit. If an examination or audit reveals that Licensee has made underpayments to Licensor or any of its Affiliates, Licensee will promptly pay to Licensor or such Affiliate upon demand the amount underpaid plus interest on the underpaid amount which will accrue thereon at a rate per annum equal to the Interest Rate from the date such amount was due until paid. If Licensee in good faith disputes that there was an underpayment, the parties will review the books and records in a cooperative manner in an attempt to resolve any discrepancy.

B. If an examination or audit discloses an understatement of payments due to Licensor of five percent (5%) or more for the period being examined or audited, or if the examination or audit reveals that the accounting procedures are insufficient to determine the accuracy of the calculation of any payments due, Licensee will reimburse Licensor for all reasonable costs and expenses connected with the examination or audit (including reasonable accounting and lawyers' fees). If the examination or audit establishes a pattern of underreporting, Licensor may require that the financial reports due under Section 15.2 be audited by an internationally recognized independent accounting firm consented to by Licensor. The foregoing remedies are in addition to any other remedies that Licensor may have under this Agreement.

C. If an examination or audit reveals that Licensee has made overpayments to Licensor or any of its Affiliates, Licensor or such Affiliate will promptly pay to Licensee upon demand the amount overpaid. If Licensor does not pay Licensee the overpaid amount within thirty (30) days after receiving documentation evidencing such overpayment reasonably requested by Licensor, Licensor will also pay interest on the overpaid amount which will accrue thereon at a rate per annum equal to the Interest Rate from the thirtieth (30th) day following Licensor's receipt of such documentation until paid.

D. To the extent Licensee is required to have access to information that is in the sole possession of Licensor or its Affiliates for purposes of Licensee's compliance obligations with respect to the Sarbanes-Oxley Act of 2002 (or any successor statute) or for purposes Licensee's reporting obligations as a publicly-traded company, Licensor will cooperate in providing access to the necessary information that is within Licensor's or its Affiliates' control and that Licensor and its Affiliate is permitted to provide under Applicable Law.

16. INDEMNIFICATION; CONTRIBUTION IN LIEU OF INDEMNIFICATION; AND INSURANCE

16.1 Indemnification.

A. Licensee will, and hereby does, indemnify and defend Licensor and its Affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against all losses, costs, liabilities, damages, claims, and expenses of every kind and description with respect to claims brought by third-parties, including allegations of negligence by Licensor, its Affiliates, and their respective officers, directors, employees, and agents (subject to Section 16.1.G.), to the fullest extent permitted by Applicable Law, and including reasonable lawyers' fees, arising out of or resulting from acts or omissions by Licensee or its Affiliates or their respective officers, directors, agents, or employees involving the following:

(i) the use of any Licensor Intellectual Property in violation of this Agreement;

(ii) any violation of Applicable Law with respect to the Licensed Business;

(iii) a claim that Licensor or its Affiliates are developers, declarants, sponsors, or brokers of Licensed Destination Club Units or Licensed Residential Units;

(iv) any design, renovation, upgrading, alteration, remodeling, repair or construction defect claims (in no event shall this provision impact Licensee's rights and interest under any insurance policies as provided under other Transaction Agreements) or claims related to services provided to Members;

(v) claims related to services provided to Members, any claim by any Member relating to the interests in Destination Club Units or Residential Units, any claim by any Member relating to any untrue statement or alleged untrue statement of a material fact contained in the offering materials, or any omission or alleged omission to state a material fact required to be stated in such offering materials or necessary to make the statements made therein not misleading;

(vi) the offer or sale of interests in Licensed Destination Club Units or Licensed Residential Units, including any disputes or lawsuits arising therefrom;

(vii) the development, sales, and marketing activities occurring on or after the date of the Spin-Off Transaction and the operation or servicing of the Projects or of any other business conducted by Licensee or its Affiliates on, related to, or in connection with the Projects or the Licensed Business;

(viii) the unauthorized use of the Licensed Marks in connection with the offer and sale of interests in Licensed Destination Club Units or Licensed Residential Units (a) in any Unregistered Area and (b) in any jurisdiction where the Licensed Marks are the subject of Vulnerable Registrations;

(ix) claims made by Members or other customers of the Licensed Business as a result of the termination (other than wrongful termination by Licensor) or expiration of this Agreement or any rights granted hereunder in accordance herewith;

(x) infringement, dilution or other claims by third parties in relation to the Licensee Intellectual Property or for Licensor's use of Licensee Intellectual Property that is licensed, or the use of which is consented to, hereunder by Licensee in accordance with the terms of this Agreement;

(xi) failure to pay Taxes payable by, levied or assessed against Licensee, its Affiliates, or any Property Owners' Association by Tax authority relating to the Licensed Business, the Projects, this Agreement, any other Transaction Agreements or in connection with operating the Projects or the Licensed Business;

(xii) Logoed Merchandise produced by or on behalf of Licensee, and its Affiliates bearing the Licensed Marks, including without limitation products claims and claims for infringement, dilution or any other violation of intellectual property rights or other rights;

(xiii) breach of the obligations with respect to Personally Identifiable Information or data security under this Agreement and any and all costs and expenses related to notification of affected individuals and procurement of credit protection services for such individuals; and

(xiv) the infringement of a third party's intellectual property rights in connection with the Licensed Business, other than with respect to use by Licensee and its Affiliates of Licensor Intellectual Property that is licensed hereunder to Licensee in accordance with the terms of this Agreement;

(xv) any claim arising from the operation, ownership or use of the Licensed Business, the Projects or of any other business conducted on, related to, or in connection with the Projects; and

(xvi) failure to operate the Projects in compliance with the terms, conditions, restrictions, and prohibitions in this Agreement relating the operation of the Projects as Destination Club Products or as Residential Products.

B. Licensor will, and hereby does, indemnify and defend Licensee and its Affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against all losses, costs, liabilities, damages, claims, and expenses of every kind and description with respect to claims brought by third-parties, including allegations of negligence by Licensee, its Affiliates, and their respective officers, directors, employees, and agents (subject to Section 16.1.G.), to the fullest extent permitted by Applicable Law, and including reasonable lawyers' fees, arising out of or resulting from acts or omissions by Licensor or its Affiliates or their respective officers, directors, agents, or employees involving the following:

(i) infringement claims by third parties for Licensee's use of Licensor Intellectual Property that is licensed hereunder to Licensee in accordance with the terms of this Agreement, but excluding any Licensor Intellectual Property that is licensed from, or otherwise provided by, a third party (other than an Affiliate of Licensor), provided that the use of the Licensor Intellectual Property is in accordance with the terms and conditions of this Agreement;

(ii) if Licensee and its Affiliates are in compliance with the terms, conditions, restrictions, and prohibitions in this Agreement relating the operation of the Projects as Destination Club Projects or as Residential Projects, claims by owners, developers, operators, lessees, licensees, or franchisees of Licensor Lodging Facilities that the conduct of the Licensed Business violates Agreed Territorial Protections;

(iii) any violation of Applicable Law with respect to the Licensed Business;

(iv) to the extent that Licensor or its Affiliates provide services to customers of the Licensed Business, claims by the customers concerning the services provided by Licensor or its Affiliates to such customers of the Licensed Business;

(v) to the extent that Licensor or its Affiliates operate or provide services to the Projects or operate other businesses at, or in connection with the Projects or the Licensed Business, claims by customers arising directly out of or based solely on the operation of Projects or services provided by Licensor or its Affiliates; and

(vi) breach of the obligations with respect to Personally Identifiable Information or data security under this Agreement and any and all costs and expenses related to notification of affected individuals and procurement of credit protection services for such individuals.

Notwithstanding the foregoing, Licensor shall have no liability for any claims arising out of or relating to:

(x) Licensee's or its Affiliates' unauthorized use of the Licensed Marks: (a) in any Unregistered Area or the Excluded Area; (b) in any jurisdiction where the Licensed Marks are the subject of Vulnerable Registrations; or (c) in any jurisdiction where the Licensed Marks have been previously registered or applied for by third parties or with respect to which there are prior users or prior conflicting rights held by third parties;

(y) any uses of the Licensed Marks by Licensee or its Affiliates that are not covered by the trademark registrations for the Licensed Marks held by Licensor or its Affiliates; or

(z) Logoed Merchandise bearing the Licensed Marks, including without limitation products claims and claims for infringement, dilution or any other violation of intellectual property rights.

C. If either party receives notice of any action, suit, proceeding, claim, demand, inquiry, or investigation for which it is entitled to an indemnity under Sections 16.1.A. or B., the party receiving notice shall promptly notify the other party.

D. Unless the parties otherwise agree, within 30 days after an indemnifying party receives notice of a third-party claim in accordance with Section 16.1.C, the indemnifying party will defend the third-party claim (and, unless the indemnifying party has specified any reservations or exceptions, seek to settle or compromise), at its expense and with its counsel. The indemnitee may, at its expense, employ separate counsel and participate in (but not control) the defense, compromise, or settlement of the third-party claim. However, the indemnifying party will pay the fees and expenses of the indemnitee's counsel (a) for any period during which the indemnifying party has not assumed the defense of the third-party claim (other than for any period in which the indemnitee did not notify the indemnitee of the third-party claim as required by Section 16.1.C.) or (b) if the engagement of counsel is as a result of a conflict of interest, as the indemnitee reasonably determines in good faith. Notwithstanding the above, if Licensor determines that the matter at issue may have a material adverse effect on Licensor, the Licensed Marks, or Licensor's Lodging Business, then Licensor, through counsel of its choice, may control the defense or response to any such action, and such undertaking by Licensor will not, in any manner or form, diminish Licensor's obligations to Licensee hereunder. If the matter at issue principally relates to Licensee's interest in the Licensed Business, Licensor shall allow Licensee through counsel of its choice to control the defense or response to any such action.

E. Under no circumstances will any indemnitee be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim for indemnification under this Agreement, and the failure to pursue such recovery or mitigate a loss will in no way reduce the amounts recoverable from the indemnifying party by the indemnitee.

F. The remedies provided in this Section 16.1 are cumulative and do not preclude assertion by any indemnitee of any other rights or the seeking of any and all other remedies against any indemnifying party.

G. (1) Notwithstanding anything to the contrary in Sections 16.1.A or B, if the third party claim at issue results directly and solely from a breach by the party seeking indemnification of such party's obligations under this Agreement, the Electronic Systems License Agreement, or the Design Review Addendum, then the party seeking indemnification will not be entitled to indemnification, to the extent such claim or some or all of claimants' damages results directly and solely from such breach. For the avoidance of doubt, (a) a failure by Licensor to (i) inspect or note in any inspection a deficiency or non-compliance with Brand Standards by Licensee or its Affiliate or (ii) enforce compliance with any Brand Standard by Licensee or its Affiliate or (b) any approval by Licensor of conduct or actions of Licensee or its Affiliate, shall not be deemed a breach that would limit or otherwise affect Licensee's obligation to indemnify Licensor.

(2) Except as may expressly be set forth in this Agreement, none of Licensor or its Affiliates or Licensee or its Affiliates will in any event have any liability to the other (including the obligation to indemnify the other party under this Section 16.1), or to any other Licensor indemnitee or Licensee indemnitee, as applicable, under this Agreement (a) for claims where either party or their Affiliates or their respective officers, directors, employees or agents are found to be solely responsible by a final non-appealable judicial decision for such damages or losses based upon such person's or entity's willful misconduct or gross negligence or (b) for any indirect, punitive or consequential damages (other than to the extent the indemnitee is liable for such damages under a court order issued in connection with a claim).

H. The parties' obligations under this Section 16.1 will survive the termination or expiration of this Agreement.

16.2 Insurance Requirements of Licensee.

A. During the Term, Licensee, at its (or the Property Owners' Associations') expense, will procure and maintain (or cause to be procured and maintained) such insurance as may be required by the terms of any condominium, association, and trust agreements on each Project or Applicable Law, and no less than the following:

(1) Property Insurance

(a) Property insurance coverage on each Project as required under the applicable Project condominium, association, and trust agreements, except to the extent procured by Licensor under any Licensor Management Agreement. In the event the applicable Project does not have condominium, association, or trust agreements or insurance requirements set forth in such agreements, the Project building(s) and contents shall be insured against loss or damage by fire, lightning, and all other risks covered by the usual all-risk policy form, all in an amount not less than the full replacement cost (as such term is customarily used in the insurance industry) and earthquake, windstorm, flood and terrorism in reasonable amounts.

(2) Workers' compensation insurance in statutory amounts on all employees of each Project and employer's liability insurance in amounts not less than $1,000,000 per accident/disease.

(3) Comprehensive or commercial general liability insurance for any losses arising from each Project or its operation, with a limit of not less than $1,000,000 per each occurrence for bodily injury and property damage. If the general liability coverages contain a general aggregate limit, such limit will be not less than $2,000,000, and it will apply in total to the applicable Project only. Such insurance will be on an occurrence policy form and will include premises and operations, independent contractors, blanket contractual, products and completed operations, acts of terrorism, world wide defense and indemnity, advertising injury, employees as additional insureds, personal injury, incidental medical malpractice, severability of interests, innkeeper's and safe deposit box liability, and explosion, collapse and underground coverage during any construction, renovation, upgrading and/or remodeling.

(4) Liquor Liability (applicable when alcoholic beverages are distributed, sold, served, or furnished at the Project) for combined single limits of bodily injury and property damage of not less than $1,000,000 each occurrence or each "common cause" and an aggregate of $2,000,000.

(5) Business Auto Liability including owned, non-owned and hired vehicles for combined single limits of bodily injury and property damage of not less than $1,000,000 each occurrence.

(6) Umbrella or Excess Liability on a following form in amounts not less than $200,000,000 in excess of the liability insurance required under subsections A(2) through (5) immediately above.

(7) Fidelity insurance coverage or a fidelity bond in an amount not less than $1,000,000 per occurrence.

(8) Employment practices liability insurance in an amount not less than $1,000,000 per occurrence.

(9) Such other insurance as may be customarily carried by other first class operators on projects similar to the Projects or as required by Licensor on similar projects.

B. The following general insurance requirements will be satisfied by Licensee:

(1) All insurance under subsection A(3) through (5) of this Section and subsection A (6) (if such Umbrella or Excess does not follow form with the additional insured status in underlying policies in subsection A(3) through (5) of this Section) will by endorsement specifically name as additional insureds Licensor, any Affiliate of Licensor designated by Licensor, and their employees. All insurance required hereunder will be specifically endorsed or provide that the coverages will be primary and that any insurance carried by any additional insured will be excess and non-contributory, except as provided under a Licensor Management Agreement.

(2) Any deductibles or self-insured retentions allocated to any individual Project by Licensee (excluding deductibles for high hazard risks in high hazard geological zones, such as flood, earthquake, terrorism and windstorm, which will be as required by the insurance carrier) will not exceed $50,000, or such higher amount as may be approved in advance in writing by Licensor.

(3) All insurance purchased in compliance herewith will be placed with insurance companies of recognized responsibility and reasonably acceptable to Licensor which acceptance shall not be unreasonably withheld and approved to do business in the state or country where each Project is located.

(4) All insurance required hereunder will provide if commercially available (if not available, Licensee shall provide such notice) whereby the policies will not be canceled, non-renewed, or limits reduced without at least thirty (30) days prior notice to Licensor. Licensee will deliver to Licensor a certificate of insurance (or certified copy of such insurance policy if requested by Licensor in the event of a loss) in English evidencing the coverages required herein. Renewal certificates of insurance (or certified copies of such insurance policy if requested by Licensor in a particular jurisdiction) will be delivered to Licensor not less than ten (10) days prior to their respective inception dates.

(5) All insurance required hereunder may be written under policies of blanket insurance that cover other properties of Licensee and its Affiliates so long as such blanket insurance fulfills the requirements herein.

(6) Licensee’s obligation to maintain the insurance hereunder will not relieve Licensee of its indemnification obligations under Section 16.1.

(7) Should Licensee for any reason fail to procure or maintain the insurance required by this Agreement or as revised in writing by Licensor, Licensor will have the right and authority (without however any obligation to do so) to immediately procure such insurance and to charge the cost thereof to Licensee, which charges, together with a reasonable fee for Licensor’s expenses in so acting, will be payable by Licensee immediately upon notice.

16.3 Insurance Required During Construction.

Licensee shall maintain insurance pursuant to the requirements in the Design Review Addendum at Exhibit G.

16.4 Obligation to Maintain Insurance.

Licensee's obligation to maintain the insurance hereunder will not relieve Licensee of its obligations under Sections 16.1. As required by Licensor on similar projects, Licensor reserves the right to review the insurance coverages and limits from time to time and require increases or amendments to the insurance outlined in 16.2 and 16.3 based on competitive terms and conditions in the jurisdiction where the applicable Project is located. Such requirements shall be mutually agreed by Licensor and Licensee, but in no event shall the changes be less than those required by Licensor on similar projects. In the event Licensor or its Affiliates enter into a Licensor Management Agreement with Licensee, Licensor or its Affiliates agree to maintain the insurance required to be procured by Licensor or its Affiliates pursuant to the terms and conditions of such Licensor Management Agreement, but in no event will the coverage, terms and amounts be less than those terms and conditions set forth in the Licensor Management Agreement.

16.5 Contribution.

A. If the indemnification provided for under this Agreement is unavailable, or insufficient to hold harmless an indemnitee in respect of any indemnified liability, the indemnifying party will contribute to the amount paid or payable by the indemnitee as a result of such liabilities. The amount contributed by the indemnifying party will be in such proportion as reflects the relative fault of the indemnifying party and the indemnitee in connection with the actions or omissions resulting in the liability and any other relevant equitable considerations.

B. The parties agree that any method of allocation of contribution under this Section 16.5 will take into account the equitable considerations referred to in Section 16.5.A. The amount paid or payable by an indemnitee to which the indemnifying party will contribute will be deemed to include any legal or other expenses reasonably incurred by the indemnitee to investigate any claim or defend any action. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

17. TRANSFERABILITY OF INTERESTS

17.1 Transfers by Licensee.

Except as otherwise expressly provided herein, Licensee may not assign this Agreement or assign or sublicense any of its rights hereunder, or delegate any of its duties under this Agreement, or sell, transfer or dispose of all or substantially all of its assets relating to the Licensed Business, or merge or consolidate with any other entity in which Licensee is not the surviving entity, or engage in a transaction or series of related transactions that result in a Change in Control without Licensor's prior written consent which it may grant or withhold in its sole discretion. Any such Transfer will be a material default under this Agreement, and Licensor shall be entitled to enjoin or obtain a court order prohibiting such Transfer without posting a bond. Licensee shall not make any Transfer to a Specially Designated National or Blocked Person; provided, however, that so long as the Ownership Interests in Licensee are publicly-traded on a U.S., nationally-recognized securities exchange, the purchase of publicly-traded Ownership Interests in Licensee by a Specially Designated National or Blocked Person shall not be deemed to be a violation of this sentence. If a Specially Designated National or Blocked Person acquires a Controlling Interest in Licensee, Licensor shall have the right to terminate this Agreement immediately upon notice to Licensee.

17.2 Transfers by Licensor.

A. Except as otherwise expressly provided herein, Licensor may not assign this Agreement or assign any of its rights hereunder, or delegate any of its duties under this Agreement; provided, however, that Licensor may Transfer this Agreement to any Person without prior notice to, or consent of, Licensee, provided such Person (a) assumes Licensor's obligations to Licensee under this Agreement and (b) (i) is an Affiliate of Licensor that has the legal, financial, and operational ability to perform the obligations of Licensor under this Agreement or (ii) acquires all or substantially all of Licensor's rights in respect of (a) the System, (b) MHR Hotels, and (c) the Branded Elements. This Agreement will be binding on and inure to the benefit of Licensor and the successors and assigns of Licensor. If, in connection with such acquisition of the rights in respect of the System and the Transfer of this Agreement Licensor retains ownership or control of any of the underlying assets of the System necessary to perform Licensor's obligations under this Agreement, Licensor will continue to provide to Licensee, or to the Person assuming this Agreement, access to such underlying assets as is necessary to comply with the terms of this Agreement. If, in connection with such acquisition of the rights in respect of the System and the Transfer of this Agreement, the components of the Branded Elements that are used in MHR Hotels are replaced with different or modified components by the Person assuming this Agreement, then, as a condition of such acquisition, such Person will be required to provide Licensee with access to such different or modified components that are comparable to the corresponding components of the Branded Elements. Licensor shall not make any Transfer to a Specially Designated National or Blocked Person; provided, however, that so long as the Ownership Interests in Licensor are publicly-traded on a U.S., nationally-recognized securities exchange, the purchase of publicly-traded Ownership Interests in Licensor by a Specially Designated National or Blocked Person shall not be deemed to be a violation of this sentence. If a Specially Designated National or Blocked Person acquires a Controlling Interest in Licensor, Licensee shall have the right to terminate this Agreement immediately upon notice to Licensor.

B. Licensee acknowledges that Licensor and its Affiliates operate as a multi-national business enterprise. Without limiting Section 17.2.A., Licensor has the right to Transfer all or part of its rights under this Agreement to any of Licensor's Affiliates and, in connection therewith, require Licensee to pay amounts due under this Agreement to such Affiliates. However, if, as a result of any such Transfer, Licensee will be liable for greater Tax liability for payments due hereunder following such Transfer, any resulting increase in Tax liability shall be borne by Licensor and not by Licensee.

17.3 Proposed Transfers to Lodging Competitors.

Without limiting Section 17.1, no Transfer of any Ownership Interest in Licensee, any Projects, the Licensed Business or any Transaction Agreement will be made to a Lodging Competitor that results in a Lodging Competitor obtaining Control of Licensee, the Projects, or the Licensed Business. Any such Transfer will be a material default under this Agreement, and Licensor shall be entitled to enjoin or obtain a court order prohibiting such Transfer without posting a bond.

17.4 Comfort Letter and Security Interests in This Agreement.

In connection with any financing benefiting the Licensed Business, Licensee may not assign, mortgage, or grant a security interest in, or pledge as collateral, this Agreement, except as permitted hereunder. At Licensee's request, Licensor hereby agrees to provide to Licensee's lender a comfort letter that is substantially similar to the form of comfort letter that has been agreed to by the parties as of the Effective Date, so long as such lender is not an Affiliate of Licensee and Licensee is not in breach of any of its obligations under this Agreement. However, Licensor has no obligation to provide a "comfort letter" in connection with, or consent to, a transaction that would be prohibited by this Section

17. If a lender forecloses on, or otherwise exercises its rights against the assets of the Licensed Business, the revenues of the Licensed Business, or such Ownership Interests in Licensee, or Licensee violates this Section 17., Licensor will have the rights under Section 18.1. Licensor has no obligation to license a lender or any Person acting on behalf of a lender, including a receiver or servicer of a loan, to use the Licensed Marks or the System, unless that obligation arises from a valid and binding written agreement between Licensor and a lender.

18. BREACH, DEFAULT, AND REMEDIES

18.1 Licensee Project-, Sales Facility-, and Member Service Center-Level Breaches, Defaults, and Remedies.

A. The Project-, Sales Facility-, and Member Service Center-level breaches listed in (i) through (viii) below are deemed to be material breaches for which Licensee may be placed in default with respect to any Project, Sales Facility, or Member Service Center, as applicable, hereunder if (x) Licensor gives Licensee notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensor in its sole discretion or required by Applicable Law) and (y) Licensee fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.1.A. If Licensee fails to cure the breach and is placed in default, then Licensor may exercise the applicable remedy for the specific default as set forth below:

(i) If execution is levied against any Project or Licensee in connection with such Project in connection with a final, non-appealable judgment for the payment of an amount in excess of $10,000,000 (as adjusted annually after the Effective Date by the GDP Deflator), or a suit to foreclose any lien, mortgage, or security interest (except for foreclosures with respect to consumer financing on Member interests in Licensed Destination Club Units or Licensed Residential Units and except for mechanics liens that are placed on such Project in the ordinary course of business) on such Project or any property necessary for the operation of such Project in accordance with Brand Standards, is initiated and not vacated within ninety (90) days, then Licensor may issue of notice of breach to Licensee with respect to such Project. Licensee shall have thirty (30) days following notice of breach to post a bond or provide other financial assurances reasonably acceptable to Licensor that such Project can continue to operate as part of the Licensed Business in accordance with this Agreement. If Licensee fails to obtain such bond or provide adequate financial assurances, then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(ii) Except where the failure to meet the applicable thresholds for performance under the Quality Assurance Audit System at such Project is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Project as contemplated under Section 11.2.F, if Licensee fails to achieve the thresholds of performance established by the Quality Assurance Audit System for any Project and such failure has not been cured within the applicable cure period under the Quality Assurance Audit System, then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure under the Quality Assurance Audit System. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to improve the performance of such Project in accordance with the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into an agreement with Licensor in a form reasonably agreed to by the parties based on Licensor's then-current MHR Hotel consensual termination agreement that provides for the orderly removal of such Project from the System ("System Removal Agreement") or, if such Project is controlled by a Non-Controlled Property

Owners' Association whose management agreement will expire in twenty-four (24) months or less as of the date of the notice of default, an agreement in a form reasonably agreed to by the parties that Licensee or its Affiliate, as applicable, will not renew such Non-Controlled Property Owners' Association management agreement ("Non-Renewal Agreement"). If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(iii) Except where the failure to meet the applicable Minimum Customer Satisfaction Score under the Customer Satisfaction System at such Project is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Project as contemplated under Section 11.2.F, if the overall customer satisfaction score under the Customer Satisfaction System for any Project is less than the Minimum Customer Satisfaction Score target for the CSS Measurement Period as set forth in the Customer Satisfaction System and such failure has not been cured within the applicable cure period under the Customer Satisfaction System, then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure under the Customer Satisfaction System. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to meet the cure requirements set forth in the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into a System Removal Agreement with respect to such Project or, if such Project is controlled by a Non-Controlled Property Owners' Association whose management agreement will expire in twenty-four (24) months or less as of the date of the notice of default, a Non-Renewal Agreement with respect to such Project. If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(iv) (a) If any Project that is controlled by a Non-Controlled Property Owners' Association fails to develop, operate, maintain, or renovate such Project in compliance with this Agreement, the System, and the Brand Standards and Licensee fails to request that such Non-Controlled Property Owners' Association cure the failure or fails to Deflag such Project in accordance with Section 8.5, then Licensor may issue a notice of breach to Licensee with respect to such Project. Licensee shall have thirty (30) days following notice of breach to comply with such requirements of Section 8.5. If Licensee fails to comply with such requirements of Section 8.5, then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(b) If Licensee requests that any Non-Controlled Property Owners' Association cure any failure to develop, operate, maintain, or renovate any Project in accordance with the Brand Standards, the System, and the terms of this Agreement in accordance with Section 8.5; the Non-Controlled Property Owners' Association does not cure such failure; and despite Licensee's commercially reasonable efforts, Licensee is unable to promptly Deflag such Project in accordance with Section 8.5, then Licensor and Licensee shall have thirty (30) days following notice from Licensor to enter into a System Removal Agreement or a Non-Renewal Agreement, as applicable. If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(v) With respect to any Project that is controlled by Licensee or its Affiliate or any Controlled Property Owners' Association, if Licensee, its Affiliate, or such Controlled Property Owners' Association fails to develop, operate, maintain, or renovate such Project in compliance with this Agreement, the System, and the Brand Standards (whether by failure to provide adequate funds to comply therewith or otherwise), then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into a System Removal Agreement. If Licensee fails to execute the System Removal Agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the System Removal Agreement), then Licensor may terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(vi) If Licensee fails to operate any Sales Facility or Member Service Center in compliance with this Agreement, the System, or the Brand Standards, then Licensor may issue a notice of breach with respect to such failure. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensor may issue a notice of default with respect to such Sales Facility or Member Service Center. Licensee shall have thirty (30) days following notice of default to enter into an agreement with respect to (i) the change of management leadership of such Sales Facility (if such default relates to the operational aspects of such Sales Facility) or Member Service Center in a form agreed to by the parties, or (ii) the closure of such Sales Facility (if such default relates to the physical aspects of such Sales Facility) until such default is cured. If Licensee fails to execute such agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of such agreement), then Licensor may require Licensee to close such Sales Facility or Member Service Center and cease to operate such Sales Facility or Member Service Center as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(vii) Except as permitted under Section 8.5, if any Project ceases to operate as a Project under the Licensed Marks or the System, then Licensor may issue a notice of breach with respect to such Project. Licensee shall have thirty (30) days following notice of breach to enter into a System Removal Agreement with respect to such Project. If Licensee fails to execute the System Removal Agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the System Removal Agreement), then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(viii) (a) If a threat or danger to public health or safety occurs at any Project, that in the determination of Licensor, could be expected to result in substantial liability or an adverse effect on such Project, the System, the Proprietary Marks, or the goodwill associated therewith, then Licensee will notify Licensor of the threat or danger and Licensee will provide Licensor with a plan to address such threat or danger in a manner reasonably acceptable to Licensor, which plan may include proposed arrangements to accommodate guests and Members at alternative lodging facilities and may require the treatment of Members differently than transient guests. Depending on the severity of such

threat or danger, Licensor may (i) suspend such Project from the Reservation System, except for booking of Member usage rights, in accordance with Section 10.2 until the breach is cured; or (ii) remove such Project from the System pending resolution of the threat or danger. However, if such Project is removed from the System under (ii) above, Licensee may request that Licensor reinstate the rights to operate such Project, and Licensor will thereafter reinstate such rights, if, within six (6) months after removal of such Project from the System, the threat or danger to public health or safety is eliminated and Licensor has determined that such reinstatement would not cause substantial liability or loss of goodwill;

(b) In the event any such threat or danger to public health or safety occurs and Licensee fails to notify Licensor thereof or provide the plan to address such threat or danger acceptable to Licensor in accordance with (a) above, then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B; provided, however, that the reinstatement rights described in (a) above shall apply upon such termination;

B. Upon any default under Section 18.1.A(i) through (viii) with respect to any Project, Sales Facility, or Member Service Center, Licensor shall have the right to pursue any one or more of the following remedies in addition to the remedies with respect to such Project, Sales Facility, or Member Service Center provided for in Sections 18.1.A(i) through (viii):

(1) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Licensee acknowledges and agrees that, in the event that Licensor terminates Licensee's rights to operate such Project, Sales Facility, or Member Service Center as part of the Licensed Business in accordance herewith, Licensor will have the right to seek and obtain damages as to such Project, Sales Facility, or Member Service Center with respect to which the rights to operate hereunder have been terminated;

(2) To suspend Licensee's right to use the Reservation System, except for booking of Member usage rights, in accordance with Section 10.2 at such Project until the breach is cured;

(3) To suspend Licensee's right to access to and use of information included in the Brand Loyalty Programs for sales and marketing efforts with respect such Project or Sales Facility or utilize any other services to be provided by Licensor or its Affiliates hereunder with respect to such Project or Sales Facility until the breach is cured; and

(4) To suspend or limit Licensee's rights to develop new phases of such Project as determined by Licensor its sole discretion until the breach is cured.

18.2 Licensee Agreement-Level Defaults.

A. The Agreement-level breaches listed in (i) through (xii) below are deemed to be material breaches for which Licensee may be placed in default under this Agreement if (x) Licensor gives Licensee notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensor in its sole discretion or required by Applicable Law) and (y) Licensee fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.2.A. If Licensee fails to cure the breach and is placed in default, then Licensor may exercise the applicable remedy for the specific default as set forth below:

(i) If Licensee or its Affiliates fail to pay any amounts due under this Agreement to Licensor or any of its Affiliates when the same becomes due and payable, then Licensor may issue a notice of breach to Licensee with respect to such failure. Licensee shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensee in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensee shall pay to Licensor the undisputed amount, if any, and Licensee shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensee. If Licensee fails to cure the payment breach, Licensor may issue a notice of default to Licensee and exercise any of the remedies under Section 18.2.B., and if the aggregate amount outstanding that Licensee has failed to pay at any time is in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator), Licensor may terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee;

(ii) If Licensee or its Affiliates fail to pay any amount in excess of two million five hundred thousand dollars ($2,500,000) (as adjusted annually after the Effective Date by the GDP Deflator) due to Licensor or any of its Affiliates when the same becomes due and payable three (3) or more times within any thirty-six (36) month period, Licensor may issue a notice of default and terminate this Agreement immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B.;

(iii) (a) If Licensee or its Affiliates fails to pay when due a total amount in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) under the Separation and Distribution Agreement, under the Tax Sharing and Indemnity Agreement, under the Employee Benefits Allocation Agreement, under the Ritz-Carlton License Agreement, or under all such agreements taken together, then Licensor may issue a notice of breach to Licensee with respect to such failure. Licensee shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensee in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensee shall pay to Licensor the undisputed amount, if any, and Licensee shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensee. If Licensee fails to cure the payment breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(b) If Licensor terminates the Rewards Agreement or the Ritz-Carlton License Agreement in accordance with the terms thereof based on Licensee's default thereunder, Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(iv) If Licensee or any principal, director, officer, shareholder, or agent of Licensee, contrary to the provisions of this Agreement, discloses, causes, or fails to exercise commercially reasonable efforts to prevent the disclosure of, or otherwise uses in an unauthorized manner, any Licensor Confidential Information in violation of this Agreement, including Sections 9.1, 9.3, 9.4, 13.2, 13.3, or 14.1.A, then:

(a) Licensor may issue a notice of breach to Licensee. In connection with such breach, Licensor may, depending on various factors, including, the severity of the breach, whether the breach was intentional or unintentional, and the damages or potential damages resulting from such breach, exercise any of the remedies provided for in Section 18.2.B.

(b) If an arbitration panel under Section 22.4 determines that (i) a material breach has occurred, (ii) (x) Licensee has failed to exercise commercially reasonable efforts to prevent such breach or (y) such breach was intentional or resulted from Licensee's gross negligence, and (iii) such breach has or may result in the goodwill associated with the Licensed Marks and System being so materially damaged as a result of the breach that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then upon the rendering of arbitration panel's determination Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder and/or exercise any of the other remedies under Section 18.2.B.

(c) If Licensee violates Sections 9.1.D. or 9.3.B(i) with respect to the use of Licensor Confidential Information, then Licensor may issue a notice of default to Licensee and exercise any of the remedies under Section 18.2.B.

(v) If at any time twenty-five percent (25%) or more of the Projects are then failing to achieve the minimum thresholds of performance established by the Quality Assurance Audit System and such failure has not been cured within the applicable cure period under the Quality Assurance Audit System for such breach, then Licensor may issue a notice of breach to Licensee. If such breach has not been cured within one hundred eighty (180) days following such notice of breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(vi) If at any time the average overall guest satisfaction score under the Customer Satisfaction System for all Projects is less than the Minimum Customer Satisfaction Score target for the CSS Measurement Period as set forth in the Customer Satisfaction System and such failure has not been cured within the applicable cure period under the Customer Satisfaction System for such breach, then Licensor may issue a notice of breach to Licensee. If such breach has not been cured within one hundred eighty (180) days following such notice of breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(vii) If at any time the weighted average overall composite customer satisfaction score for on-Project guest experience, Member service, and sales and marketing under the Customer Satisfaction System for all Projects is less than the Minimum Composite Customer Satisfaction Score target for the CSS Measurement Period as set forth in the Customer Satisfaction System and such failure has not been cured within the applicable cure period under the Customer Satisfaction System for such breach, then Licensor may issue a notice of breach to Licensee. If such breach has not been cured within one hundred eighty (180) days following such notice of breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(viii) If Licensee or its Affiliates fail to comply with the Operational Brand Standards and such failure has, or is reasonably expected to have, a material adverse effect on Licensor or its Affiliates, then Licensor may issue a notice of breach with respect to such failure. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(ix) (a) If Licensee or any of its Affiliates is convicted of a felony or other similar crime or offense or engages in a pattern or practice of acts or conduct that, as a result of the adverse publicity that has occurred in connection with such offense, acts, or conduct, is likely to have or has had a material adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Licensor's interests therein, then Licensor may issue a notice of breach and exercise any of the remedies under Section 18.2.B;

(b) If Licensee or any of its Affiliates is convicted of a felony or other similar crime or offense or engages in a pattern or practice of acts or conduct that, as a result of the adverse publicity that has occurred in connection with such offense, acts, or conduct, has or may result in the goodwill associated with the Proprietary Marks and System being so materially damaged that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then Licensor may issue a notice of breach. Upon such notice of breach, the parties will agree to a Remediation Arrangement under which Licensee will undertake to remedy the breach to Licensor's satisfaction. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(x) If a Transfer by Licensee or its Affiliates occurs in violation of Section 17, Licensor may issue a notice of breach. If Licensee fails to notify Licensor within fourteen (14) days following the notice of breach that Licensee intends to unwind such Transfer or fails to actually unwind such Transfer in a manner satisfactory to Licensor within ninety (90) days following the notice of breach, then Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B; provided, however, that nothing herein shall restrict or limit Licensor's ability to seek injunctive relief to stop such Transfer at any time;

(xi) If Licensee dissolves or liquidates except in connection with a Transfer permitted by Section 17., Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B; or

(xii) To the extent permitted by Applicable Law, if Licensee becomes insolvent, generally does not pay its debts as they become due, or files a voluntary petition (or consents to an involuntary petition or an involuntary petition is filed and is not dismissed within sixty (60) days) under any bankruptcy, insolvency, or similar law, and such bankruptcy or insolvency has a material adverse effect on Licensee's operation of the Licensed Business or Licensor or Licensor's Affiliates, Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B.

B. Upon any default under Section 18.2.A(i) through (xii), Licensor shall have the right to pursue any one or more of the following remedies in addition to the remedies provided for in Sections 18.2.A(i) through (xii):

(1) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Licensee acknowledges and agrees that, in the event that Licensor terminates this Agreement pursuant to a termination right expressly identified in Section 18.2.A, Licensor will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement. Licensee agrees that Licensor has devoted substantial resources to developing and building the Licensed Business (including the Existing Projects, Licensed Marks, and the System) and that the Licensed Business, including the significant reputation and goodwill associated therewith, has been developed by Licensor over a period of years prior to the Effective Date. Licensee further acknowledges and agrees that, in the event Licensor terminates this Agreement as a result of a material event of default hereunder by Licensee, it would be commercially impossible for Licensor to take measures to recreate the Licensed Business or develop an equivalent business, and, therefore it would be unreasonable to expect or require Licensor to mitigate its damages resulting from such default and termination;

(2) To suspend Licensee's right to use the Reservation System, except for booking of Member usage rights, in accordance with Section 10.2 of this Agreement at any or all Projects or the entire Licensed Business until the breach is cured;

(3) To suspend Licensee's right to access to and use of information included in the Brand Loyalty Programs and/or the Licensed Business Customer Information (except for Customer Information related to the Members) for sales and marketing efforts with respect any or all Projects or the entire Licensed Business until the breach is cured;

(4) To suspend or limit Licensee's rights to develop any New Project as determined by Licensor its sole discretion until the breach is cured; and

(5) To prohibit any New Project from opening or operating under the Licensed Marks as part of the Licensed Business until the breach is cured.

18.3 Licensor Defaults.

A. The breaches listed in (i) through (viii) below are deemed to be material breaches for which Licensor may be placed in default under this Agreement if (x) Licensee gives Licensor notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensee in its sole discretion or required by Applicable Law) and (y) Licensor fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.3.A. If Licensor fails to cure the breach and is placed in default, then Licensee may exercise the applicable remedy for the specific default as set forth below:

(i) If Licensor or its Affiliates fail to pay any amounts due under this Agreement to Licensee or any of its Affiliates when the same becomes due and payable, then Licensee may issue a notice of breach to Licensor with respect to such failure. Licensor shall have ten (10)

business days following notice of breach to cure the failure to pay. If Licensor in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensor shall pay to Licensee the undisputed amount, if any, and Licensor shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensor. If Licensor fails to cure the payment breach, Licensee may issue a notice of default to Licensor and exercise any of the remedies under Section 18.3.B, and if the aggregate amount outstanding that Licensor has failed to pay at any time is in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator), Licensee may terminate this Agreement immediately upon notice to Licensor;

(ii) If Licensor or its Affiliates fail to pay any amount in excess of two million five hundred thousand dollars ($2,500,000) (as adjusted annually after the Effective Date by the GDP Deflator) due to Licensee or any of its Affiliates when the same becomes due and payable three (3) or more times within any thirty-six (36) month period, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.;

(iii) (a) If Licensor or its Affiliates fails to pay when due a total amount in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) under the Separation and Distribution Agreement, under the Tax Sharing and Indemnity Agreement, under the Employee Benefits Allocation Agreement, under the Ritz-Carlton License Agreement, or under all such agreements taken together, then Licensee may issue a notice of breach to Licensor with respect to such failure. Licensor shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensor in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensor shall pay to Licensee the undisputed amount, if any, and Licensor shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensor. If Licensor fails to cure the payment breach, then Licensee may issue a notice of default to Licensor and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.;

(b) If Licensee terminates the Rewards Agreement or the Ritz-Carlton License Agreement in accordance with the terms thereof based on Licensor's default thereunder, Licensee may issue a notice of default to Licensor and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.

(iv) If Licensor or any principal, director, officer, shareholder, or agent of Licensor, contrary to the provisions of this Agreement, discloses, causes, or fails to exercise commercially reasonable efforts to prevent the disclosure of, or otherwise uses in an unauthorized manner, any Licensee Confidential Information in violation of this Agreement, including Section 14.1.B., then:

(a) Licensee may issue a notice of breach to Licensor. In connection with such breach, Licensee may, depending on various factors, including, the severity of the breach, whether the breach was intentional or unintentional, and the damages or potential damages resulting from such breach, exercise any of the remedies provided for in Section 18.3.B.

(b) If an arbitration panel under Section 22.4 determines that (i) a material breach has occurred, (ii) (x) Licensor has failed to exercise commercially reasonable efforts to prevent such breach or (y) such breach was intentional or resulted from Licensor's gross negligence, and (iii) such breach has or may result in the goodwill associated with the Licensed Business being so materially damaged as a result of the breach that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then upon the rendering of arbitration panel's determination Licensee may issue a notice of default to Licensor and terminate this Agreement and/or exercise any of the other remedies under Section 18.3.B.

(v) If a Transfer by Licensor occurs in violation of Section 17.2, Licensee may issue a notice of breach. If Licensor fails to notify Licensee within fourteen (14) days following the notice of breach that Licensor intends to unwind such Transfer or fails to actually unwind such Transfer in a manner satisfactory to Licensee within ninety (90) days following the notice of breach, then Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B; provided, however, that nothing herein shall restrict or limit Licensee's ability to seek injunctive relief to stop such Transfer at any time;

(vi) If Licensor dissolves or liquidates, except in connection with a Transfer permitted by Section 17, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B;

(vii) To the extent permitted by Applicable Law, if Licensor becomes insolvent, generally does not pay its debts as they become due, or files a voluntary petition (or consents to an involuntary petition or an involuntary petition is filed and is not dismissed within sixty (60) days) under any bankruptcy, insolvency, or similar law, and such bankruptcy or insolvency has a material adverse effect on the Licensed Business or Licensee or Licensee's Affiliates, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B; and

(viii) (a) If Licensor or any of its Affiliates is convicted of a felony or other similar crime or offense and such conviction prevents Licensee from obtaining or retaining the licenses that it requires to continue operating the Licensed Business at any individual Project(s), then Licensee may issue a notice of breach and exercise any of the remedies under Section 18.3.B;

(b) If Licensor or any of its Affiliates is convicted of a felony or other similar crime or offense and such conviction is the actual and sole cause of Licensee being prevented from obtaining or retaining the licenses that it requires to continue operating the Licensed Business at all or substantially all of the Projects and the Licensed Business is so materially damaged that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then Licensee may issue a notice of breach. Upon such notice of breach, the parties will agree to a Remediation Arrangement under which Licensor will undertake to remedy the breach to Licensee's satisfaction. If Licensor fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.

B. Upon any default under Section 18.3.A(i) through (viii), Licensee shall have the right to pursue any one or more of the following remedies in addition to the remedies provided for in Sections 18.3.A(i) through (viii):

(1) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Licensor acknowledges and agrees that, in the event that Licensee terminates this Agreement pursuant to a termination right expressly identified in Section 18.3.A, Licensee will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement; or

(2) To suspend provision of the services that Licensee is required to provide to Licensor under this Agreement until the breach is cured.

18.4 Other Breaches.

If Licensee or Licensor materially fail to fulfill any of the other material covenants, undertakings, obligations or conditions set forth in this Agreement, the Ritz-Carlton License Agreement, the Rewards Agreement, the Electronic Systems License Agreement, or the Design Review Addendum, except for where specific remedies are identified for breaches and defaults described in Section 18.1, 18.2 and 18.3, the non-defaulting party shall have the right to institute any and all proceedings permitted by Applicable Law or in equity with respect to such failure, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages; provided, however, that the non-defaulting party shall not have the right to terminate this Agreement with respect to such failure unless it is determined by an arbitration panel under Section 22.4 that (i) the non-defaulting party has been or will be damaged in an amount in excess of fifty million dollars ($50,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) or (ii) the goodwill associated with the Licensed Marks and System (if Licensor is the non-defaulting party) or the Licensed Business (if Licensee is the non-defaulting party) has been or will be so materially damaged as a result of the conduct of the defaulting party that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, in which case the non-defaulting party shall have the right to terminate this Agreement upon the rendering of arbitration panel's determination. The parties acknowledge and agree that, in the event that the non-defaulting party terminates this Agreement pursuant to this Section 18.4, the non-defaulting party will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement.

18.5 Extraordinary Events.

A. If either Licensee's or Licensor's failure to conform to, keep, perform, fulfill, or satisfy any representation, warranty, covenant, undertaking, obligation, standard, test, or condition set forth in this Agreement with respect to one or more Projects, Sales Facilities, or Member Service Centers, other than an obligation to make monetary payments or provide monetary funding, is caused in whole or in material part by one or more Extraordinary Events, such failure shall not constitute a failure or a default under this Agreement, and such failure shall be excused with respect to the subject Projects, Sales Facilities, or Member Service Centers (but only as to the subject Projects, Sales Facilities, or Member Service Centers) for as long as the failure is caused in whole or in part by such Extraordinary Event(s) and so long as cure is diligently pursued.

B. If either Licensee's or Licensor's failure to conform to, keep, perform, fulfill, or satisfy a material obligation set forth in this Agreement that affects all or substantially all of the services to be provided under this Agreement or that has a material adverse effect on the Licensed Business as a whole, other than an obligation to make monetary payments or provide monetary funding, is caused in whole or in material part by one or more Extraordinary Events, such failure shall not constitute a failure or a default under this Agreement, and such failure shall be excused for as long as the failure is caused in whole or in part by such Extraordinary Event(s) and so long as cure is diligently pursued.

19. POST-TERMINATION OBLIGATIONS; DE-IDENTIFICATION

19.1 Project De-Identification and Post-Termination Obligations.

A. Upon termination of Licensee's rights to operate one or more (but not all) of the Licensed Destination Club Projects under the System, all rights to operate the subject Licensed Destination Club Project under the System shall terminate, and the subject Licensed Destination Club Project shall be Deflagged. In connection with the Deflagging:

(i) the Deflagged Destination Club Project may continue to be included in the inventory of the Licensed Non-Site Specific Destination Club Program as a usage option for Members, but must be clearly identified as a non-Marriott product in all of Licensee's distribution channels. Licensee will notify all Members upon the Deflagging pursuant to a form of notice agreed to by the parties that the Deflagged Destination Club Project in no longer affiliated with the System and is no longer a Licensed Destination Club Project.

(ii) Members who own interests in the Destination Club Units at the subject Deflagged Destination Club Project other than through a Non-Site Specific Destination Club Program, if any, will lose their right to participate in the Licensed Non-Site Specific Destination Club Program, and will no longer be permitted to trade usage rights in such interests for points under the Brand Loyalty Program. Such Members may, however, continue to elect to enroll such interests in the Licensed Non-Site Specific Destination Club Program in exchange for usage rights in the Licensed Non-Site Specific Destination Club Program and trade such usage rights for points under the Brand Loyalty Program.

(iii) Members who own interests in Destination Club Units at the subject Deflagged Destination Club Project through a Non-Site Specific Destination Club Program may continue to trade usage rights in such interests for points under the Brand Loyalty Program.

(iv) Interests in Destination Club Units at the subject Deflagged Destination Club Project that are not part of a Licensed Non-Site Specific Destination Club Program shall no longer be sold under, or in association with, the Licensed Marks or any other aspect of the System, or made part of a Licensed Non-Site Specific Destination Club Program.

(v) Interests in Destination Club Units in phases of the Deflagged Destination Club Project that were already part of a Licensed Non-Site Specific Destination Club Program at the time of the Deflagging may, however, continue to be sold for use in the Licensed Non-Site Specific Destination Club Program, but interests in new phases of the Deflagged Destination Club Project shall not be made part of a Licensed Non-Site Specific Destination Club Program and shall not be sold as part of a Licensed Non-Site Specific Destination Club Program.

(vi) Inventory for transient rental at the Deflagged Destination Club Project will no longer be listed on Marriott.com, and stays at the Deflagged Destination Club Project will not be deemed a "Marriott" stay for purposes of the Brand Loyalty Program.

B. Upon termination of Licensee's rights to operate one or more (but not all) of the Projects under the System and except as otherwise provided in Section 19.1.A, all rights to operate the subject Project under the System will immediately terminate, including the rights to use the Electronic Systems, the Licensed Marks, the Licensor Intellectual Property, and the Branded Elements with respect to the subject Project, and the parties will comply with their respective obligations described below:

(1) Licensee will not represent that the subject Project is or was in any way connected with the System and will fully comply with Section 13.2.A(4), other than as required Applicable Law.

(2) Licensor will not represent that the subject Project is or was in any way connected with the System, other than as required by Applicable Law.

(3) Licensee at its expense will promptly remove any items using the Licensor Intellectual Property from or in connection with the subject Project (except Licensed Business Customer Information relating to Members of the subject Project that Licensee is permitted to retain and use under Section 19.2(7)) and perform such additional actions as set forth in any de-identification list Licensor provides to Licensee to ensure that the subject Project is not connected with the System and is not using any Licensor Intellectual Property. Licensee agrees that Licensor or its designated agent may enter upon the premises of any subject Project at any time to make such changes at Licensee's sole risk and expense and without liability for trespass, if Licensee has not done so within ten (10) days after termination of Licensee's rights to operate the subject Project under the System (provided, however, that such period shall be extended for a reasonable period with respect to any de-identification activities that cannot be completed within such period (e.g., removal of monument signage)).

(4) Each party will promptly pay all amounts owing to the other party and any of its Affiliates related to the subject Project.

(5) Licensor at its expense will promptly perform such reasonable additional actions as set forth in any de-identification list Licensee provides to Licensor to ensure that Licensor is not connected with the subject Project.

C. Upon discontinuation of Licensee's rights to include a Non-Site Specific Destination Club Ownership Vehicle as part of a Licensed Non-Site Specific Destination Club Program pursuant to Section 5.2.F., all rights to operate the subject Non-Site Specific Destination Club Ownership Vehicle under the System shall terminate, and the subject Non-Site Specific Destination Club Ownership Vehicle shall be Deflagged. In connection with the Deflagging:

(i) Interests in the Deflagged Non-Site Specific Destination Club Ownership Vehicle shall no longer be sold under, or included in or associated with, the Licensed Marks or any other aspect of the System, or be included in a Licensed Non-Site Specific Destination Club Program.

(ii) Members who own interests in the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle will no longer have any right to participate in the Licensed Non-Site Specific Destination Club Program, and will no longer be permitted to trade usage rights in such interests for points under the Brand Loyalty Program.

(iii) Upon the Deflagging, Licensee will notify all Members who own interests in the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle pursuant to a form of notice agreed to by the parties that the Deflagged Non-Site Specific Destination Club Ownership Vehicle in no longer affiliated with the System and is no longer part of a Licensed Non-Site Specific Destination Club Program.

(iv) The subject Deflagged Non-Site Specific Destination Club Ownership Vehicle may continue to hold interests in Licensed Destination Club Units that it holds at the time of Deflagging, however, Licensee shall not, without Licensor's prior consent in Licensor's sole discretion, add interests in Licensed Destination Club Units to the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle subsequent to such Deflagging, unless such interests were committed to be included in the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle prior to the time of Deflagging.

(v) Licensee may continue to include interests in the Deflagged Non-Site Specific Destination Club Ownership Vehicle as an external Exchange Program usage option for Members of the Licensed Destination Club Business, provided that such Deflagged Non-Site Specific Destination Club Ownership Vehicle is clearly identified as a non-Marriott product in all of Licensee's distribution channels.

19.2 Agreement De-Identification and Post-Termination Obligations.

Upon expiration or other termination of this Agreement, all rights granted under this Agreement to Licensee to operate the Projects under the System will immediately terminate, including the rights under this Agreement to use the Electronic Systems, the Licensed Marks, the Licensor Intellectual Property, and the Branded Elements, and the parties will comply with their respective obligations described below:

(1) Licensee will not represent that the Licensed Destination Club Business, the Licensed Whole Ownership Residential Business or any of the Projects are in any way connected with the System or hold itself out as a licensee or former licensee of Licensor or that it was formerly known by the Permitted Corporate Name or any other corporate name or trade name containing the Licensed Marks, other than as required by Applicable Law.

(2) Licensor will not represent that any of the Projects are in any way connected with the System or hold itself out as a licensor or former licensor of Licensee, other than as required Applicable Law.

(3) Licensee at its expense will promptly remove any items using the Licensor Intellectual Property from or in connection with the Projects (except for the Licensed Business Customer Information relating to Members of the Projects that Licensee is permitted to retain and use under Section 19.2(7)) and perform such additional actions as set forth in any de-identification list Licensor provides to Licensee to ensure that Licensee is not connected with the System and is not using any Licensor Intellectual Property. Licensee agrees that Licensor or its designated agent may enter upon the premises of any Project at any time to make such changes at Licensee's sole risk and expense and without liability for trespass, if Licensee has not done so within ten (10) days after expiration or termination of this Agreement (provided, however, that such period shall be extended for a reasonable period with respect to any de-identification activities that cannot be completed within such period (e.g., removal of monument signage)).

(4) Licensor at its expense will promptly remove any items using the Licensee Intellectual Property from or in connection with any Licensor Lodging Facilities or any other businesses of Licensor and its Affiliates (except that Licensee shall be responsible for removing any Sales Facilities located at Licensor Lodging Facilities at Licensee's expense) and perform such additional actions as set forth in any de-identification list Licensee provides to Licensor to ensure that Licensor is not connected with the Projects or the Destination Club Business or Whole Ownership Residential Business of Licensee and its Affiliates and is not using any Licensee Intellectual Property.

(5) Licensee will immediately turn over to Licensor all copies of any Licensor Confidential Information, Licensor Intellectual Property, and all other System materials relating to the operation of the Licensed Business and the Projects (except for the Licensed Business Customer Information relating to Members of the Projects that Licensee is permitted to retain and use under Section 19.2(7)), all of which are acknowledged by Licensee to be Licensor's property. Licensee will not retain a copy or record of any of the foregoing, except for Licensee's copy of this Agreement, any correspondence between the parties, and any other documents that Licensee reasonably needs for compliance with any provisions of Applicable Law. If Licensor expressly permits Licensee to continue to use any Licensor Intellectual Property after the termination or expiration date, such use by Licensee will be in accordance with the terms of this Agreement.

(6) Licensor will immediately turn over to Licensee all copies of any Licensee Confidential Information, Licensee Intellectual Property, and all other materials relating to the operation of the Projects, all of which are acknowledged by Licensor to be Licensee's property. Licensor will not retain a copy or record of any of the foregoing, except for Licensor's copy of this Agreement, any correspondence between the parties, and any other documents that Licensor reasonably needs for compliance with any provisions of Applicable Law. If Licensee expressly permits Licensor to continue to use any Licensee Intellectual Property after the termination or expiration date, such use by Licensor will be in accordance with the terms of this Agreement.

(7) Licensee may retain Licensed Business Customer Information only for the purposes of servicing the Members of the Licensed Destination Club Projects and the residents of the Licensed Residential Projects in existence at the end of the Term. Licensee shall have the right to use the name, address, telephone number, e-mail address, and other contact information with respect to those Members in the same manner and form as Customer Information of other customers of the Destination Club Business or the Whole Ownership Residential Business generally is used. Licensee shall not use that portion of the Licensed Business Customer Information with respect to those Members that includes or relates to those Members' participation in the Brand Loyalty Program in any way, shape, or form to identify or otherwise to market to those Members Destination Club Products, Residential Units, or a Lodging Business of Licensee, its Affiliates, or any other third party. Licensee shall at all times comply with the confidentiality provisions of this Agreement with respect to such Licensed Business Customer Information.

(8) Each party will promptly pay all amounts owing to the other party and any of its Affiliates under this Agreement.

19.3 Survival.

The rights and obligations of the parties under this Section 19 will survive termination or expiration of this Agreement.

20. COMPLIANCE WITH LAWS; LEGAL ACTIONS

20.1 Compliance with Laws.

A. The parties will comply with all Applicable Laws in connection with the fulfillment of their respective obligations under this Agreement. Licensee will forward to Licensor within a reasonable period of time (not to exceed ten (10) business days) following Licensee's receipt copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity related to any Project or the Licensed Business that identify a material failure to meet or maintain governmental standards regarding health or life safety or any other material violation of Applicable Law that may materially and adversely affect the operation of any Project or adversely affect the Licensed Business or Licensee.

B. Each party will, if required by Applicable Law, timely file, register, or report this Agreement or the payments to be made hereunder, as applicable, to the appropriate governmental authorities having jurisdiction over any Project, the Licensed Business or this Agreement, and pay all costs and expenses related thereto.

20.2 Notice Regarding Legal Actions.

Licensee and Licensor will each notify the other (i) within a reasonable period of time (not to exceed ten (10) business days) after the applicable party has actual knowledge of the commencement of any material action, suit, or other proceeding that involves any Project or the Licensed Business that could have a material adverse effect on the Project or the Licensed Business or with respect to which the amount in controversy exceeds five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator); or Licensor's or Licensee's relationship with any Project, the Licensed Business or the System, and (ii) within a reasonable period of time (not to exceed ten (10) business days) after the issuance of any judgment, order, writ, injunction, award, or other decree of any court, agency, or other governmental instrumentality that may materially adversely affect the operation or financial condition of any Project, Licensor or Licensee. Nothing in this Section 20.2, however, will abrogate any notice requirement that Licensor or Licensee may have under any insurance program or contract.

20.3 Block Exemption.

Licensor and Licensee acknowledge and agree that the license is granted on the assumption that this Agreement complies, and will continue to comply, with the European Commission's Block Exemption Regulation for Vertical Agreements (EU No. 330/2010) (the "Regulation") and with Article 101 of the Treaty on the Functioning of the European Union ("Article 101") and with the official interpretative guidelines of 2010, and any successor to the Regulation and to the guidelines. If, at any time, questions arise concerning this Agreement's compliance with the Regulation, the parties agree to use their best efforts and to cooperate with each other to amend this Agreement either to bring it into conformity with the requirements of the Regulation or to seek an alternative way to comply with Article 101. If, in Licensor's sole judgment, this Agreement cannot be modified to comply with Article 101, including the Regulation, without undermining material elements of the license relationship, Licensor may, at its option, without liability for such action or any further obligation to Licensee, terminate the provisions of this Agreement and the license upon thirty (30) days' notice to Licensee as to the portions of the Agreement or Territory that violate the Regulation. In such event, with respect to any change in the territorial rights that are materially adverse to Licensee or a material decrease in revenue of the Licensed Business that are directly attributable to such termination, the Base Royalty shall be equitably adjusted to take into account the termination of the provisions of this Agreement and the license as to the portions of the Territory that include the European Union. To the extent that the post-termination obligations described in Section 19 of this Agreement would be applicable, Licensee and its Affiliates will comply with such obligations.

21. RELATIONSHIP OF PARTIES

21.1 Reasonable Business Judgment.

Unless Licensor has reserved "sole discretion," Licensor will use its reasonable business judgment when discharging its obligations or exercising its rights or discretion under this Agreement. Licensee agrees that Licensor, in the exercise of its reasonable business judgment, may act with the intention to benefit the System and Licensor's business as a whole, and not individual Licensor Lodging Facilities or other facilities, including the Projects. Licensee will have the burden of establishing that Licensor failed to exercise reasonable business judgment, and neither the fact that Licensor benefited economically from an action nor the existence of other "reasonable" or "commercially reasonable" alternatives will, by themselves, imply such a failure. To the extent that any implied covenant, such as the implied covenant of good faith and fair dealing, or civil law duty of good faith is applied to this Agreement, Licensor and Licensee intend that Licensor will not have violated such covenant or duty if Licensor has exercised reasonable business judgment.

21.2 Independent Contractor.

A. This Agreement does not create a fiduciary relationship between Licensor and Licensee. Licensee and Licensor are independent contractors, and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, manager, employee, or servant of the other for any purpose, except that Licensor may act on Licensee's behalf as Licensee's agent for purposes of booking reservations at any Project.

B. Nothing in this Agreement authorizes either party to make any contract, agreement, warranty, or representation on the other party's behalf or to incur any debt or other obligation in the other party's name.

22. GOVERNING LAW; INJUNCTIVE RELIEF; COSTS OF ENFORCEMENT; ARBITRATION; AND EXPERT RESOLUTION

22.1 Governing Law; Venue.

A. This Agreement is executed pursuant to, and will be interpreted and construed under the laws of New York, without regard to the conflict of laws provisions of such jurisdiction. Nothing in this Section 22.1 is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state which would not otherwise apply absent this Section 22.1.

B. Each party hereby expressly and irrevocably submits itself to the non-exclusive jurisdiction of the courts of New York for the purpose of resolving any Dispute under Section 22.2. So far as is permitted under the laws of New York, this consent to personal jurisdiction will be self-operative.

22.2 Injunctive Relief.

A. Licensor will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or irreparable harm, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Agreement for which such relief is an available remedy, the Brand Standards (including, but not limited to, threats or danger to public health or safety) or actual or threatened misuse or misappropriation of the Licensor Intellectual Property or Licensor Confidential Information. The rights conferred by this Section 22.2.A expressly include, without limitation, Licensor's entitlement to affirmative injunctive, declaratory, and other equitable or judicial relief (including specific performance) for Licensee's failure to operate any portion of the Licensed Business in accordance with the applicable Brand Standards, including, without limitation, affirmative relief that any such deficiencies are cured and thereafter meet the Brand Standards.

B. Licensee will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or irreparable harm, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Agreement for which such relief is an available remedy or actual or threatened misuse or misappropriation of the Licensee Intellectual Property or Licensee Confidential Information.

22.3 Costs of Enforcement.

If for any reason it becomes necessary for either party to initiate any legal or equitable action to secure or protect its rights under this Agreement, the prevailing party will be entitled to recover all costs incurred by it in successfully enforcing such rights, including reasonable lawyers' fees.

22.4 Arbitration.

A. Except as otherwise specified in this Agreement, any Dispute or any other matter concerning any aspect of the relationship of the parties will be finally settled, by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, except as modified herein (the "AAA Rules"), conducted in Washington, DC.

B. There will be three (3) arbitrators. If there are only two (2) parties to the arbitration, each of Licensor and Licensee will appoint one (1) arbitrator within twenty (20) days after receipt by respondent of a copy of the demand for arbitration. For purposes of this Section 22.4, Licensor and its Affiliates, on one hand, and Licensee and its Affiliates, on the other hand, will each be deemed to be one (1) party. The two (2) party-appointed arbitrators will have twenty (20) days from the appointment of the second (2nd) arbitrator to agree on a third (3rd) arbitrator who will chair the arbitral tribunal. Any arbitrator not timely appointed by the parties under this Section 22.4.B. will be appointed in accordance with AAA Rule R.11, and in any such procedure, each party will be given a limited number of strikes, excluding strikes for cause.

C. Any Dispute to be settled by arbitration under this Section 22.4 will at the request of Licensor or Licensee be resolved in a single arbitration before a single tribunal together with any Dispute arising out of or relating to this Agreement or any other agreement (including any other Transaction Agreements) between or among Licensee, Guarantor and their respective Affiliates on the one hand and Licensor or its Affiliates on the other. If there are multiple claimants and/or multiple respondents to the effect that there are more than two (2) parties to the arbitration, all claimants and/or all respondents will attempt to agree upon their respective appointments. If such multiple parties fail to nominate an arbitrator within thirty (30) days, the AAA will appoint an arbitrator on their behalf. In such circumstances, any existing nomination of the arbitrator chosen by the party or parties on the other side of the proposed arbitration will be unaffected, and the remaining arbitrators will be appointed in accordance with AAA Rules R. 12 and R. 13.

D. Any controversy concerning whether a Dispute is an arbitrable Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this Section 22.4 will be determined by the arbitrators.

E. The decision of the arbitral tribunal will be final and binding upon the parties, and such decision will be enforceable through any courts having jurisdiction. The arbitral tribunal will have no authority to amend or modify the terms of this Agreement. The arbitral tribunal may award or include in their award any relief they deem proper in the circumstances, including money damages (with Interest on unpaid amounts from the date due), specific performance and legal fees and costs in accordance with this Agreement; however, the arbitral tribunal may not award special, punitive, consequential or exemplary damages. The costs and expenses of arbitration will be allocated and paid by the parties as determined by the arbitral tribunal. The arbitral tribunal will have the authority to make such orders granting interim or provisional relief during the pendency of the arbitration as it deems just and equitable. Any such order will be without prejudice to the final determination of the controversy.

F. The parties will use their reasonable best efforts to encourage the arbitrators to resolve any arbitration related to any Dispute as promptly as practicable. Subject to Applicable Law, including disclosure or reporting requirements, or the parties' agreement, the parties will maintain the confidentiality of the arbitration. Unless agreed to by all the parties or required by Applicable Law, including disclosure or reporting requirements, the arbitrators and the parties will maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

G. Any arbitration proceeding under this Agreement will be conducted on an individual (not a class-wide) basis and will not be consolidated with any other arbitration proceedings to which Licensor is a party, except as specified below. No decision on any matter in any other arbitration proceeding in which Licensor is a party will prevent any party to the arbitration proceeding from submitting evidence with respect to the same or a similar matter or prevent the arbitral tribunal from rendering an independent decision without regard to such decision in such other arbitration proceeding.

H. Each party may, without waiving any rights it has under this Agreement, seek from a court having jurisdiction any interim or provisional relief that may be necessary to protect its rights or property.

I. The provisions of this Section 22.4 will survive the expiration or termination of this Agreement.

22.5. Expert Resolution.

Where this Agreement calls for a matter to be referred to Expert(s) for determination, the following provisions shall apply.

A. The use of Expert(s) shall be the exclusive remedy of the parties and neither party shall attempt to adjudicate any dispute in any other forum. The decision of Expert(s) shall be final and binding on the parties and shall not be capable of challenge, whether by arbitration, in court or otherwise. In the event there is more than one (1) Expert, then the decision of Experts shall be determined by a majority vote. Recognition and enforcement of any decision or award rendered by the Expert(s) may be sought in any court of competent jurisdiction.

B. If either party calls for a determination by Expert(s) in accordance with the terms of this Agreement, the parties shall have ten (10) days from the date of such request to agree upon and appoint an Expert and, if they fail to agree, each party shall have an additional ten (10) days to make its respective selection of an Expert, and within ten (10) days of such respective selections, the two (2) respective Experts so selected shall select a third (3rd) Expert. If either party fails to make its respective selection of an Expert within the specified period, then the other party's selection shall be the Expert. If the two (2) respective Experts selected by the parties fail to select a third (3rd) Expert, then the third Expert shall be appointed by the American Arbitration Association. Any dispute to be determined by the Expert pursuant to this Section shall, at the request of either party, be resolved in a single Expert proceeding before the same Expert(s) together with any dispute to be determined by an Expert arising out of or relating to the this Agreement.

C. Each party shall be entitled to make written submissions to the Expert(s), and if a party makes any submission, it shall also provide a copy to the other party(ies) and the other party(ies) shall have the right to comment on such submission within the time periods established pursuant to Section 22.5.E. During the period beginning with the appointment of an Expert or the appointment of three (3) Experts pursuant to Section 22.5.B. and continuing until an Expert determination is rendered, neither party shall communicate with any of the Experts regarding the subject matter submitted for determination without disclosing the content of any such communication to the other party. The parties shall make available to the Expert(s) such books and records relating to the issue in dispute and shall render to the Expert(s) any assistance requested of the parties. The costs of the Expert(s) and the proceedings shall be borne as directed by the Expert(s) unless otherwise provided for herein.

D. The Expert(s) shall decide the matter referred for determination by applying the terms, conditions and standards set forth in this Agreement regarding such matter.

E. The terms of engagement of the Expert(s) shall include an obligation on the part of the Expert(s) to: (i) notify the parties in writing of the decision within thirty (30) business days (ninety (90) days for matters referred to Expert determination under Section 2.5.C) from the date on which the Expert (or last Expert, if there are three (3)) has been selected (or such other period as the parties may agree or as set forth herein); and (ii) establish a timetable for the making of submissions and replies.

22.6 Waiver of Jury Trial and Punitive Damages.

Each party hereby absolutely, irrevocably and unconditionally waives trial by jury and the right to claim or receive special, consequential, punitive or exemplary damages arising out of, pertaining to or in any way associated with the covenants, undertakings, representations or warranties set forth in this Agreement, the relationships of the parties hereto, this Agreement or any other Transaction Agreement.

23. NOTICES.

23.1 Notices.

A. Subject to Section 23.1.B, all notices, requests, demands, statements, and other communications required or permitted to be given under the terms of this Agreement will be in writing, in the English language, and delivered by hand against receipt or carried by reputable overnight/international courier service, to the respective party at the following addresses:

To Licensor:

Marriott International, Inc.
and
Marriott Worldwide Corporation
10400 Fernwood Road
Bethesda, Maryland 20817
United States of America
Attn: General Counsel
Telephone: (1) (301) 380-8326

To Licensee:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
United States of America
Attn: President and Chief Executive Officer
Telephone: (1) 407-206-6000

With a copy to:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
United States of America
Attn: General Counsel
Telephone: (1) 407-206-6000

or at such other address as designated by notice from the respective party to the other party. Any such notice or communication will be deemed to have been given at the date and time of: (i) receipt or first refusal of delivery if delivered by hand; or (ii) two days after the posting thereof if sent via reputable overnight/international courier service.

B. Each party may provide the other party with routine information, invoices, Brand Standards and other System requirements and programs, such as the Quality Assurance Program, including any modifications thereto, by regular mail or by e-mail, facsimile, or by making such information available to the other party on the Internet, an extranet, or other electronic means.

24. CONSTRUCTION AND SEVERABILITY; APPROVALS, CONSENTS AND WAIVERS; ENTIRE AGREEMENT

24.1 Construction and Severability.

A. Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement, including Section 16.1, will be considered severable; and if, for any reason any section, part, term, or provision is determined to be invalid, unenforceable or contrary to, or in conflict with, any existing or future Applicable Law or by an arbitral tribunal, a court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other sections, parts, terms, and provisions of this Agreement as may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind Licensor and Licensee. To the extent possible, such invalid or unenforceable sections, parts, terms, or provisions will be deemed to be replaced with a provision that is valid and enforceable and most nearly reflects the original intent of the invalid or unenforceable provision.

B. No right or remedy conferred upon or reserved to Licensor or Licensee by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

C. When this Agreement provides that either party may take or refrain from taking any action or exercise discretion, such as rights of approval or consent, or to modify any part of the Brand Standards or System, or to make other determinations or modifications under this Agreement, such party may do so from time to time.

D. Unless otherwise stated, references to Sections are to Sections of this Agreement.

E. Unless otherwise stated, references to Exhibits, Attachments or Addenda are to Exhibits, Attachments and Addenda to this Agreement, and all of such are incorporated by reference into this Agreement.

F. Words importing the singular include the plural and vice versa as the context may imply. Words importing a gender include each gender as the context may imply.

G. Unless otherwise stated, references to days, months, and years are to calendar days, calendar months, and calendar years, respectively.

H. The words “include,” “included” and “including” will be terms of enlargement or example (meaning that, for instance, “including” will be read as “including but not limited to”) and will not imply any restriction or limitation unless the context clearly requires otherwise.

I. Captions and section headings are used for convenience only. They are not part of this Agreement and will not be used in construing it.

J. The Recitals are incorporated in and made part of this Agreement.

24.2 Approvals, Consents and Waivers.

Except as otherwise provided in this Agreement, approvals, designations, and consents required under this Agreement will not be effective unless evidenced by a writing signed by the duly authorized officer or agent of the party giving such approval or consent. No waiver, delay, omission, or

forbearance on the part of Licensor or Licensee to exercise any right, option or power arising from any default or breach by the other party, or to insist upon strict compliance by the other party with any obligation or condition hereunder, will affect or impair the rights of Licensor or Licensee, respectively, with respect to any such default or breach or subsequent default or breach of the same or of a different kind. Any delay or omission of either party to exercise any right arising from any such default or breach will not affect or impair such party's rights with respect to such default or breach or any future default or breach. No party will be liable to other party for providing (or denying) any waiver, approval, consent, or suggestion to the other party in connection with this Agreement or by reason of any delay or denial of any request.

24.3 Entire Agreement.

As of the date of this Agreement, this Agreement, including all exhibits, attachments, and addenda, and the Transaction Agreements contain the entire agreement between the parties as it relates to the Licensed Business and the Projects. This is a fully integrated agreement.

24.4 Amendments.

No agreement of any kind relating to the matters covered by this Agreement will be binding upon either party unless and until the same has been made in a written, non-electronic instrument that has been duly executed by the non-electronic signature of all interested parties. This Agreement may only be amended in a written, non-electronic instrument that has been duly executed by the non-electronic signature of all interested parties and may not be amended or modified by conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any individual purporting to amend or modify this Agreement by conduct manifesting assent or by electronic signature is not authorized to do so.

25. REPRESENTATIONS, WARRANTIES AND COVENANTS

25.1 Existence and Power; Authorization; Contravention.

A. Each party represents, warrants and covenants that: (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation; (ii) it and its Affiliates have and will continue to have the ability to perform its obligations under this Agreement; and (iii) it has and will continue to have all necessary power and authority to execute and deliver this Agreement.

B. Each party represents, warrants and covenants that the execution and delivery of this Agreement and the performance by such party of its obligations hereunder: (i) have been duly authorized by all necessary action; (ii) do not require the consent, vote, or approval of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (a) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (b) any Applicable Law; or (c) any agreement, indenture, contract, commitment, restriction or other instrument to which it or any of its Affiliates is a party or by which it or any of its Affiliates is bound.

C. Each party represents and warrants that all information provided in connection with this Agreement, are true, correct and complete as of the time made and as of the Effective Date, regardless of whether such representations and warranties were provided by such party, one of its Affiliates, or by a third party on behalf of such party, unless such party has notified the other party of a change in the representations and warranties or the information and such other party has approved the change.

25.2 Acknowledgements and Representations Regarding Territorial Restrictions in Existing Contracts.

The parties acknowledge that each party may, as of the Effective Date, be parties to agreements with third parties that contain territorial restrictions, including the Permitted Territorial Restrictions, that would be a breach of this Agreement if either party had agreed to such territorial restrictions without the consent of the other party during the Term. The parties represent and agree that those existing territorial restrictions shall, in no event, be deemed a breach hereof, and that each party will be bound by such territorial restrictions to the extent that such territorial restrictions are applicable to them.

26. MISCELLANEOUS

26.1 Translations.

The English language version of all written materials, including this Agreement, the Brand Standards, the Software, any other documents, forms, agreements, manuals, and advertising materials provided to either party under this Agreement will be the version used for determining the intent of the parties. Either party may translate any such materials into any other language. All translations will be at the sole cost and expense of the translating party. Ownership of any translated materials shall vest in the party who owned the materials from which the translation was made, and all copyrights in any such translated materials will be assigned by translating party to the owning party or its designated Affiliate upon the owning party's request. The translating party will obtain any necessary agreement with any translator that such translation will be the sole property of the owning party or its Affiliates.

26.2 Multiple Counterparts.

This Agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes and all of which will constitute, collectively, one agreement. Delivery of an executed signature page to this Agreement by electronic transmission will be effective as delivery of a manually signed counterpart of this Agreement.

26.3 Failure to Close the Spin-Off Transaction.

Notwithstanding anything to the contrary in this Agreement, if the Spin-Off Transaction fails to close on or before March 31, 2012, either party may terminate this Agreement immediately upon notice to the other party and neither party will have any liability to the other in connection with such termination.

27. LICENSOR MANAGED PROJECTS

27.1 Provisions of this Agreement That Do Not Apply to Licensor Managed Projects.

The parties acknowledge and agree that, notwithstanding anything to the contrary in this Agreement, the following provisions do not apply to the Licensor Managed Projects (but continue to apply to other Projects) and that, to the extent these matters are covered in the applicable Licensor Management Agreement, the applicable provisions of such Licensor Management Agreement will govern such matters:

(i) Section 16.1.A(xvi) regarding Licensee's indemnification of Licensor for failure to operate the Projects in compliance with this Agreement; and

(ii) Sections 18.1.A(i), (ii), (iii), (vii), and (viii), regarding Project-level breaches, defaults, and remedies.

27.2 Provisions of this Agreement That Are Modified With Respect to the Licensor Managed Projects.

The parties acknowledge and agree that the following provisions are hereby modified solely for the purposes of their application to the Licensor Managed Projects (but not with respect to other Projects), and these modified provisions will control with respect Licensor Managed Projects.

(i) Section 8.4.B shall be modified as follows:

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

(ii) The first paragraph of Section 18.1.A shall be modified as follows:

"A. The Project-, Sales Facility-, and Member Service Center-level breaches listed in (i) through (iii) below are deemed to be material breaches for which Licensee may be placed in default with respect to any Project, Sales Facility, or Member Service Center, as applicable, hereunder if (x) Licensor gives Licensee notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensor in its sole discretion or required by Applicable Law) and (y) Licensee fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.1.A. If Licensee fails to cure the breach and is placed in default, then Licensor may exercise the applicable remedy for the specific default as set forth below:"

(iii) Sections 18.1.A(iv), (v), and (vi) shall be re-lettered as Sections 18.1.A(i), (ii), and (iii).

(iv) The first paragraph of Section 18.1.B shall be modified as follows:

"B. Upon any default under Section 18.1.A(i) through (iii) with respect to any Project, Sales Facility, or Member Service Center, Licensor shall have the right to pursue any one or more of the following remedies in addition to the remedies with respect to such Project, Sales Facility, or Member Service Center provided for in Sections 18.1.A(i) through (iii):"

(v) Sections 18.2.A(v) is hereby modified by adding the following at the beginning of that Section:

"Except where the failure to achieve the minimum thresholds for performance under the Quality Assurance Audit System at such Projects is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Projects as contemplated under Section 11.2.F,"

(vi) Sections 18.2.A(vi) is hereby modified by adding the following at the beginning of that Section:

"Except where the failure to meet the applicable Minimum Customer Satisfaction Score under the Customer Satisfaction System at such Projects is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Projects as contemplated under Section 11.2.F,"

(vii) Sections 18.2.A(vii) is hereby modified by adding the following at the beginning of that Section:

"Except where the failure to achieve the applicable Minimum Composite Customer Satisfaction Score target for on-Project guest experience, Member service, and sales and marketing under the Customer Satisfaction System at such Projects is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Projects as contemplated under Section 11.2.F,"

27.3 Provisions of this Agreement Applicable to Non-Licensor Managed Projects and Licensor Managed Projects.

A. The provisions of this Agreement except for Sections 27.1 and 27.2, including all Exhibits hereto, shall apply to the non-Licensor Managed Projects as written and without reference to Sections 27.1 or 27.2.

B. All provisions of this Agreement not deleted or modified with respect to the Licensor Managed Projects under Section 27.1 and 27.2 shall apply to the Licensor Managed Projects as written and without reference to Sections 27.1 or 27.2.

28. GUARANTY.

28.1 Guaranty.

Each Guarantor unconditionally and irrevocably guaranties to Licensor that if Licensee fails for any reason to perform when due any of its respective obligations to Licensor under this Agreement, the Electronic Systems License Agreement, and the Design Review Addendum (the "Obligations") within the time specified therein, it will without any demand or notice whatsoever promptly pay or perform such Obligations (the "Guaranty"). The Guarantors acknowledge that the Guaranty is a continuing guaranty and may not be revoked and shall not otherwise terminate unless this (i) Agreement has terminated or expired in accordance with Sections 4. or 18 and (ii) all amounts owing to Licensor by Licensee and the Guarantors pursuant to the Obligations have been paid in full. The liability of each Guarantor hereunder is independent of and not in consideration of or contingent upon the liability of Licensee or any other Guarantor and a separate action or actions may be brought and prosecuted against any Guarantor, whether or not any action is brought or prosecuted against Licensee or any other Guarantor or whether Licensee or any other Guarantor is joined in any such action or actions. The Guaranty shall be construed as a continuing, absolute and unconditional guaranty both of performance and of payment (and not merely of collection) without regard to: (i) (i) any modification, amendment or variation in or addition to the terms of any of the Obligations or any covenants in respect thereof or any security therefor, (iii) any extension of time for performance or waiver of performance of any covenant of Licensee or any other Guarantor or any failure or omission to enforce any right with regard to or any other indulgence with respect to any of the Obligations, (iii) any exchange, surrender, release of any other guaranty of or security for any of the Obligations, (iv) any bankruptcy, insolvency, reorganization, or proceeding involving or affecting Licensee or any other Guarantor, it being Guarantors' intent that Guarantors' obligations hereunder shall be absolute and unconditional under any and all circumstances.

28.2 Guarantor Waivers.

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

28.3 Maximum Liability of Guarantors.

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement, under seal, as of the Effective Date.

LICENSOR:

MARRIOTT INTERNATIONAL, INC.

By: _____
(SEAL)

Name: _____

Title: _____

MARRIOTT WORLDWIDE CORPORATION

By: _____
(SEAL)

Name: _____

Title: _____

LICENSEE:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
(SEAL)

Name: _____

Title: _____

[*ADDITIONAL SIGNATURES BLOCKS APPEAR ON THE FOLLOWING PAGE*]

SOLELY FOR THE PURPOSES OF THE GUARANTY IN SECTION 28.:

MARRIOTT OWNERSHIP RESORTS, INC.

By: _____
(SEAL)

Name: _____

Title: _____

MARRIOTT RESORTS HOSPITALITY CORPORATION

By: _____
(SEAL)

Name: _____

Title: _____

MVCI ASIA PACIFIC PTE. LTD.

By: _____
(SEAL)

Name: _____

Title: _____

MVCO SERIES LLC

By: _____
(SEAL)

Name: _____

Title: _____

EXHIBIT A

DEFINITIONS

When used in this Agreement the following terms have the meanings indicated:

"AAA Rules" has the meaning set forth in Section 22.4.A.

"Accounting Period" means any four (4) week period having the same beginning and ending dates as Licensee's four (4) week accounting periods (except that an Accounting Period may occasionally contain five (5) weeks when necessary to conform Licensee's accounting system to the calendar). Licensee shall have the right, at its discretion, to modify the definition of Accounting Period to mean any one of the twelve (12) calendar months in a calendar year or such other period of time as is consistent with the accounting periods that Licensee may implement, from time to time with respect to the Licensed Business.

"Affected Services" has the meaning set forth in Section 11.2.C.

"Affiliate" means, for any Person, a Person that is directly (or indirectly through one or more intermediaries) Controlling, Controlled by, or under common Control with such Person.

"Agreed Territorial Protections" has the meaning set forth in Section 5.7.A.

"Agreement" means this License Agreement, including any exhibits, attachments, and addenda.

"Applicable Law" means all laws, regulations, ordinances, rules, orders, decrees, and requirements of any governmental authority having jurisdiction over the Licensed Business or over the Projects, the Sales Facilities, Licensee, Guarantor, Licensor or this Agreement.

"Available Net Assets" shall mean, with respect to any Person, the amount, as of the respective date of calculation, by which the sum of such Person's assets (including subrogation, indemnity, contribution, reimbursement and similar rights that such Person may have, but excluding any such rights in respect of the Guarantor Obligations), determined on the basis of a "fair valuation" or their "fair saleable value" (whichever is the applicable test under Section 548 and other relevant provisions of the Bankruptcy Code and the relevant state fraudulent conveyance or transfer laws), is greater than the amount that will be required to pay all of such Person's debts, in each case matured or unmatured, contingent or otherwise, as of the date of calculation, but excluding liabilities arising under the Guaranty set forth in Section 28. of this Agreement and excluding, to the maximum extent permitted by Applicable Law with the objective of avoiding rendering such Person insolvent, liabilities subordinated to the Obligations arising out of loans or advances made to such Person by any other Person.

"Base Royalty" means fifty million dollars ($50,000,000) per calendar year, which amount shall be adjusted by fifty percent (50%) of the GDP Deflator every 5 calendar years, compounded annually, starting the fifth (5th) anniversary of the Effective Date.

"Brand Loyalty Programs" means the programs generally used for MHR Hotels that are designed to increase brand loyalty (and consequently market share, length of stay and frequency of usage of such hotels and other branded and affiliated products), and/or any similar, complementary, or successor program. As of the Effective Date, such programs include "Marriott Rewards".

"Brand Standards" means the Design Guide; the Brand Style and Communications Standards; the Operational Brand Standards; and the Quality Assurance Program (including the Quality Assurance Audit System and the Customer Satisfaction System), as of the Effective Date and as thereafter modified, amended or supplemented in accordance with Section 7.2. The Brand Standards also include Licensor's brand standards for the Upscale Brand Segment and Upper-Upscale Brand Segment of Licensor Lodging Facilities, which include, without limitation, standards and specifications related to health, fire and life safety, security and terrorism standards, the bedding package, customer accessible high speed internet access, Electronic Systems Standards, standards related to transient rentals, standards related to food and beverage services and outlets, but only to the extent applicable to the Licensed Business and with appropriate modifications to reflect appropriate differences between hotel service levels and service levels applicable to the Licensed Destination Club Business and the License Whole Ownership Residential Business. The Design Guide; the Brand Style and Communications Standards; the Operational Brand Standards; and the Quality Assurance Program will be set forth on Licensee's intranet site. All other Brand Standards will be set forth on Licensor's intranet site. The Brand Standards may be in paper or in electronic form.

"Brand Style and Communications Standards" means those standards related to use, style, and presentation of the Licensed Marks and other communications regarding the Licensed Business as set forth in the Brand Style and Communications Standards document as it exists on the Effective Date, as they may be modified pursuant to Section 7.2.

"Branded Elements" means (i) the Brand Loyalty Programs or successor thereto, (ii) Licensor-owned or -controlled branded elements of the Reservation System, (iii) Licensor-owned or -controlled branded elements of Licensor's website, marriott.com, or any additional pages or sites within marriott.com, (iv) use of the Brand Loyalty Programs member lists, (v) access to MHR Hotels, JW Marriott Hotels and Resorts, Renaissance Hotels and Resort, and Courtyard by Marriott Hotels for marketing of Destination Club Products, and (vi) access to MHR Hotels, JW Marriott Hotels and Resorts, Renaissance Hotels and Resort, and Courtyard by Marriott Hotels as an ancillary benefit exchange option for Destination Club Products. Notwithstanding the foregoing, the platform, infrastructure, coding, and non-customer facing elements of the Brand Loyalty Programs, the Reservation System, and the Licensor website(s) shall not be considered "Branded Elements" for purposes of this Agreement.

"Business Changes" has the meaning set forth in Section 11.2.C.

"Case Goods" means furniture and fixtures used in the Projects and their Public Facilities, such as chests, armoires, chairs, beds, headboards, desks, tables, television sets, mirrors, pictures, wall decorations, graphics and all other unspecified items of the same class.

"Change in Control" shall be deemed to have occurred when (i) any "person" or "group" (as such terms are used in Sections 13(e) and 14(d) of the Securities Exchange Act), other than a Significant Shareholder or a "group" of Significant Shareholders, acquires beneficial ownership (within the meaning of Rule 13d-3 under the Securities Exchange Act) of, or the power to exercise, directly or indirectly, effective control for any purpose over, shares representing more than (A) fifteen percent (15%) of the combined voting power of the then-outstanding securities entitled to vote generally in elections of directors of Licensee if Licensee is then a publicly traded company or (B) thirty percent (30%) of the combined voting power of the then-outstanding securities entitled to vote generally in elections of directors of Licensee if Licensee is not then a publicly traded; (ii) the stockholders of Licensee approve any plan or proposal for the liquidation, dissolution or winding up of Licensee; (iii) the earlier of (A) the date Licensee (x) consolidates with or merges into any other Person or any other Person merges into Licensee unless the stockholders of Licensee immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the

outstanding voting securities of the Person resulting from such transaction in substantially the same proportion as their ownership of the outstanding securities entitled to vote generally in elections of directors of Licensee immediately before such transaction, or (y) conveys, transfers or leases all or a substantial portion of all of Licensee's assets to any Person (other than a wholly-owned subsidiary as a result of which Licensee becomes a holding company) or (B) the date the stockholders of Licensee approve a definitive agreement to (x) consolidate Licensee with or merge Licensee into any other Person unless the stockholders of Licensee immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the Person resulting from such transaction in substantially the same proportion as their ownership of the outstanding securities entitled to vote generally in elections of directors of Licensee immediately before such transaction or (y) convey, transfer or lease all or a substantial portion of all of Licensee's assets to any Person (other than a wholly-owned subsidiary as a result of which Licensee becomes a holding company); or (iv) Continuing Directors do not at any time constitute a majority of the Board of Directors of Licensee (or, if applicable, a successor corporation to Licensee).

"Co-Located Hotel" has the meaning set forth in Section 5.4.A.

"Co-Located Licensor Lodging Facility" has the meaning set forth in Section 5.6.

"Continuing Director" means at any date a member of Licensee's Board of Directors (i) who was a member of such board on the Effective Date or (ii) who was nominated or elected by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to Licensee's Board of Directors was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or such lesser number comprising a majority of a nominating committee if authority for such nominations or elections has been delegated to a nominating committee whose authority and composition have been approved by at least a majority of the directors who were Continuing Directors at the time such committee was formed.

"Changes" has the meaning stated in Section 13.4.B.

"Competing Entities" has the meaning stated in Section 9.1.F.

"Condominium Hotel" means a hotel in which the guest rooms may be placed in a rental pool or rental program and some or all of the guest rooms are financed by virtue of a lease, whole ownership condominium regime, strata title, or any similar regime. Licensed Residential Projects operating under the "Grand Residences by Marriott" or "Ritz-Carlton Residences" names shall not be deemed to be Condominium Hotels for the purposes of this Agreement.

"Control" (and any form thereof, such as "Controlling" or "Controlled") means, for any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person.

"Controlled Property Owners' Association" means a Property Owners' Association that is controlled by Licensee or one of its Affiliates.

"Customer Information" means the names, addresses, phone and fax numbers, email addresses and other personal information of owners, customers or potential owners or customers, mailing lists, "lead" lists, contact lists, or similar lists or databases, and related data.

"Customer Satisfaction System" means the mechanism used by Licensee to administer and compile customer satisfaction data to measure different aspects of the customer experience, including product, sales and Member services, as of the Effective Date as it may be modified pursuant to Section 7.2. As of the Effective Date, the Customer Satisfaction System consists of the Guest Satisfaction Survey Program, the Owner Satisfaction Survey Program, and the Sales and Marketing Satisfaction Program.

"CSS Measurement Period" means the time period set forth in the Customer Satisfaction System used for measuring customer satisfaction under the Customer Satisfaction System.

"Data Protection Laws" means data protection and privacy laws and regulations under Applicable Law.

"Deficiency" has the meaning set forth in Section 8.4.C.

"Deflag" or "Deflagging" means (i) with respect to a Project, when a Project has been removed from the System and is no longer operating under the Licensed Marks, (ii) with respect to a Non-Site Specific Destination Club Ownership Vehicle, when a Non-Site Specific Destination Club Ownership Vehicle has been removed from the System and is no longer operating as part of a Licensed Non-Site Specific Destination Club Program or under the Licensed Marks, and (iii) with respect to a Licensor Lodging Facility, when a Licensor Lodging Facility has been removed from the applicable system of Licensor Lodging Facilities and is no longer operating under any of the Proprietary Marks.

"Design Guide" means the guide that comprises the standards necessary for planning, constructing, renovating, and refurbishing Projects, including site plans, architectural, mechanical, electrical, civil engineering, landscaping, and interior design, as set forth in the Design Guide document as it exists on the Effective Date, as it may be modified pursuant to Section 7.2.

"Design Review Addendum" means the Design Review Addendum attached to this Agreement as Exhibit G, which is incorporated by reference in this Agreement.

"Destination Club Business" means the business of (i) developing and operating Destination Club Projects; (ii) developing, selling, marketing, managing, operating and financing Destination Club Products and Destination Club Units; (iii) developing, selling, marketing and operating Exchange Programs; (iv) managing rental programs associated with Destination Club Products; (v) establishing and operating sales facilities for Destination Club Products; (vi) managing the Member services related to Destination Club Products; and (vii) managing or operating the amenities of Destination Club Projects (e.g., country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, etc.) located at or in the general vicinity of Destination Club Projects, and businesses that are ancillary to the foregoing activities (e.g. travel insurance), all of which are associated with Destination Club Products.

"Destination Club Competitor" means any Person or an Affiliate of any Person that (i) owns or has direct or indirect Ownership Interest in a Destination Club Competitor Brand or (ii) is a master franchisee, master franchisor or sub-franchisor for a Destination Club Competitor Brand (for the purposes hereof, the terms master franchisee, master franchisor, and sub-franchisor each mean a Person that has been granted the right by a franchisor to offer and sell subfranchises for such Person's own account). A Person that has an interest in a Destination Club Competitor Brand merely as a franchisee or as a mere passive investor that has no Control or influence over the business decisions of the Destination Club Competitor Brand, such as limited partners in a partnership or as a mere non-Controlling stockholder in a corporation, is not a Destination Club Competitor for purposes of this Agreement.

"Destination Club Competitor Brand" means a branded Destination Club Business chain with both (i) one thousand (1,000) or more Destination Club Units and (ii) ten (10) or more Destination Club Projects; provided, however, that Destination Club Competitor Brand shall not include a branded Destination Club Business created or developed by Licensee or its Affiliates.

"Destination Club Project" means a project that includes Destination Club Units, including all land used in connection with the project and (i) the freehold or long-term leasehold interest to the site of the project; (ii) all improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances (including the project building and all operating systems) located at the site of the project; and (iii) all furniture, fixtures, equipment, supplies and inventories installed or located in such improvements at the site of the project.

"Destination Club Royalty Fees" has the meaning stated in Section 3.1.A.

"Destination Club Products" means timeshare, fractional, interval, vacation club, destination club, vacation membership, private membership club, private residence club, points club, and other forms of products, programs and services, in each case wherein purchasers acquire an ownership interest, use right or other entitlement to use one or more of certain determinable overnight accommodations and associated facilities in a system of units and facilities on a recurring, periodic basis and pay for such ownership interest, use right or other entitlement in advance (whether payments are made in lump-sum or periodically over time), and associated Exchange Programs.

"Destination Club Unit" means a physical unit used for overnight accommodation as part of a Destination Club Product.

"Dispute" means any dispute, controversy, or claim arising out of or relating to this Agreement, or the making, breach, termination, or invalidity of this Agreement, or the relationship created thereby.

"Effective Date" has the meaning stated in the preamble to this Agreement.

"Electronic Systems" means all Software, Hardware and all electronic access to Licensor's systems and data, licensed or made available to Licensee relating to the System, including the Reservation System and any other system established under Section 10.

"Electronic Systems License Agreement" means the electronic systems license agreement that will be executed by Licensee as a condition to using the Electronic Systems.

"Electronic Systems Standards" means Licensor's standards, policies, procedures, guidelines and practices with respect to (i) systems that interface with Licensor's Electronic Systems, (ii) information technology and systems that store or transmit Licensor Confidential Information, and (iii) data security and privacy and compliance with Data Protection Laws as applicable to the systems and information technology referred to in clauses (i) and (ii) in this definition, in each case as updated from time to time.

"Employee Benefits Allocation Agreement" means the Employee Benefits and Other Employment Matters Allocation Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation entered into in connection with the Spin-Off Transaction.

"Exchange Program" means any method, arrangement, program or procedure for the voluntary exchange by Members of the right to use and occupy Destination Club Units for the right to use, occupy or benefit from other accommodations, facilities, programs or services.

"Excluded Area" means any countries and jurisdictions in which Licensor does not own a trademark registration for an applicable Licensed Mark, whether due to a prior third party registration or application or use of a conflicting mark or for other reasons, and includes any Unregistered Areas.

"Existing Golf Facilities" means the golf courses, facilities and services managed and operated by Licensee as of the Effective Date as set forth in Exhibit I.

"Existing Projects" means the Licensed Destination Club Projects and the Licensed Residential Projects that are existing and in operation or that have been approved by Licensor as of the Effective Date as set forth in Exhibit B.

"Expert" shall mean an independent, nationally or internationally recognized consulting firm or individual having a minimum of ten (10) years of international experience in the timeshare and lodging industry and qualified to resolve the issue in question, provided that an Expert shall not include any individual who is, as of the date of appointment or within six (6) months prior to such date, employed either directly or indirectly as a consultant in connection with any other matter, by a party (or its Affiliates) seeking to appoint such person.

"Extension Term" has the meaning set forth in Section 4.2.

"Extraordinary Event" means any of the following events, regardless of where they occur or their duration: acts of nature (including hurricanes, typhoons, tornadoes, cyclones, other severe storms, winds, lightning, floods, earthquakes, volcanic eruptions, fires, explosions, disease, or epidemics); fires and explosions caused wholly or in part by human agency; acts of war or armed conflict; riots or other civil commotion; terrorism (including hijacking, sabotage, chemical or biological events, nuclear events, disease-related events, bombing, murder, assault and kidnapping), or the threat thereof; strikes or similar labor disturbances; embargoes or blockades; shortage of critical materials or supplies; action or inaction of governmental authorities that have an impact upon the Licensed Business, excluding, however, general economic and/or market conditions not caused by any of the events described herein.

"Faldo Contract" has the meaning set forth in Section 1.B.

"Faldo Marks" means the names, marks and other intangible property used solely for the operation of Faldo Golf Facilities pursuant to the Faldo Contract as of the Effective Date or thereafter, including without limitation the registrations for marks containing the Faldo name and the Faldo logo to be assigned by Licensor pursuant to Section 1.B. The Faldo Marks do not include the name or mark "Marriott" or any other Proprietary Marks.

"Faldo Golf Facilities" means golf facilities that operate under the Faldo Marks located on sites at or adjacent to Projects.

"Frequent Traveler Program" See definition of Brand Loyalty Program.

"GDP Deflator" means the "Gross Domestic Product Implicit Price Deflator" issued from time to time by the United States Bureau of Economic Analysis of the Department of Commerce, or if the aforesaid GDP Deflator is not at such time so prepared and published, any comparable index selected by Licensor and reasonably satisfactory to Licensee (a "Substitute Index") then prepared and published by an agency of the government of the United States, appropriately adjusted for changes in the manner in which such index is prepared and/or year upon which such index is based. Any dispute regarding the selection of the Substitute Index or the adjustments to be made thereto shall be settled by a panel of three (3) Experts in accordance with Section 22.5. Except as otherwise expressly stated herein, whenever a

number or amount is required to be "adjusted by the GDP Deflator," or similar terminology, such adjustment shall be equal to the percentage increase or decrease in the GDP Deflator which is issued for the month in which such adjustment is to be made (or, if the GDP Deflator for such month is not yet publicly available, the GDP Deflator for the most recent month for which the GDP Deflator is publicly available) as compared to the GDP Deflator which was issued for the month in which the Effective Date occurred.

"Gross Commissions" means the gross commissions paid or to be paid to Licensee or its Affiliates in connection with the initial sale or re-sale by Licensee or its Affiliates on behalf of third parties of interests held by such third parties in Licensed Destination Club Units or in Licensed Residential Units (without deduction for any costs or Taxes). For the avoidance of doubt, Gross Commissions exclude maintenance fees, management fees, dues, exchange fees, enrollment fees, property management fees, or interest or financing charges with respect to financed purchases.

"Gross Sales Price" means the gross sale price paid or to be paid to Licensee or its Affiliates for the initial sale or re-sale of interests held by Licensee or its Affiliates in Licensed Destination Club Units or in Licensed Residential Units, whether directly or through the issuance of beneficial interests, other ownership interests, use rights or other entitlements (whether the value of which is denominated as points, weeks, or any other currency), including interests in a land trust or similar real estate vehicle (without deduction for any transaction costs including brokerage commissions and expenses, but less applicable Taxes paid by Licensee or its Affiliates or gross up for Taxes paid by purchasers, in each case assessed with respect to such sale or re-sale transaction (and not on the basis of income)), regardless of whether any part thereof is financed by Licensee or any third party. For the avoidance of doubt, the Gross Sales Price excludes maintenance fees, management fees, dues, exchange fees, enrollment fees, property management fees, or interest or financing charges with respect to financed purchases. To the extent that interests in Licensed Destination Club Units are used as consideration, in whole or in part, for the purchase of interests in other Licensed Destination Club Units, then the value ascribed to such interests shall be the list price of the acquired interests, less any applicable discount.

"Guarantor" means individually and collectively the Person(s) who guarantee(s) the performance of Licensee's obligations under this Agreement, the Electronic Systems License Agreement, and the Design Review Addendum under the Guaranty.

"Guarantor Obligations" has the meaning set forth in Section 28.3.

"Guaranty" means the guaranty set forth in Section 28.

"Hardware" means all computer hardware and other equipment (including all future upgrades, enhancements, additions, substitutions, and other modifications thereof) required for the operation of and connection to any Electronic System.

"Hilton Brand" means any brand owned or controlled by Hilton Worldwide or its successors-in-interest (excluding Licensor or its Affiliates) as of the Effective Date or at any time in the future, regardless of whether such brand is subsequently acquired by a third party. As of the Effective Date, the Hilton Brands include Waldorf Astoria Hotels and Resorts, Conrad Hotels and Resorts, Hilton Hotels and Resorts, Doubletree by Hilton, Embassy Suites, Hampton, Home2, and Hilton Grand Vacations.

"Illegal Facilities" has the meaning set forth in Section 9.1.G.

"Initial Term" has the meaning set forth in Section 4.1.

"Interest Rate" means the lesser of: (i) LIBOR plus 800 basis points; or (ii) the maximum rate permitted by applicable usury laws.

"Leisure/Vacation Product" means a product designed and intended primarily for leisure and vacation travelers and uses, which may include limited meeting space or multipurpose rooms or facilities designed for internal use by Licensee and its Affiliates or use by small groups or for Property Owners' Associations meetings, as well as certain customary business amenities typically found at leisure hotels, such as high-speed internet access, business services centers and fax machines. For the avoidance of doubt, the following intended uses are consistent with a Leisure/Vacation Product: recreational, social, educational or other affinity group events, meetings or classes (such as cooking classes and educational seminars); family reunions; the conducting of business during leisure and vacation stays; and the fact that some customers may purchase and use Destination Club Products primarily for business purposes, especially in urban locations such as Boston or London. A Leisure/Vacation Product does not include a product designed and intended primarily for business travelers or for group, meeting, association or convention business.

"LIBOR" means the rate per annum for deposits in U.S. dollars for a one (1) month period appearing on that page of the Bloomberg's Report which displays British Banker's Association Interest Settlement Rates for deposits in U.S. dollars (or if such page or service shall cease to be available, such other page on that service or such other service designated by the British Banker's Association for the display of such Association's Interest Settlement Rates for Dollar deposits) as of 11:00 a.m. (London, England time) on the first business day of each month.

"Licensed Business" means, collectively, the Licensed Destination Club Business and the Licensed Whole Ownership Residential Business operated under the Licensed Marks and the System pursuant to this Agreement.

"Licensed Business Customer Information" means the names, addresses, phone and fax numbers, email addresses and other personal information of owners, customers or potential owners or customers (including all Members and their family members), mailing lists, "lead" lists, contact lists, or similar lists or databases, and related data, in each case in whatever form and to the extent such information (i) was in Licensee's possession as of the date of the Spin-Off Transaction, (ii) obtained by Licensee in connection with the Licensed Business on or after the date of the Spin-Off Transaction (including directly or indirectly obtained from Licensor or its Affiliates or by or through the Brand Loyalty Program), or (iii) any Modified Third-Party List.

"Licensed Destination Club Business" means the Destination Club Business operated under the name "Marriott Vacation Club" and/or "Grand Residences by Marriott" and the System and using other Licensed Marks, all pursuant to this Agreement. The Licensed Destination Club Business does not include the business of managing or franchising hotels, other overnight lodging accommodation products offered for transient rental, except as specifically provided in Section 9.2, or any Condominium Hotel. The Licensed Destination Club Business licensed hereunder also excludes any passenger cruise ship or cruise line interests, usage rights, products or services; provided, however, that Licensee shall have the right to include as part of the Licensed Destination Club Business Destination Club Units on passenger cruise ships approved by Licensor as to quality, services and brand positioning, using the Licensed Marks (provided that the number of units on each such passenger cruise ship shall not exceed 20 units), and Licensee shall have the right to offer usage rights on third party passenger cruise ships through an Exchange Program associated solely with Licensed Destination Club Products provided to Members.

"Licensed Destination Club Products" means Destination Club Products existing as of the Effective Date or to be developed in future, and which are sold, marketed, developed, and/or operated under the name "Marriott Vacation Club" and/or "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement. Licensed Destination Club Products shall exclude hotels and other overnight lodging accommodation products offered for transient rental, subject to Licensee's rights set forth in Section 9.2.

"Licensed Non-Site Specific Destination Club Program" means a Non-Site Specific Destination Club Program operating under the Licensed Marks. As of the Effective Date, the Licensed Non-Site Specific Destination Club Programs include the "Marriott Vacation Club Destinations" program and the "Marriott Vacation Club – Asia Pacific" program.

"Licensed Destination Club Projects" means Destination Club Projects existing as of the Effective Date or to be developed in future, and which are marketed, developed, and/or operated under the name "Marriott Vacation Club" and/or "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement. Licensed Destination Club Projects shall exclude hotels and other overnight lodging accommodation products offered for transient rental, subject to Licensee's rights set forth in Section 9.2. Where the Licensed Destination Club Project is limited to Licensed Destination Club Units being offered within a larger, mixed-use facility, and Licensee does not control the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility, then the Licensed Destination Club Project shall refer only to such Licensed Destination Club Units, and the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility shall be of a quality that is comparable to that required of Licensed Destination Club Projects generally under this Agreement.

"Licensed Destination Club Units" means Destination Club Units existing as of the Effective Date or to be developed in future, and which are sold, marketed, developed, and/or operated under the name "Marriott Vacation Club" and/or "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement.

"Licensed Domains" has the meaning stated in Section 13.4.B.

"Licensed Marks" means (i) the name and mark "Marriott" solely as used in the names and marks "Marriott Vacation Club" and "Grand Residences by Marriott", in the corporate name "Marriott Vacations Worldwide", in the Permitted Licensee Affiliate Names, and in the domain names documented by the parties but not the name "Marriott" used by itself or with other words, terms, designs or other elements; (ii) the trademark "Marriott" in stylized script format solely as used in the names and marks "Marriott Vacation Club" and "Marriott Vacation Club International" but not to be used by itself or with other words, terms, designs, or other elements; (iii) the Sun Logo used in association with Marriott Vacation Club; (iv) the Sun and Moon Logo used in association with Marriott Vacation Club International; (v) the name and mark "Marriott" solely as used in the name and mark "Marriott Golf" pursuant to the terms set forth in Section 1.B., but not the name "Marriott" used by itself or with other words, terms, designs or other elements; and (vi) certain specified additional names and marks on an exclusive or non-exclusive basis that Licensor may specify in writing from time to time. The Licensed Marks shall not include other hotel brands or marks or other marks owned by Licensor or its Affiliate. The Licensed Marks do not include the Licensee Marks.

"Licensed Residential Projects" means Residential Projects existing as of the Effective Date or to be developed in the future, and which are marketed, developed, and/or operated under the name "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement. Where the Licensed Residential Project is limited to Licensed Residential Units being offered within a larger, mixed-use facility, and Licensee does not control the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility, then

the Licensed Residential Project shall refer only to such Licensed Residential Units, and the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility shall be of a quality that is comparable to that required of Licensed Residential Projects generally under this Agreement.

"Licensed Residential Units" means Residential Units existing as of the Effective Date or to be developed in future, and which are sold, marketed, developed, and/or operated under the name "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement.

"Licensed Services" means timeshare and/or residential services, including development, marketing, sales, financing and management activities related to timeshare and residential services.

"Licensed Whole Ownership Residential Business" means the Whole Ownership Residential Business operated under (i) the name "Grand Residences by Marriott", and (ii) the System and other Licensed Marks, all pursuant to this Agreement.

"Licensee" has the meaning stated in the preamble to this Agreement.

"Licensee Confidential Information" means any confidential information, knowledge, trade secrets, business information, operating procedures and know-how that are not included in the Brand Standards, which is identified in writing as confidential and is proprietary to Licensee or its Affiliates. Licensee Confidential Information does not include any Licensor Confidential Information, or Licensor Intellectual Property. Additionally, Licensee Confidential Information shall not include information that Licensor can demonstrate was, at the time of disclosure by Licensee to Licensor, part of the public domain or became part of the public domain, by publication or otherwise, except by breach of the provisions of this Agreement.

"Licensee Intellectual Property" means (i) the Licensee Marks, (ii) the Faldo Marks, and (iii) all other intangible property used by Licensee in connection with the Licensed Business, including trade secrets, customer lists, operating procedures and know-how that are not included in the Brand Standards, copyrights and copyrightable materials, patents, and online locators (including the vacationclub.com domain name and other domain names, email addresses, metatags, screen names, and social networking names) that do not comprise or contain any of the Licensed Marks, provided, the Licensee Intellectual Property does not include any of the Licensor Intellectual Property.

"Licensee Marks" means all trademarks, service marks, trade names, symbols, emblems, logos, insignias, slogans and designs and other indicia of origin (including restaurant names, lounge names, and other outlet names) which are currently exclusively used to identify or are otherwise used in connection with the Licensed Business (and not in any of Licensor's or its Affiliates' other businesses) (whether registered or unregistered, and whether used alone or in connection with any other words, trademarks, service marks, trade names, symbols, emblems, logos, insignias, indicia of origin, slogans, and designs) other than the Licensed Marks and other than any marks or names that contain the word "Marriott" or other Licensor Intellectual Property. The Licensee Marks include the name and mark "Horizons" and the name and mark "Grand Residences". The Licensee Marks do not include any of the Proprietary Marks.

"Licensee's Website" has the meaning stated in Section 13.4.

"Licensor" means, collectively, Marriott International, Inc. and Marriott Worldwide Corporation and their successors and assigns.

"Licensor Confidential Information" means: (i) the Brand Standards, including the Brand Standards for the design, construction, renovation or operation of the Projects; (ii) Electronic Systems and accompanying documentation developed for the System or elements thereof; (iii) Licensed Business Customer Information; or (iv) any confidential information, knowledge, trade secrets, business information or know-how identified as confidential obtained from Licensor or its Affiliates (a) through the use of any part of the System or concerning the System or the operation of the Licensed Business and the Projects or (b) under any Transaction Agreements. Licensor Confidential Information does not include any Licensee Confidential Information or Licensee Intellectual Property. Additionally, Licensor Confidential Information shall not include information that Licensee can demonstrate was, at the time of disclosure by Licensor to Licensee, part of the public domain or became part of the public domain, by publication or otherwise, except by breach of the provisions of this Agreement.

"Licensor Faldo Services" has the meaning set forth in Section 1.B.

"Licensor Intellectual Property" means (i) the Licensed Marks, and (ii) all other intangible property licensed to Licensee for use in connection with the Licensed Business, including trade secrets, Licensed Business Customer Information, Brand Standards, know-how, copyrights and copyrightable materials, and online locators that comprise or contain any of the Licensed Marks (including domain names, email addresses, metatags, screen names and social networking names), provided, the Licensor Intellectual Property does not include any of the Licensee Intellectual Property.

"Licensor Lodging Facilities" means all hotels and other lodging facilities, chains, brands, or hotel systems owned, leased, under development, or operated or franchised, now or in the future, by Licensor or any of its Affiliates, including: (i) Marriott Hotels, Resorts and Suites; Marriott Marquis Hotels; JW Marriott Hotels and Resorts; Marriott Conference Centers; Marriott Executive Apartments; Courtyard by Marriott Hotels; Fairfield Inn by Marriott Hotels; Fairfield Inn & Suites by Marriott Hotels; Nickelodeon Resorts by Marriott; Renaissance Hotels and Resorts; Renaissance ClubSport; Autograph Collection Hotels; Residence Inn by Marriott Hotels; Bvlgari Hotels and Resorts; Edition Hotels; Ritz-Carlton Hotels and Resorts; SpringHill Suites by Marriott Hotels; TownePlace Suites by Marriott Hotels; and AC Hotels by Marriott; (ii) other lodging products or concepts, including Marriott ExecuStay; JW Marriott Residences; Marriott Marquis Residences; and (iii) any other lodging product or concept developed or utilized by Licensor or any of its Affiliates in the future.

"Licensor Management Agreement" has the meaning set forth in Section 8.3.B.

"Licensor Managed Projects" has the meaning set forth in Section 8.3.B.

"Licensor Usage Fees" means the fees for use of Licensor's or its Affiliates' Electronic Systems and other systems, copyrights and other materials, including, without limitation, the Reservation System Fee and the fees for any other system established under Section 10.

"Lodging Business" means the business of developing, promoting, constructing, owning, leasing, acquiring, financing, managing, and/or operating, or authorizing or otherwise licensing or franchising to other Persons the right to develop, promote, construct, own, lease, acquire, finance, manage and/or operate, hotels, resorts, corporate housing, serviced apartments, or other transient or extended stay lodging facilities, including Condominium Hotels, but does not include activities included in the term Destination Club Business or Whole Ownership Residential Business.

"Lodging Competitor" means any Person or an Affiliate of any Person that (i) owns or has direct or indirect Ownership Interest in a Lodging Competitor Brand or (ii) is a master franchisee, master franchisor or sub-franchisor for a Lodging Competitor Brand (for the purposes hereof, the terms master

franchisee, master franchisor, and sub-franchisor each mean a Person that has been granted the right by a franchisor to offer and sell subfranchises for such Person's own account). A Person that has an interest in a Lodging Competitor Brand merely as a franchisee or as a mere passive investor that has no Control or influence over the business decisions of the Lodging Competitor Brand, such as limited partners in a partnership or as a mere non-Controlling stockholder in a corporation, is not a Lodging Competitor for purposes of this Agreement.

"Lodging Competitor Brand" means (i) a branded full service or luxury hotel chain with both (x) four thousand (4,000) or more rooms and (y) twenty (20) or more hotels or (ii) a branded select service or extended stay hotel chain with both (x) ten thousand (10,000) or more rooms and (y) fifty (50) or more hotels; provided, however, that Lodging Competitor Brand shall not include a branded hotel chain created or developed by Licensee or its Affiliates.

"Logoed Merchandise" has the meaning stated in Section 9.1.G.

"Management Company" has the meaning stated in Section 8.3.

"Management Company Acknowledgment" means an acknowledgment signed by the Management Company, Licensee and Licensor, the current form of which is attached hereto as Exhibit C.

"Marketing Content" means all advertising, marketing, promotional, sales and public relations concepts, press releases, materials, copy, concepts, plans, programs, seminars, brochures, directories, and sales and marketing campaigns or other information to be released to the public, whether in paper, digital, electronic or computerized form, or in any form of media now or hereafter developed.

"Marriott Family Member" means J.W. Marriott, Jr., Richard E. Marriott, any brother or sister of J.W. Marriott, Sr., any children or grandchildren of any of the foregoing, any spouses of any of the foregoing, or any trust or other entity established primarily for the benefit of one or more of the foregoing.

"Maximum Available Net Assets" shall mean, with respect to any Person, the greatest of the Available Net Assets of such Person calculated as of the following dates: (A) the Effective Date, and (B) each date on which such Person expressly reaffirms the Guaranty set forth in Section 28 of this Agreement.

"Member" means (i) an owner of a timeshare, fractional, or interval ownership interest, use right or other entitlement to use a Destination Club Unit or (ii) an owner of an interest in a Residential Unit.

"Member Service Center" means a facility at which Licensee provides Members with off-site services with respect to their use and enjoyment of interests in Licensed Destination Club Products.

"MHR Hotel" means a full-service hotel operated by Licensor, an Affiliate of Licensor, or a franchisee or licensee of Licensor or its Affiliates under the trade name Marriott Hotel, Marriott Resort, Marriott Suites Hotel, or Marriott Marquis Hotel, and does not include any other Licensor Lodging Facility or other business operation.

"Minimum Customer Satisfaction Score" means the minimum score that Projects are required to meet and maintain for customer satisfaction under the Customer Satisfaction System.

"Modified Third-Party List" has the meaning set forth in Section 9.1.E.

"Negotiation Opportunity Notice" has the meaning stated in Sections 5.4.A. and 5.6.

"New Licensee Programs" has the meaning stated in Section 9.5.B.

"New Project Application" has the meaning stated in Section 5.2.A.

"New Projects" means Licensed Destination Club Projects and Licensed Residential Projects that are not in existence or operating as of the Effective Date but that are subsequently developed and operated pursuant to the terms and conditions of this Agreement.

"Noncompetition Agreement" has the meaning stated in Section 2.1.

"Non-Controlled Property Owners' Association" means a Property Owners' Association that is not controlled by Licensee or one of its Affiliates.

"Non-Renewal Agreement" has the meaning stated in Section 18.1.A(ii).

"Non-Site Specific Destination Club Ownership Vehicle" means an ownership vehicle (such as a trust or property owning company) that (i) holds interests in Destination Club Units and (ii) is included as part of a Non-Site Specific Destination Club Program.

"Non-Site Specific Destination Club Program" means a program under which purchasers acquire an ownership interest, use right or other entitlement to use a system of Destination Club Projects.

"Obligations" has the meaning set forth in Section 28.1.

"Offering Documents" has the meaning stated in Section 9.1.B.

"Operational Brand Standards" means those standards related to marketing and sales operations, Member services, and Project operations, as set forth in the following documents as they exist on the Effective Date, as they may be modified pursuant to Section 7.2: (i) Owner Services Brand Standards; (ii) Resort Operations Brand Standards; and (iii) Marketing and Sales Operations Brand Standards.

"Other Mark(s)" means any trademark, trade name, symbol, slogan, design, insignia, emblem, device, or service mark that is not a Licensed Mark or a Faldo Mark.

"Ownership Interest" means all forms of ownership of legal entities or property, both legal and beneficial, voting and non-voting, including stock interests, partnership interests, limited liability company interests, joint tenancy interests, leasehold interests, proprietorship interests, trust beneficiary interests, proxy interests, power-of-attorney interests, and all options, warrants, and any other forms of interest evidencing ownership or Control.

"Payment Obligations" has the meaning set forth in Section 3.8.A.

"Permitted Corporate Name" has the meaning set forth in Section 13.2.A(3).

"Permitted Licensee Affiliate Names" means the names of certain of Licensee's Affiliates set forth on Exhibit J.

"Permitted Territorial Restrictions" has the meaning set forth in Section 5.7.B.

"Person" means an individual; legal entity such as a partnership, trust, corporation, limited liability company; a government; an unincorporated organization; or any other legal entity of any kind.

"Personally Identifiable Information" means any information that can be associated with or traced to any individual, including an individual's name, address, telephone number, e-mail address, credit card information, social security number, or other similar specific factual information, regardless of the media on which such information is stored (e.g., on paper or electronically) and that is generated, collected, stored or obtained as part of this Agreement or in connection with the Licensed Business, including transactional and other data pertaining to users.

"Projects" means the Existing Projects and the New Projects.

"Property Owners' Association" means an association of owners of interests in Licensed Destination Club Units, in Licensed Residential Units, or in a Licensed Non-Site Specific Destination Club Program.

"Proprietary Marks" means the Licensed Marks, the Licensor Intellectual Property, and any other intangible property, trademarks, trade names, trade dress, words, symbols, logos, slogans, designs, insignia, emblems, devices, service marks, and indicia of origin (including restaurant names, lounge names, or other outlet names), or combinations thereof, that are owned or registered by Licensor or any of its Affiliates, or are used to identify or are otherwise associated by virtue of usage with the System, all as may be changed, deleted, added to or otherwise modified by Licensor or its Affiliates. The Proprietary Marks may be owned currently by Licensor or any of its Affiliates or later developed or acquired, and may or may not be registered or applied for in any jurisdiction. The Proprietary Marks do not include any Licensee Marks or Licensee Intellectual Property.

"Public Facilities" means any meeting rooms, conference rooms, restaurants, bars, lounges, pools, recreation facilities, lobby areas, and all other similar public facilities.

"Purchase Contract" has the meaning set forth in Section 3.1.C.(ii)

"Quality Assurance Audit System" means the process utilized by Licensee to measure the quality and performance of operations at the Projects as it exists on the Effective Date, as it may be modified pursuant to Section 7.2.

"Quality Assurance Program" means the quality assurance program used by Licensee to monitor customer satisfaction and the operations, facilities and services at the Projects as it exists on the Effective Date, as it may be modified pursuant to Section 7.2. The Quality Assurance Program includes the Customer Satisfaction System and the Quality Assurance Audit System.

"Registrar" has the meaning stated in Section 13.4.B.

"Remediation Arrangement" means an arrangement agreed to by Licensor and Licensee under which, as applicable, Licensee agrees to (and completes) the cure of any material noncompliance with this Agreement or the Brand Standards or Licensor agrees to (and completes) the cure of any material failure to comply with Licensor's material obligations under this Agreement. Such Remediation Arrangement shall provide (i) reasonable opportunities for the parties to consult with each other or their respective Affiliates with respect to the appropriate cure for such noncompliance and (ii) for reasonable time periods for Licensee or Licensor, as applicable, to diligently pursue and cure such noncompliance, and the period to cure under the Remediation Arrangement shall not exceed one (1) year unless otherwise agreed by the parties.

"Reservation System" means any reservation system designated by Licensor for use by MHR Hotels (including all Software, Hardware and electronic access related thereto).

"Reservation System Fee" means the fee Licensee must pay to Licensor representing Licensee's share of the costs and expenses of the Reservation System, including development and incremental operating costs, ongoing maintenance, field support costs, and a reasonable return on capital.

"Residential Project" means a project that includes Residential Units, including all land used in connection with the project and (i) the freehold or long-term leasehold interest to the site of the project; (ii) all improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances (including the project building and all operating systems) located at the site of the project; and (iii) all furniture, fixtures, equipment, supplies and inventories installed or located in the Public Facilities of such improvements at the site of the project.

"Residential Royalty Fees" has the meaning stated in Section 3.1.B.

"Residential Units" means whole ownership residential units, including single family homes, condominium units, or other housing units which are owned on a whole (not fractional) ownership basis.

"Rewards Agreement" means the Marriott Rewards Affiliation Agreement between Marriott International, Inc., Marriott Rewards, LLC, Marriott Vacations Worldwide Corporation, and Marriott Ownership Resorts, Inc. regarding the Brand Loyalty Program entered into in connection with the Spin-Off Transaction.

"Ritz-Carlton Licensed Business" means the Destination Club Business and Whole Ownership Residential Business of Licensee that is licensed to use the "Ritz-Carlton" name and mark pursuant to the Ritz-Carlton License Agreement.

"Ritz-Carlton License Agreement" has the meaning set forth in Recital G.

"Royalty Fees" means, collectively, the Destination Club Royalty Fees and the Residential Royalty Fees.

"Sales Facilities" means galleries, desks and other physical facilities from which interests in Destination Club Units and/or Residential Units which are part of the Licensed Business are offered and sold to the public.

"Separation and Distribution Agreement" means the Separation and Distribution Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation entered into in connection with the Spin-Off Transaction.

"Separation Plan" has the meaning set forth in Section 9.3.B.

"Service Modifications" has the meaning set forth in Section 11.2.C.

"Services Manual" means the manual under which certain services are provided by Licensor or its Affiliates to Licensee or its Affiliates in accordance with Section 11.2.

"Significant Shareholder" means any Person that is:

(i) either a Marriott Family Member or on the date hereof possesses, directly or indirectly, and such possession has been publicly disclosed, the power to vote 5% or more of the outstanding shares of common stock of the Licensee,

(ii) or hereafter becomes a spouse of or any other relative (by blood, marriage or adoption) of a Person described in clause (i),

(iii) or becomes a transferee of the interests of any of the foregoing Person or Persons by descent or by trust or similar arrangement intended as a method of descent, or

(iv) (x) an employee benefit or stock ownership plan of the Licensee or (y) a grantor trust established for the funding, directly or indirectly, of the Licensee's employee benefit plans and programs.

"Soft Goods" means textile, fabric and vinyl and similar products used in finishing and decorating the Licensed Destination Club Units and the corridors and the Public Facilities of the Projects, such as vinyl wall and floor coverings, drapes, sheers, cornice coverings, carpeting, bedspreads, lamps, lamp shades, artwork, task chairs, upholstery and all other unspecified items of the same class.

"Software" means all computer software and accompanying documentation (including all future enhancements, upgrades, additions, substitutions and other modifications) provided to Licensee by or through Licensor and/or third parties designated by Licensor or its Affiliates required for the operation of and connection to any Electronic System.

"Specially Designated National or Blocked Person" means: (i) a Person designated by the U.S. Department of Treasury's Office of Foreign Assets Control as a "specially designated national or blocked person" or similar status; (ii) a Person described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or (iii) a Person otherwise identified by government or legal authority as a Person with whom Licensor, Licensee or any of their Affiliates, are prohibited from transacting business. As of the Effective Date, a list of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac.

"Starwood Brand" means any brand owned or controlled by Starwood Hotels and Resorts or its successors-in-interest (excluding Licensor or its Affiliates) as of the Effective Date or at any time in the future, regardless of whether such brand is subsequently acquired by a third party. As of the Effective Date, the Starwood Brands include Le Meridien, Westin, The Luxury Collection, aLoft, Four Points, Sheraton, Element by Westin, St. Regis, and W Hotels.

"System" means the Brand Standards, the Licensor Intellectual Property and other distinctive, distinguishing elements or characteristics that Licensor or its Affiliates have developed, designated or authorized for the operation of the Licensed Business and the Projects, including: the Reservation System and other Electronic Systems, the Brand Loyalty Programs, training programs, Licensor websites, and advertising programs, as such may be modified, amended or supplemented in accordance with Section 7.2. The System does not include any of the Licensee Intellectual Property.

"System Removal Agreement" has the meaning stated in Section 18.1.A(ii).

"Tax Sharing and Indemnity Agreement" means the Tax Sharing and Indemnity Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation entered into in connection with the Spin-Off Transaction.

"Taxes" means all taxes (including any sales, gross receipts, value-added or goods and services taxes), levies, charges, impositions, stamp or other duties, fees, deductions, withholdings or other payments levied or assessed by any competent governmental authority, including by any federal, national, state, provincial, local, or other tax authority.

"Term" means the Initial Term and the Extension Terms, if any.

"Territory" means the world.

"Third-Party List" has the meaning stated in Section 9.1.E.

"Total Available Net Assets" has the meaning set forth in Section 28.3.

"Transaction Agreements" has the meaning set forth in the Separation and Distribution Agreement.

"Transfer" means any sale, conveyance, assignment, exchange, pledge, encumbrance, lease or other transfer or disposition, directly or indirectly, voluntarily or involuntarily, absolutely or conditionally, by operation of law or otherwise.

"Travel Expenses" means all commercially reasonable travel, food and lodging, living, and other out-of-pocket costs and expenses (including, the cost and expense of obtaining any required visas, work permits or similar documentation).

"Undeveloped Parcels" has the meaning stated in Section 5.3.A.

"Unregistered Area" has the meaning stated in Section 13.1.C(2).

"Upscale Brand Segment" and "Upper-Upscale Brand Segment" mean the "upscale" and "upper-upscale" brand segments, respectively, of the hospitality industry as defined by Smith Travel Research (or its successor). If at any time such segments are not then defined by Smith Travel Research (or its successor), then such segments shall be replaced by comparable segments as are then defined by Smith Travel Research (or its successor). In the event Smith Travel Research (or its successor) ceases to define comparable segmentation or in the event that Smith Travel Research (or its successor) ceases to exist, then the parties shall identify a replacement source and a replacement definition of segments comparable to "upscale" and "upper-upscale" as previously defined by Smith Travel Research (or its successor). Any dispute regarding the selection of replacement definitions or sources shall be settled by Expert resolution in accordance with Section 22.5.

"Vulnerable Registrations" has the meaning stated in Section 13.1.C(2).

"Whole Ownership Residential Business" means the business of (i) developing and operating Residential Projects; (ii) developing, selling, marketing, managing, operating and financing Residential Units; (iii) managing rental programs associated with Residential Projects; (iv) establishing and operating sales facilities for Residential Units; (v) managing the owner services related to Residential Units; and (vi) managing or operating the amenities of Residential Projects (e.g. country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, etc.) located at or in the general vicinity of Residential Projects and businesses that are ancillary to the foregoing activities, all associated with Residential Projects.

EXHIBIT B

EXISTING PROJECTS

Approved Name of Project	Address of Project	Project Operator	Destination Club and/or Residential
Grand Residences by Marriott, Bay Point	4000 Marriott Drive Panama City Beach, Florida 32408	Marriott Resorts Hospitality Corporation	Residential
Grand Residences by Marriott, Kauai Lagoons	3325 Holokawelu Way Lihue, Hawaii 96766	Marriott Resorts Hospitality Corporation	Residential
Grand Residences by Marriott, Lake Tahoe	1001 Heavenly Village Way South Lake Tahoe, California 96150	Marriott Resorts Hospitality Corporation	Destination Club Residential
Grand Residences by Marriott - Mayfair-London	47 Park Street, London England W1K 7EB United Kingdom	MGRC Management Limited	Destination Club
Marriott's Aruba Ocean Club	LG Smith Boulevard #99 Palm Beach, Aruba	Marriott Resorts Hospitality of Aruba, N.V.	Destination Club
Marriott's Aruba Surf Club	103 L. G. Smith Boulevard Palm Beach, Aruba	Costa del Sol Development Company, N.V.	Destination Club
Marriott's Barony Beach Club	5 Grasslawn Avenue Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's BeachPlace Towers	21 South Fort Lauderdale Beach Blvd Fort Lauderdale, Florida 33316	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Canyon Villas	5220 E. Marriott Drive Phoenix, Arizona 85054	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Club Son Antem	CTRA MA 19 Salida 20 Llucmajor, 07620 Spain	MVCI Management, S.L.	Destination Club
Marriott's Crystal Shores	600 South Collier Boulevard Marco Island, Florida 34145	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Custom House	3 McKinley Square Boston, Massachusetts 02109	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Cypress Harbour	11251 Harbour Villa Road Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Desert Springs Villas I	1091 Pinehurst Lane Palm Desert, California 92260	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Desert Springs Villas II	1091 Pinehurst Lane Palm Desert, California 92260	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Fairway Villas	500 East Fairway Lane Galloway, New Jersey 08205	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Frenchman's Cove	7338 Estate Bakkeroe St. Thomas 00801 U.S. Virgin Islands	Marriott Ownership Resorts (St. Thomas), Inc.	Destination Club
Marriott's Grand Chateau	75 East Harmon Avenue Las Vegas, Nevada 89109	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Grande Ocean	51 South Forest Beach Drive Hilton Head, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Grande Vista	5925 Avenida Vista Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club

Approved Name of Project	Address of Project	Project Operator	Destination Club and/or Residential
Marriott's Harbour Lake	7102 Grand Horizons Boulevard Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Harbour Club	144 Light House Road Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Harbour Pointe	4 Shelter Cove Lane Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Heritage Club	18 Light House Road Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Imperial Palm Villas	8404 Vacation Way Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Kauai Beach Club	3610 Rice Street, Kalapaki Beach Lihue, Kauai, Hawaii 96766	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Kauai Lagoons	3325 Holokawelu Way Lihue, Hawaii 96766	Marriott Resorts Hospitality Corporation	Destination Club Residential
Marriott's Ko Olina Beach Club	92-1480 Aliinui Drive Honolulu, Hawaii 96707	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Lakeshore Reserve	11715 Lakeshore Reserve Drive Orlando Florida 32837	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Legends Edge at Bay Point	4000 Marriott Drive Panama City Beach, Florida 32408	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Mai Khao Beach - Phuket	234 Mai Khao Talang Thepsasatri Road Phuket, 83110 Thailand	MVCI Asia Pacific PTE. Limited	Destination Club
Marriott's Manor Club at Ford's Colony	101 St. Andrews Drive Williamsburg, Virginia 23188	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Marbella Beach Resort	Crta. de Cadiz, KM 193 Urb. Marbella del Este Marbella, Malaga 29604 Spain	MVCI Management S.L.	Destination Club
Marriott's Maui Ocean Club	100 Nohea Kai Drive Lahaina, Maui, Hawaii 96761	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Monarch at Sea Pines	91 North Sea Pines Drive Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's MountainSide	1305 Lowell Avenue Park City, Utah 84060	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Mountain Valley Lodge	655 Columbine Drive Breckenridge, Colorado 80424	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Newport Coast Villas	23000 Newport Coast Drive Newport Coast, California 92657	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Oceana Palms	3200 North Ocean Drive Riviera Beach, Florida 33404	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Ocean Pointe	71 Ocean Avenue Palm Beach Shores, Florida 33404	Marriott Resorts Hospitality Corporation	Destination Club

Approved Name of Project	Address of Project	Project Operator	Destination Club and/or Residential
Marriott's OceanWatch Villas at Grande Dunes	8500 Costa Verde Drive Myrtle Beach, South Carolina 29572	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Phuket Beach Club	230 Moo, Maikhao, Talang Phuket, 83110 Thailand	- MVCI Management (Europe), Limited - Marriott Hotels (Thailand), Limited	Destination Club
Marriott's Playa Andaluza	Ctra. de Cadiz, km 168 Estepona, 29680 Spain	MVCI Management S.L.	Destination Club
Marriott's Royal Palms	8805 World Center Drive Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Sabal Palms	8404 Vacation Way Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Shadow Ridge	9003 Shadow Ridge Road Palm Desert, California 92211	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's St. Kitts Beach Club	858 Frigate Bay Road Frigate Bay, Saint Kitts and Nevis	MVCI St. Kitts Company Limited	Destination Club
Marriott's StreamSide at Vail, Birch	2284 South Frontage Road Vail, Colorado 81657	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's StreamSide at Vail, Douglas	2284 South Frontage Road Vail, Colorado 81657	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's StreamSide at Vail, Evergreen	2284 South Frontage Road Vail, Colorado 81657	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Summit Watch	780 Main Street Park City, Utah 84060	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Sunset Pointe	4 Shelter Cove Lane Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's SurfWatch	10 Fifth Street Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Timber Lodge	4100 Lake Tahoe Boulevard South Lake Tahoe, California 96150	Marriott Resorts Hospitality Corporation	Destination Club
Marriott Vacation Club at The Empire Place	88 Naradhiwas Rajanagarindra Road Sathorn Yannawa, 10120, Thailand	MVCI Asia Pacific PTE. Limited	Destination Club
Marriott Vacation Club at The Buckingham	22652 Rua de Nam Keng Taipa, Macau SAR	MVCI Asia Pacific PTE Limited or Affiliate	Destination Club
Marriott's Village d'lle-de- France	Allee de l'Orme Rond Bailly- Romainvilliers, 77700 France	MVCI Holidays France, S.A.S.	Destination Club
Marriott's Villas at Doral	4101 NW 87th Avenue Miami, Florida 33178	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Waiohai Beach Club	2249 Poipu Road Koloa Kaua'i, Hawaii 96756	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Willow Ridge Lodge	2921 Green Mountain Drive Branson, Missouri 65616	Marriott Resorts Hospitality Corporation	Destination Club

EXHIBIT B-1

UNDEVELOPED PARCELS

Project / Asset	Inv To be Sold
Abaco, Bahamas	**• Beachfront lots (10.1 Acres) • Ironshore lots (5.6 Acres) • Golf lots (26.0 Acres) • Inland lots (9.6 Acres) • Marles facing land (58.2 Acres)**
Cancun - Caribbean Hotel, MX	**Partially Developed Parcel 6 Acres**
Canyon Villas, Phoenix, AZ	**Phases 6 & 7**
Club Son Antem, Mallorca	**Future Phase Parcels**
Crystal Shores, Marco Island, FL	**Phases 2, 3 & 4**
Disney Plot 1.03, Paris, France	**Undeveloped Parcel 10 Acres**

Project / Asset	Inv To be Sold
Fairway Villas, NJ Seaview Parcels(Original MVCI Parcels)	**<u>Residential</u>** **• House Lot (0.69 acres)• Lot used for Golf (0.58 acres)** **• New Lots on Ridgewood (5.82 acres)** **• New Lot on Seaview (3.44 acres)** **• Residential (45.67 acres)** **• Comm. Carve-out (5.0 acres)** **<u>Timeshare</u>** **• Building G (1.89 acres)** **• Building H (2.12 acres)** **• Building I (2.34 acres)** **• Open & Ops (7.35 acres)**
Fairway Villas, NJ Seaview Parcels(MHS & MI Parcels)	**• Pines 18-hole golf course, driving range, golf shed (159.3 acres)** **• Single Family Lots (49.0 acres)** **• Comm. Parcel (3.4 acres)** **• Wetlands (232.1 acres)**
Frenchman's Cove, St. Thomas	**Phases 6, 7 & 8**

Project / Asset	Inv To be Sold
Grand Bahama, Bahamas	**• Undeveloped Timeshare Parcel (20 Acres) • MVCI Plan = 348 Units** **• Undeveloped Hotel Parcel (10 Acres) • MVCI Plan = 380 rooms**
Grand Chateau, Las Vegas, NV	**Towers 3 & 4, Phases 3 & 4 - Part of 3+ acre site not subdivided**
Grand Vista Sequel (Grand Pines), FLParcel 11	**• Undeveloped Parcel (20 Acres) • MVCI Plan =781 units**
Grand Vista, FL Parcel 15	**Undeveloped Parcel (3 Acres)**
Horizons at Branson, MO	**Phases 12, 13, 14, 15, 16 & 17**

Project / Asset	Inv To be Sold
Horizons at Orlando (Harbour Lake), Orlando, FL	**Phases 4, 5, 6, 7, 8, 9, 10, 11 & 12**
Kauai Lagoons, HI	**• Inn on the Cliffs (22 units)** **• Townhomes (5 units)** **• Makalii Bldg A (37 units)** **• Makalii Bldg B (52 units)** **• Maikalii Bldg C (28 units)** **• Residential Golf Lots (65 lots)** **• MVC T/S (292 units)** **• MVC T/S Sequel (193 units)** **• Affordable Housing (31 units)** **• Golf Course, Restaurant & Golf Clubhouse**
Ko Olina, HI	**Phases 6 & 7**
Lakeshore Reserve (Grand Lakes) Orlando, FL	**Phases 2, 3, 4, 5 & 6**
Mirasol Singer Island, FL	**Undeveloped Parcel (2.9 Acres)**

Project / Asset	Inv To be Sold
Northstar, Lake Tahoe, CA	**Undeveloped Parcel 1.5 +/- Acres**
Playa Andaluza, Spain	**Future Phase Parcels**
Shadow Ridge II, Palm Desert, CA	**Phases 8, 9A, 9B, 10A, 10B, 11. 12, 14, 13A & 13B**
St. Thomas Sequel, Cabrita Point, USVI	**Lots:** **• 28 available**
Residential Lots	
Willow Ridge Sales Center, MO	**Sales Center on 1.4 acre parcel**
Willow Ridge Lodge, MO	**Land Designated for Buildings G, F, H & I (194 units planned) and Buildings B & C**

EXHIBIT B-2

UNDEVELOPED PARCELS SUBJECT TO RIGHT OF FIRST OFFER AND RIGHT OF FIRST REFUSAL

Project / Asset	Inv To be Sold
Cancun - Caribbean Hotel, MX	**Partially Developed Parcel** **6 Acres**
Grand Bahama, Bahamas	**• Undeveloped Timeshare Parcel (20 Acres)** **• MVCI Plan = 348 Units** **• Undeveloped Hotel Parcel (10 Acres)** **• MVCI Plan = 380 rooms**

Project / Asset	Inv To be Sold
Kauai Lagoons, HI	**• Inn on the Cliffs (22 units)** **• Townhomes (5 units)** **• Makalii Bldg A (37 units)** **• Makalii Bldg B (52 units)** **• Maikalii Bldg C (28 units)** **• Residential Golf Lots (65 lots)** **• MVC T/S (292 units)** **• MVC T/S Sequel (193 units)** **• Affordable Housing (31 units)** **• Golf Course, Restaurant & Golf Clubhouse**
Mirasol **Singer Island, FL**	**Undeveloped Parcel (2.9 Acres)**
Northstar, Lake Tahoe, CA	**Undeveloped Parcel 1.5 +/- Acres**

EXHIBIT B-3

MEMORANDUM OF RIGHT OF FIRST REFUSAL

Recording Requested by:

_____
_____
_____
_____

Document Prepared by:

_____
_____
_____
_____

When Recorded, Mail to:

_____
_____
_____
_____

This space reserved for Recorder's use only.

MEMORANDUM OF RIGHT OF FIRST REFUSAL

MEMORANDUM OF RIGHT OF FIRST REFUSAL

This Memorandum of Right of First Refusal ("Memorandum") is effective as of the _____ day of _____, 2011 ("Effective Date") among Marriott International, Inc., a Delaware corporation ("MII"), and Marriott Worldwide Corporation, a Maryland corporation ("MWC") (MII and MWC are referred to collectively herein as "Licensor"), and _____, a _____ ("Owner").

RECITALS:

A. Licensor and Owner or its Affiliate have entered into a License, Services, and Development Agreement dated _____, 2011 (the "License Agreement").

B. Owner is the fee owner of the undeveloped parcel of real property described in Exhibit 1 attached hereto (the "Real Property").

C. Pursuant to Section 5.3.C of the License Agreement, Owner granted Licensor a right of first refusal to purchase the Real Property (or a controlling interest in the owner(s) of such Real Property) on the same terms set forth in a bona fide third party offer made to Owner, exercisable within thirty (30) days after notice is given of such offer, in the event of a proposed sale to a Lodging Competitor (as defined in the License Agreement).

D. Licensor and Owner are executing and delivering this Memorandum in accordance with Section 5.3.C of the License Agreement for the purpose of submitting it to be recorded among the Land Records of the counties/cities in which the Real Property is located.

AGREEMENT:

NOW THEREFORE, for the good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto state as follows with respect to the License Agreement:

1. Grant of Right of First Refusal. Pursuant to Section 5.3.C. of the License Agreement, Owner has granted Licensor the right of first refusal (the "Right of First Refusal") to purchase the Real Property (or any part thereof), as more particularly described on Exhibit 1, attached hereto and made a part hereof, upon the terms and conditions contained in Section 5.3.C. of the License Agreement in the event of a proposed sale to a Lodging Competitor.

2. Interest in Real Estate and Injunctive Relief. Owner acknowledges that Licensor's rights under Section 5.3.C. of the License Agreement are real estate rights in the Real Property. Owner acknowledges and agrees that damages are not an adequate remedy in the event that Owner breaches its obligations under Section 5.3.C. of the License Agreement and that Licensor will be entitled to injunctive relief to prevent or remedy such breach without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting a bond.

3. Term. The Right of First Refusal will terminate upon the termination of the License Agreement. For the avoidance of doubt, however, Licensor's Right of First Refusal pursuant to Section 5.3.C. of the License Agreement must be exercised within thirty (30) days after Licensor receives notice from Owner of a bona fide third party offer to purchase the Real Property. In the event Licensor has not submitted notice of its intention to purchase within such thirty (30) day period, then such right shall be deemed to have expired by its own terms and no further waiver or acknowledgement of such expiration of Licensor's rights shall be necessary or required from Licensor.

4. Subordination. Licensor's rights in real estate under Section 5.3.C. of the License will be subordinate to the exercise of the rights of lenders under a mortgage or security deed secured by the Real Property.

5. Termination. If the License Agreement is terminated and Licensor's rights under Sections 5.3.C thereof are no longer in effect or if a Project (as defined in the License Agreement) or a non-lodging facility is developed by Owner or one of its affiliates on the Real Property, then, at the request of Owner, Licensor will deliver upon request an instrument in recordable form to terminate the recording of interest in the Real Property contemplated hereunder.

6. Addresses. Licensor's address, as set forth in the License Agreement, is 10400 Fernwood Road, Bethesda, MD 20817, Attn: [_____]. Owner's address, as set forth in the License Agreement, is [6649 Westwood Blvd., Suite 500, Orlando, Florida 32821].

{Signatures appear on following page}

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed, under seal, by their duly authorized representatives, as of the date first above written.

LICENSOR:

ATTEST:

MARRIOTT INTERNATIONAL, INC.,
a Delaware corporation

By: _____ (SEAL)
Assistant Secretary
Name:
Title:

ATTEST:

MARRIOTT WORLDWIDE CORPORATION,
a Maryland corporation

By: _____ (SEAL)
Assistant Secretary
Name:
Title:

OWNER:

ATTEST/WITNESS:

_____,

a _____]

By: _____ (SEAL)
(Assistant) Secretary/Witness
Name:
Title:

STATE OF

CITY/COUNTY OF

I HEREBY CERTIFY that on _____, 2011 before me, a Notary Public of the State and City/County aforesaid, personally appeared _____, who acknowledged himself/herself to be the _____ of Marriott International, Inc. (the "MII"), and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of MII by himself/herself as such officer.

WITNESS my hand and Notarial Seal.

_____

_____, Notary Public

(SEAL) My Commission Expires: _____

STATE OF

CITY/COUNTY OF

I HEREBY CERTIFY that on _____, 2011 before me, a Notary Public of the State and City/County aforesaid, personally appeared _____, who acknowledged himself/herself to be the _____ of Marriott Worldwide Corporation, Inc. ("MWC"), and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of MWC by himself/herself as such officer.

WITNESS my hand and Notarial Seal.

_____

_____, Notary Public

(SEAL) My Commission Expires: _____

STATE OF

CITY/COUNTY OF

I HEREBY CERTIFY that on _____, 2011 before me, a Notary Public of the State and City/County aforesaid, personally appeared _____, who acknowledged himself/herself to be the _____ of (the "Owner")], and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Owner by himself/herself as such officer.

WITNESS my hand and Notarial Seal.

_____

_____, Notary Public

(SEAL)

My Commission Expires: _____

EXHIBIT 1 TO MEMORANDUM OF RIGHT OF FIRST REFUSAL

[Legal Description]

Exhibit 1 to Exhibit B-3 - Solo Page

EXHIBIT C

MANAGEMENT COMPANY ACKNOWLEDGMENT

This Management Company Acknowledgment ("Management Company Acknowledgment") is executed as of _____, 20__, by and among _____, a _____("Management Company"), Marriott Vacations Worldwide Corporation, a Delaware corporation ("Licensee"), and Marriott International, Inc., a Delaware corporation and Marriott Worldwide Corporation, a Maryland corporation (collectively, "Licensor").

WHEREAS, Management Company has entered into an agreement ("Management Agreement") with Licensee, pursuant to which Management Company will operate the [NAME OF PROJECT] (the "Project") located at _____("Approved Location"), in accordance with the terms of that certain License, Services and Development Agreement dated _____, 2011 for Marriott Projects (as such agreement may be amended, supplemented, restated or otherwise modified, the "License Agreement") between Licensor and Licensee; and

WHEREAS, Licensee has requested that Licensor consent to the operation of the Project by Management Company in accordance with the License Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and benefits to be derived herefrom, the receipt and sufficiency of which are acknowledged by each of the parties hereto, it is hereby agreed as follows:

1. Licensor's Consent. Subject to and in accordance with the terms and conditions of this Management Company Acknowledgment and the License Agreement, Licensor hereby consents to the operation of the Project by Management Company and grants to Management Company the right to operate the Project in accordance with the Brand Standards and to access and use the System, at, and only at, the Approved Location during the term of the License Agreement on behalf of Licensee. Licensor's grant in the immediately preceding sentence will terminate without notice to Management Company contemporaneously with the occurrence of any of the following events: (a) any termination of the License Agreement or Licensee's rights under the License Agreement with respect to the Project or (b) the execution of another management company acknowledgment among Licensor, Licensee and another management company with respect to the Project; provided that the duties and obligations of Management Company that by their nature or express language survive such termination, including Sections 3.b. and c. below, will continue in full force and effect notwithstanding the termination of Licensor's grant in the immediately preceding sentence.

2. Management Company Representations and Covenants. Management Company represents and warrants to Licensor that:

a. Management Company (and any Person this is in Control of Management Company or that is Controlled by Management Company) (i) is not known in the community as being of bad moral character; (ii) has not been convicted in any court of a felony or other offense that could result in imprisonment for one (1) year or more or a fine or penalty of one million dollars ($1,000,000) (as adjusted annually after the Effective Date of the License Agreement by the GDP Deflator) or more; (iii) is not a Specially Designated National or Blocked Person; or (iv) is not a Lodging Competitor;

b. neither Management Company nor any Affiliate of Management Company is a Lodging Competitor; and

c. the Management Agreement is valid, binding and enforceable and contains no terms, conditions, or provisions that are, or through any act or omission of Licensee or Management Company, may be or may cause a breach of or default under the License Agreement.

3. Management Company and Licensee Acknowledgments. Management Company and Licensee covenant and agree to the following:

a. Management Company will have the exclusive authority and responsibility for the day-to-day on-site management of the Project on behalf of and for the benefit of Licensee with respect to and in accordance with the terms of the License Agreement. The general manager of the Project will be an employee of Management Company and devote such time and attention to the management and operation of the Project as is necessary to fully comply with the terms, conditions and restrictions set forth in the License Agreement;

b. The Project will be operated in strict compliance with the requirements of the License Agreement, and Management Company will observe fully and be bound by all terms, conditions and restrictions regarding the management and operation of the Project as set forth in the License Agreement, including those related to Licensor Intellectual Property, as if and as though Management Company had executed the License Agreement as "Licensee," provided that Management Company obtains no rights under the terms of the License Agreement, except as specifically set forth herein and the rights granted hereunder do not constitute a license or franchise or sub-license or sub-franchise to Management Company. Management Company will comply with all Applicable Laws in connection with its management of the Project and will obtain in a timely manner all permits, certificates, and licenses necessary for the full and proper operation of the Project;

c. Licensor may enforce directly against Management Company all terms in the License Agreement regarding Licensor Intellectual Property and the management and operation of the Project during and subsequent to Management Company's tenure as operator of the Project. Licensor may seek and obtain all available legal and equitable remedies from Management Company based on Management Company's failure to comply with the terms of this Management Company Acknowledgment, in addition to any remedies Licensor may obtain from Licensee under the License Agreement;

d. Management Company hereby assigns (and will cause each of its employees or independent contractors who contributed to such modifications, derivatives or additions to assign) to Licensor, in perpetuity throughout the world, all rights, title and interest (including the entire copyright and all renewals, reversions and extensions thereof) in and to all modifications, derivatives or additions to the Licensor Intellectual Property and other aspects of the System proposed by or on behalf of Management Company or its Affiliates. Management Company waives (and will cause each of its employees or independent contractors who contributed to such modifications, derivatives or additions to waive) all rights of "droit moral" or "moral rights of authors" or any similar rights that Management Company (or its employees or independent contractors) may now or hereafter have in the modifications, derivatives or additions to the Licensor Intellectual Property and other aspects of the System proposed by or on behalf of Management Company or its Affiliates and Management Company disclaims any interest in such modifications by virtue of a constructive trust. Management Company agrees to execute (or cause to be executed) and deliver to Licensor any documents and to do any acts that may reasonably be deemed necessary by Licensor to perfect or protect the title in the modifications, derivatives and additions herein conveyed, or intended to be conveyed now or in the future;

e. Any default under the terms of the License Agreement caused wholly or partially by Management Company will constitute a default under the terms of the Management Agreement, for which Licensee may terminate the Management Agreement;

f. Licensee and Management Company will not modify or amend the Management Agreement in such a way as to create a conflict or other inconsistency with the terms of the License Agreement or this Management Company Acknowledgment;

g. Except in extraordinary circumstances, such as theft or fraud on the part of Management Company or a default by Licensee under the License Agreement caused by Management Company for which Licensee needs to promptly remove Management Company from the Project, the Management Agreement will not be terminated or permitted to expire without at least thirty (30) days' prior notice to Licensor;

h. Management Company will perform the day-to-day operations of the Project. Licensor has the right to communicate directly with Management Company, and the managers at the Project regarding day-to-day operations of the Project, provided that Licensor shall not direct Management Company to take, or fail to take, any action that may cause a breach of the Management Agreement or this Management Acknowledgement. Licensor has the right to rely on instructions of Management Company and the managers at the Project as to matters relating to the operation of the Project, and the agreements of such managers are binding on Management Company; and

4. Existence and Power. Each of Management Company and Licensee represents and warrants with respect to itself that (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation, (ii) it has the ability to perform its obligations under this Management Company Acknowledgment and under the Management Agreement, and (iii) it has all necessary power and authority to execute and deliver this Management Company Acknowledgment.

5. Authorization; Contravention.

a. Management Company and Licensee each represents and warrants with respect to itself that the execution and delivery of this Management Company Acknowledgment and the performance by Management Company and Licensee of its respective obligations hereunder and under the Management Agreement: (i) have been duly authorized by all necessary action; (ii) do not require the consent of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (a) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (b) any regulation of any governmental body or any decision, ruling, order, or award by which each may be bound or affected, or (c) any agreement, indenture or other instrument to which each is a party; and

b. Management Company represents and warrants to Licensor that: (i) neither Management Company (including any and all of its directors and officers), nor any of its Affiliates or the funding sources for any of the foregoing is a Specially Designated National or Blocked Person (as defined in the License Agreement); (ii) neither Management Company nor any of its Affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo by the United States government; and (iii) neither Management Company nor any of its Affiliates is acting on behalf of a government of any country that is subject to such an embargo. Management Company further represents and warrants that it is in compliance with any applicable anti-money laundering law and terrorist financing law. Management Company agrees that it will notify Licensor in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties of this Section 5.b. incorrect.

6. Controlling Agreement. If there are conflicts between any provision(s) of the License Agreement and this Management Company Acknowledgment on the one hand and the Management Agreement on the other hand, the provision(s) of the License Agreement and this Management Company Acknowledgment will control.

7. No Release. This Management Company Acknowledgment will not release or discharge Licensee from any liability or obligation under the License Agreement, and Licensee will remain liable and responsible for the full performance and observance of all of the provisions, covenants, and conditions set forth in the License Agreement.

8. Limited Consent. Licensor's consent to Management Company operating the Project and Licensor's grant to Management Company of the right to operate the Project are personal to Management Company, and this Management Company Acknowledgment is not assignable by Licensee or Management Company. If there is a change in control of Management Company or if Management Company becomes, is acquired by, comes under the control of, or merges with or into a Lodging Competitor, or if there is a material adverse change to the financial status or operational capacity of Management Company, Licensee will promptly notify Licensor of any such change and Management Company will be subject to the consent process under the License Agreement as a new operator of the Project.

9. Defined Terms. Unless specifically defined herein, all capitalized terms used in this Management Company Acknowledgment will have the same meanings set forth in the License Agreement.

10. Governing Law; Venue; Dispute Resolution. The parties agree that this Management Company Acknowledgment shall be subject to the governing law and, for the purpose of resolving any dispute under Section 13 of this Management Company Acknowledgment, the venue provisions set forth in Section 22.1 of the License Agreement.

11. Management Company's Address. Management Company's mailing address is _____. Management Company agrees to provide notice to both Licensee and Licensor if there is any change in Management Company's mailing address.

12. No Third Party Beneficiaries. Nothing in this Management Company Acknowledgment is intended, or will be deemed, to confer any rights or remedies under or by reason of this Management Company Acknowledgment upon any Person other than Licensor, Licensee and their respective Affiliates, successors and assigns.

13. Injunctive Relief. Licensor will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or irreparable harm, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Management Company Acknowledgment for which such relief is an available remedy, the Brand Standards (including, but not limited to, threats or danger to public health or safety) or actual or threatened misuse or misappropriation of the Licensor Intellectual Property or the Licensor Confidential Information. The rights conferred by this Section 13 expressly include, without limitation, Licensor's entitlement to affirmative injunctive, declaratory, and other equitable or judicial relief (including specific performance) for Management Company's failure to operate any portion of the Project in accordance with the applicable Brand Standards, including, without limitation, affirmative relief that any such deficiencies are cured and thereafter meet the Brand Standards.

14. Arbitration. The parties agree that except as otherwise specified in this Management Company Acknowledgment, any Dispute or any other matter concerning any aspect of the relationship of Licensor and Management Company will be finally settled by arbitration according to the arbitration provisions set forth in Section 22.4 of the License Agreement.

15. Miscellaneous. The parties hereby incorporate by reference Sections 22.3 (costs of enforcement), 24.1.A (construction and severability), and 26.2 (multiple counterparts) of the License Agreement.

16. WAIVER OF JURY TRIAL AND PUNITIVE AND EXEMPLARY DAMAGES. THE PARTIES AGREE THAT LICENSEE, MANAGEMENT COMPANY AND LICENSOR EACH HEREBY ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY AND THE RIGHT TO CLAIM OR RECEIVE SPECIAL, CONSEQUENTIAL, PUNITIVE AND EXEMPLARY DAMAGES IN ANY ARBITRATION, LITIGATION, ACTION, CLAIM, SUIT OR PROCEEDING, AT LAW OR IN EQUITY, ARISING OUT OF, PERTAINING TO OR IN ANY WAY ASSOCIATED WITH THE COVENANTS, UNDERTAKINGS, REPRESENTATIONS OR WARRANTIES SET FORTH HEREIN, THE RELATIONSHIPS OF THE PARTIES HERETO, WHETHER AS "MANAGEMENT COMPANY," "LICENSEE" OR "LICENSOR" OR OTHERWISE, THIS AGREEMENT, OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE FOREGOING.

17. Entire Agreement. This Management Company Acknowledgment, together with the License Agreement and the Management Agreement, including all exhibits, attachments and addenda, and any execution copies executed simultaneously or in connection with, this Management Company Acknowledgment and the License Agreement, contain the entire agreement between the parties as it relates to the Project and the Approved Location as of the date of this Management Company Acknowledgment. This is a fully integrated agreement. No agreement of any kind relating to the matters covered by this Management Company Acknowledgment will be binding upon any party hereto unless and until the same has been made in a written, non-electronic instrument that has been duly executed by the non-electronic signature of the parties. This Management Company Acknowledgment may not be amended or modified by conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any individual purporting to amend or modify this Management Company Acknowledgment by conduct manifesting assent or by electronic signature is not authorized to do so.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Management Company Acknowledgment, under seal, as of the date first above written.

LICENSOR:

MARRIOTT INTERNATIONAL, INC.

By: _____ (SEAL)
Name: _____
Title: _____

MARRIOTT WORLDWIDE CORPORATION

By: _____ (SEAL)
Name: _____
Title: _____

LICENSEE:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____ (SEAL)
Name: _____
Title: _____

MANAGEMENT COMPANY:

[MANAGEMENT COMPANY]

By: _____ (SEAL)
Name: _____
Title: _____

EXHIBIT D

FORM OF OPERATING STATEMENT

SEE ATTACHED

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

	Total Closings	Prespin Closings	Postspin Closings	Commission Earned	Royalty Rate	Amount Due to MI	Comments
NATO							
3.1.A.ii.a - Developer Closings in Destination Club					2.0%	-	
3.1.A.ii.b - Reacquired Closings in Destination Club					1.0%	-	
3.1.A.iii.a - M&S Agreements in Destination Club					2.0%	-	
3.1.A.iii.b - Resale Closings in Destination Club					1.0%	-	
3.1.B.ii.a - Developer Closings in Residential Units					2.0%	-	
3.1.B.ii.b - Reacquired Closings in Residential Units					1.0%	-	
3.1.B.iii.a - M&S Agreements in Residential Units					2.0%	-	
3.1.B.iii.b - Resale Closings in Residential Units					1.0%	-	
Total NATO	-	-	-			-	
Europe							
3.1.A.ii.a - Developer Closings in Destination Club					2.0%	-	
3.1.A.ii.b - Reacquired Closings in Destination Club					1.0%	-	
3.1.A.iii.a - M&S Agreements in Destination Club					2.0%	-	
3.1.A.iii.b - Resale Closings in Destination Club					1.0%	-	
3.1.B.ii.a - Developer Closings in Residential Units					2.0%	-	
3.1.B.ii.b - Reacquired Closings in Residential Units					1.0%	-	
3.1.B.iii.a - M&S Agreements in Residential Units					2.0%	-	
3.1.B.iii.b - Resale Closings in Residential Units					1.0%	-	
Total Europe	-	-	-			-	
Asia							
3.1.A.ii.a - Developer Closings in Destination Club					2.0%	-	
3.1.A.ii.b - Reacquired Closings in Destination Club					1.0%	-	
3.1.A.iii.a - M&S Agreements in Destination Club					2.0%	-	
3.1.A.iii.b - Resale Closings in Destination Club					1.0%	-	
3.1.B.ii.a - Developer Closings in Residential Units					2.0%	-	
3.1.B.ii.b - Reacquired Closings in Residential Units					1.0%	-	
3.1.B.iii.a - M&S Agreements in Residential Units					2.0%	-	
3.1.B.iii.b - Resale Closings in Residential Units					1.0%	-	
Total Asia	-	-	-			-	
Total MVW	-	-	-			-	
Adjustment from YTD calculation							See comment A
Final MVW Amount Due to MI						-	

A Required true-up of YTD royalty fee due to MI based on closings that were not included in previous period report totals.

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

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

	Total Closings	Prespin Closings	Postspin Closings	Commission Earned	Royalty Rate	Amount Due to MI	Comments
NATO							
3.1.A.i.a - Developer Closings in Destination Club					2.0%	-	
3.1.A.i.b - Reacquired Closings in Destination Club					1.0%	-	
3.1.A.ii.a - M&S Agreements in Destination Club					2.0%	-	
3.1.A.ii.b - Resale Closings in Destination Club					1.0%	-	
3.1.B.i.a - Developer Closings in Residential Units					2.0%	-	
3.1.B.i.b - Reacquired Closings in Residential Units					1.0%	-	
3.1.B.ii.a - M&S Agreements in Residential Units					2.0%	-	
3.1.B.ii.b - Resale Closings in Residential Units					1.0%	-	
Total NATO	-	-	-			-	
Europe							
3.1.A.i.a - Developer Closings in Destination Club					2.0%	-	
3.1.A.i.b - Reacquired Closings in Destination Club					1.0%	-	
3.1.A.ii.a - M&S Agreements in Destination Club					2.0%	-	
3.1.A.ii.b - Resale Closings in Destination Club					1.0%	-	
3.1.B.i.a - Developer Closings in Residential Units					2.0%	-	
3.1.B.i.b - Reacquired Closings in Residential Units					1.0%	-	
3.1.B.ii.a - M&S Agreements in Residential Units					2.0%	-	
3.1.B.ii.b - Resale Closings in Residential Units					1.0%	-	
Total Europe	-	-	-			-	
Asia							
3.1.A.i.a - Developer Closings in Destination Club					2.0%	-	
3.1.A.i.b - Reacquired Closings in Destination Club					1.0%	-	
3.1.A.ii.a - M&S Agreements in Destination Club					2.0%	-	
3.1.A.ii.b - Resale Closings in Destination Club					1.0%	-	
3.1.B.i.a - Developer Closings in Residential Units					2.0%	-	
3.1.B.i.b - Reacquired Closings in Residential Units					1.0%	-	
3.1.B.ii.a - M&S Agreements in Residential Units					2.0%	-	
3.1.B.ii.b - Resale Closings in Residential Units					1.0%	-	
Total Asia	-	-	-			-	
Total MVW	-	-	-			-	
Adjustment from YTD calculation							See comment A
Final MVW Amount Due to MI						-	

A Required true-up of YTD royalty fee due to MI based on closings that were not included in previous period report totals.

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

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

	Beginning of Quarter	Changes	End of Quarter
Property Count			
North America			
Asia Pacific			
Europe			
Total Property Count	-	-	-
Built Units			
North America			
Asia Pacific			
Europe			
Total Built Units	-	-	-

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

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
Destination Club Closings						
3.1.A.ii.a - Developer Closings in Destination Club						
NATO Distribution 1						
NATO Distribution 2						
NATO Distribution 3						
NATO Distribution 4						
Europe Distribution 1						
Europe Distribution 2						
Asia Pac Distribution 1						
Asia Pac Distribution 2						
					-	
3.1.A.ii.a - Developer Closings in Destination Club	-	-	-	-	-	
Royalty due at @ 2%	-	-	-	-	-	
3.1.A.ii.B - Reacquired Closings in Destination Club						
NATO Distribution 1					-	
NATO Distribution 2					-	
NATO Distribution 3					-	
NATO Distribution 4					-	
Europe Distribution 1					-	
Europe Distribution 2					-	
Asia Pac Distribution 1					-	
Asia Pac Distribution 2					-	
3.1.A.ii.B - Reacquired Closings in Destination Club	-	-	-	-	-	
Royalty due at @ 1%	-	-	-	-	-	
3.1.A.iii.a - M&S Agreements in Destination Club						
NATO Distribution 1					-	
3.1.A.iii.a - M&S Agreements in Destination Club	-	-	-	-	-	
Total MVW commission earned	-	-	-	-	-	
Royalty due at 2% of MVW commission earned	-	-	-	-	-	
3.1.A.iii.b - Resale Closings in Destination Club						
NATO Distribution 1					-	
NATO Distribution 2					-	
Europe Distribution 1					-	
Asia Pac Distribution 1					-	
3.1.A.iii.b - Resale Closings in Destination Club	-	-	-	-	-	
Total MVW commission earned	-	-	-	-	-	
Royalty due at 1% of MVW commission earned	-	-	-	-	-	
Total Royalty Due on Destination Club Closings	-	-	-	-	-	
Residential Unit Closings						
3.1.B.ii.a - Developer Closings in Residential Units						
NATO Distribution 1					-	
NATO Distribution 2					-	
3.1.B.ii.a - Developer Closings in Residential Units	-	-	-	-	-	
Royalty due at @ 2%	-	-	-	-	-	
3.1.B.ii.B - Reacquired Closings in Residential Units						
NATO Distribution 1					-	
NATO Distribution 2					-	
3.1.B.ii.B - Reacquired Closings in Residential Units	-	-	-	-	-	
Royalty due at @ 1%	-	-	-	-	-	
3.1.B.iii.a - M&S Agreements in Residential Units						
NATO Distribution 1	-	-	-	-	-	
3.1.B.iii.a - M&S Agreements in Residential Units	-	-	-	-	-	
Total MVW commission earned	-	-	-	-	-	
Royalty due at 2% of MVW commission earned	-	-	-	-	-	
3.1.B.iii.b - Resale Closings in Residential Units						
NATO Distribution 1					-	
3.1.B.iii.b - Resale Closings in Residential Units	-	-	-	-	-	

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

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
Total MVW commission earned	-	-	-	-	-	
Royalty due at 1% of MVW commission earned	-	-	-	-	-	
Total Royalty Due on Residential Unit Closings	-	-	-	-	-	
Total Royalty Fee to be Paid-PTD	-	-	-	-	-	
Add YTD true up if necessary	-			-		See comment A
Final Period Royalty Fee to be Paid- PTD	-	-	-	-	-	

A Required true-up of YTD royalty fee due to MI based on closings that were not included in previous period report totals.

B Breakdown of total period closing to pre- and post-spin totals

Total MVW Closings		
MVW Closings on pre-spin contract sales		
MVW Closings on post-spin contract sales		Ties to reference C

C Validation of post-spin closing by royalty category

Closings (3.1.A.ii.a)	-	
Closings (3.1.A.ii.b)	-	
Closings (3.1.A.iii.a)	-	
Closings (3.1.A.iii.b)	-	
Closings (3.1.B.ii.a)	-	
Closings (3.1.B.ii.b)	-	
Closings (3.1.B.iii.a)	-	
Closings (3.1.B.iii.b)	-	
Total	-	Ties to Reference B
Check	-	

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

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

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
Destination Club Closings						
3.1.A.ii.a - Developer Closings in Destination Club						
NATO Distribution 1					-	
NATO Distribution 2					-	
NATO Distribution 3					-	
NATO Distribution 4					-	
Europe Distribution 1					-	
Europe Distribution 2					-	
Asia Pac Distribution 1					-	
Asia Pac Distribution 2					-	
3.1.A.ii.a - Developer Closings in Destination Club	-	-	-	-	-	
Royalty due at @ 2%	-	-	-	-	-	
3.1.A.ii.B - Reacquired Closings in Destination Club						
NATO Distribution 1					-	
NATO Distribution 2					-	
NATO Distribution 3					-	
NATO Distribution 4					-	
Europe Distribution 1					-	
Europe Distribution 2					-	
Asia Pac Distribution 1					-	
Asia Pac Distribution 2					-	
3.1.A.ii.B - Reacquired Closings in Destination Club	-	-	-	-	-	
Royalty due at @ 1%	-	-	-	-	-	
3.1.A.iii.a - M&S Agreements in Destination Club						
NATO Distribution 1					-	
3.1.A.iii.a - M&S Agreements in Destination Club	-	-	-	-	-	
Total MVW commission earned	-	-	-	-	-	
Royalty due at 2% of MVW commission earned	-	-	-	-	-	
3.1.A.iii.b - Resale Closings in Destination Club						
NATO Distribution 1					-	
NATO Distribution 2					-	
Europe Distribution 1					-	
Asia Pac Distribution 1					-	
3.1.A.iii.b - Resale Closings in Destination Club	-	-	-	-	-	
Total MVW commission earned	-	-	-	-	-	
Royalty due at 1% of MVW commission earned	-	-	-	-	-	
Total Royalty Due on Destination Club Closings	-	-	-	-	-	
Residential Unit Closings						
3.1.B.ii.a - Developer Closings in Residential Units						
NATO Distribution 1					-	
NATO Distribution 2					-	
3.1.B.ii.a - Developer Closings in Residential Units	-	-	-	-	-	
Royalty due at @ 2%	-	-	-	-	-	
3.1.D.ii.D - Reacquired Closings in Residential Units						
NATO Distribution 1					-	
NATO Distribution 2					-	
3.1.B.ii.B - Reacquired Closings in Residential Units	-	-	-	-	-	
Royalty due at @ 1%	-	-	-	-	-	
3.1.B.iii.a - M&S Agreements in Residential Units						
NATO Distribution 1					-	
3.1.B.iii.a - M&S Agreements in Residential Units	-	-	-	-	-	
Total MVW commission earned	-	-	-	-	-	
Royalty due at 2% of MVW commission earned	-	-	-	-	-	
3.1.B.iii.b - Resale Closings in Residential Units						
NATO Distribution 1					-	
3.1.B.iii.b - Resale Closings in Residential Units	-	-	-	-	-	

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

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
Total MVW commission earned	-	-	-	-	-	
Royalty due at 1% of MVW commission earned	-	-	-	-	-	
Total Royalty Due on Residential Unit Closings	-	-	-	-	-	
Total Royalty Fee to be Paid-YTD	-	-	-	-	-	
True up check:						
Total Royalty Fee- YTD per Period 8 report						
Current Period 9 Royalty Fee						
Total	-	-	-	-	-	
YTD true up	-	-	-	-	-	See comment A

A Required true-up of YTD royalty fee due to MI based on closings that were not included in previous period report totals.

B Breakdown of total period closing to pre- and post-spin totals

Total MVW Closings	
MVW Closings on pre-spin contract sales	
MVW Closings on post-spin contract sales	Ties to reference C

C Validation of post-spin closing by royalty category

Closings (3.1.A.ii.a)	-
Closings (3.1.A.ii.b)	-
Closings (3.1.A.iii.a)	-
Closings (3.1.A.iii.b)	-
Closings (3.1.B.ii.a)	-
Closings (3.1.B.ii.b)	-
Closings (3.1.B.iii.a)	-
Closings (3.1.B.iii.b)	-
Total	- Ties to Reference B
Check	-

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

EXHIBIT E

AFFILIATE SUBLICENSE AGREEMENT

THIS AFFILIATE SUBLICENSE AGREEMENT (this **"Sublicense Agreement"**) is entered into this ____day of _____, 2_____, (**"Effective Date"**) by and between Marriott Vacations Worldwide Corporation, a Delaware corporation (**"MVWC"**) and _____, a _____and an Affiliate of MVWC (**"Sublicensee"**).

RECITALS

A. MVWC is the licensee under that certain License, Services And Development Agreement dated _____, 2011 with Marriott International, Inc., a Delaware corporation (**"MII"**) and Marriott Worldwide Corporation, a Maryland corporation (**"MWC"**) (MII and MWC are referred to collectively as **"Licensor"**), a true and correct copy of which has been provided to Sublicensee (the **"Marriott License"**). Each initially capitalized term which is not defined in this Sublicense Agreement shall have the meaning given to such term in the Marriott License.

B. Under the Marriott License and subject to the terms and conditions thereof, including, without limitation, all reservations of rights and limitations on exclusivity set forth therein, MVWC has been granted a license to use the Licensed Marks and the System to operate the Licensed Destination Club Business and the Licensed Whole Ownership Residential Business within the Territory.

[Use the following Recitals C. and D. for New Project development]

C. MVWC is permitted to delegate the authority to develop New Projects to MVWC Affiliates pursuant to Section 5.2.D. of the Marriott License and in accordance with the terms and conditions of this Sublicense Agreement.

D. MVWC has delegated to Sublicensee the authority to develop the New Project described in Exhibit A to this Sublicense Agreement (the **"Project"**).

[Use the following Recitals C. and D. for Existing/New Project operation]

C. MVWC is permitted to delegate the authority to operate Existing Projects and New Projects to MVWC Affiliates pursuant to Section 5.1.C. and 5.2.D. of the Marriott License and in accordance with the terms and conditions of this Sublicense Agreement.

D. MVWC has delegated to Sublicensee the authority to operate the Existing Project [New Project] described in Exhibit A to this Sublicense Agreement (the **"Project"**).

[Use the following Recitals C. and D. for Sales and Marketing]

C. MVWC is permitted to delegate certain non-management functions involving regional and/or local sales and marketing of Licensed Destination Club Products and Residential Units for Licensed Residential Projects to any Affiliate pursuant to Section 5.8.B. of the Marriott License and, where, in Licensor's judgment, it is required to fulfill such functions, to sublicense to such Affiliate the right to use the Licensed Marks and the System.

D. MVWC has delegated to Sublicensee the sales and marketing functions described in Exhibit A to this Sublicense Agreement (**"Sales and Marketing Services"**) and in connection therewith is willing to sublicense to Sublicensee the right to use the Licensed Marks and System in accordance with the terms of this Sublicense Agreement.

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

1. RIGHTS GRANTED.

[Use the following paragraph 1 for New Project development]

MVWC hereby grants to Sublicensee a non-exclusive license to use the Licensed Marks and the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of developing the Project identified on Exhibit A.

[Use the following paragraph 1 for Existing/New Project operation]

MVWC hereby grants to Sublicensee a non-exclusive license to use the Licensed Marks and the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of operating the Project identified on Exhibit A.

[Use the following Recitals C. and D. for Sales and Marketing]

MVWC hereby grants to Sublicensee a non-exclusive license to use the Licensed Marks and the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of performing the Sales and Marketing Services within the territory identified on Exhibit B.

2. MARRIOTT LICENSE.

This Sublicense Agreement is subject and subordinate to the Marriott License. Except as may be inconsistent with the terms and provisions hereof, the terms and provisions of the Marriott License shall be applicable to this Sublicense Agreement and shall be incorporated into this Sublicense Agreement as if MVWC was the licensor and Sublicensee was the licensee under the Marriott License [with respect to the Project] **[In Sales and Marketing agreement, substitute "with respect to the Sales and Marketing Services"]**. Sublicensee acknowledges and agrees that, [with respect to the Project] **[In Sales and Marketing agreement, substitute "with respect to the Sales and Marketing Services"]**, it is bound by the same responsibilities, limitations, and duties of the licensee under the Marriott License and that such responsibilities, limitations, and duties are hereby incorporated in this Sublicense Agreement.

3. REPRESENTATIONS AND WARRANTIES.

Sublicensee represents and warrants that it satisfies the definition of "Affiliate" under the Marriott License.

4. TERM AND TERMINATION.

[Use the following paragraph 4.A. for New Project development]

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to develop the Project expires or terminates, (ii) the date on which the Project is Deflagged, or (iii) the termination or expiration of the Marriott License.

[Use the following paragraph 4.A. for Existing/New Project operation]

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to operate the Project expires or terminates, (ii) the date on which the Project is Deflagged, or (iii) the termination or expiration of the Marriott License.

[Use the following paragraph 4.A. for Sales and Marketing]

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to perform the Sales and Marketing Services expires or terminates, or (ii) the termination or expiration of the Marriott License.

B. MVWC shall have the right to terminate this Sublicense Agreement immediately upon written notice to Sublicensee in the event of Sublicensee's material breach of this Sublicense Agreement.

5. RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION.

Upon the expiration or termination of this Sublicense Agreement, all rights herein granted to Sublicensee shall revert to MVWC or Licensor, and Sublicensee shall immediately cease all use of the Licensed Marks and System.

6. ASSIGNMENT.

A. This Sublicense Agreement is personal to Sublicensee, and Sublicensee may not Transfer this Sublicense Agreement or any interest herein or any Ownership Interest in Sublicensee without MVWC's prior written consent, which MVWC may grant or withhold in its sole discretion. Any such attempted Transfer shall be void and shall constitute a material breach of this Sublicense Agreement.

B. MVWC may Transfer this Sublicense Agreement in accordance with the terms of the Marriott License.

7. MISCELLANEOUS.

A. This Sublicense Agreement, including the Recitals, contains the entire agreement between the parties concerning the sublicensed rights and may not be modified without the prior written consent of both parties and, except to the extent required by Applicable Law, without Licensor's prior written approval. In the event of a conflict between this Sublicense Agreement and the Marriott License, the Marriott License shall control.

B. This Sublicense Agreement does not constitute and shall not be construed as constituting a partnership, joint venture, agency or employment relationship, or any relationship other than that of licensor and licensee or sublicensee.

C. The language of this Sublicense Agreement shall in all cases be construed as a whole, according to its fair meaning and not strictly for or against any of the parties. Headings of paragraphs herein are for convenience of reference only and are without substantive significance.

D. Sublicensee acknowledges that the rights and powers retained by Licensor under the Marriott License are necessary to protect Licensor's intellectual property rights, and specifically, to conserve the goodwill and good name of Licensor's products and company and the name "Marriott". Sublicensee therefore agrees that Sublicensee will not allow the same to become involved in matters which will, or could, detract from or impugn the public acceptance and popularity thereof, or impair their legal status.

E. MVWC and Sublicensee agree that to the extent permitted under Applicable Law, Licensor and its Affiliates are third party beneficiaries of this Sublicense Agreement, and it is intended by MVWC and Sublicensee that Licensor and its Affiliates will be entitled to enforce this Sublicense Agreement. MVWC and Sublicensee further agree that Licensor and its Affiliates are not liable for and do not assume any duties, obligations or liabilities under this Sublicense Agreement unless agreed to in writing by Licensor or its Affiliates, as applicable. Sublicensee acknowledges and agrees that (i) its obligations hereunder (including payment obligations) [with respect to the Project] **[In Sales and Marketing agreement, substitute "with respect to the Sales and Marketing Services"]** are primary obligations; (ii) that Licensor and its Affiliates may pursue Sublicensee directly to enforce such obligations, and (iii) that Licensor and its Affiliates are not required to proceed against MVWC or any Guarantor (as defined in the Marriott License) before proceeding against Sublicensee with respect to the enforcement of such obligations.

F. The respective obligations of the parties under this Sublicense Agreement, which by their nature would continue beyond the termination, cancellation or expiration of this Sublicense Agreement, including but not limited to the provisions of Paragraph 4, shall survive termination, cancellation or expiration of this Sublicense Agreement.

G. Sublicensee agrees that this Sublicense Agreement shall be subject to the governing law and dispute resolution provisions set forth in the Marriott License.

IN WITNESS WHEREOF, the parties have executed this Sublicense Agreement as of the date first above written.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name: _____
Title: _____

SUBLICENSEE:

_____

By: _____
Name: _____
Title: _____

EXHIBIT A

PROJECT DESCRIPTION
[In Sales and Marketing agreement, substitute “SALES AND MARKETING SERVICES” for “PROJECT DESCRIPTION”]

Exhibit A to Exhibit E - Solo Page

[Use with Sales and Marketing Agreement]

EXHIBIT B

SALES AND MARKETING SERVICES TERRITORY

Exhibit B to Exhibit E - Solo Page

EXHIBIT F

PROVISIONS TO BE INCLUDED IN SUBLICENSE AGREEMENT WITH NON-AFFILIATES FOR SALES, MARKETING AND RELATED SERVICES

1. RIGHTS GRANTED.

Marriott Vacations Worldwide Corporation ("MVWC") hereby grants to Sublicensee a non-exclusive license to use the Licensed Mark(s) identified on Exhibit [__]hereto and relevant aspects of the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of performing the Services.

2. USE AND OWNERSHIP OF LICENSED MARKS; QUALITY CONTROL.

A. All use of the Licensed Marks by Sublicensee under this Sublicense Agreement shall inure to the benefit of Marriott International, Inc. and Marriott Worldwide Corporation (collectively, "Licensor") and its affiliates. Licensor reserves the right to use and grant to others the right to use all or part of the Licensed Marks, as may be applicable, in connection with goods and services offered by Licensor, any of its affiliates or others.

B. Nothing herein shall be construed to grant Sublicensee any right whatsoever to use (except as provided herein) or license others to use the Licensed Marks or any names, marks, logos, commercial symbols, or indicia of origin owned by Licensor or its affiliates.

C. Sublicensee covenants and agrees that in no event will any employees, contractors, or agents of Sublicensee or others retained by Sublicensee in connection with its provision of the Services, identify themselves as employees of, or as representing or speaking or acting for Licensor.

D. Sublicensee recognizes that Licensor and its affiliates are the sole and exclusive owners of all right, title and interest of every kind and nature, whether by statute or common law, in law or equity, which attach, inure, subsist or exist in the Licensed Marks, including specifically the Licensed Marks and all goodwill associated with the Licensed Marks.

E. Sublicensee agrees that it will not during the term of this Sublicense Agreement or thereafter (i) contest the ownership rights or any other rights of Licensor or its affiliates in and to the Licensed Marks, contest the validity of the Licensed Marks or do anything either by an act of omission or commission which might impair, jeopardize, violate, infringe or dilute the Licensed Marks; (ii) claim adversely to Licensor, its affiliates or anyone claiming through Licensor any right, title, or interest in and to the Licensed Marks; (iii) use the Licensed Marks other than in the manner provided for in this Sublicense Agreement; (iv) misuse or harm or bring into dispute the Licensed Marks; (v) register or apply to register in any country of the world the Licensed Marks or any other mark which is, in Licensor's reasonable opinion, the same as or confusingly similar to the Licensed Marks for the benefit of Sublicensee or any other person or entity, directly or indirectly; (vi) use any other mark which in Licensor's opinion is confusingly similar to the Licensed Marks; or (vii) use any of the Licensed Marks in its corporate name or trade name or seek to register any corporate name or trade name containing any of the Licensed Marks.

F. Sublicensee agrees to cooperate fully and in good faith with Licensor and its affiliates for the purpose of securing and preserving the rights of Licensor and its affiliates in and to the Licensed Marks by executing all documents and taking all other acts reasonably necessary to record, register, or otherwise acknowledge the existence of this sublicense or the rights granted to Sublicensee hereunder to use the Licensed Marks and by providing such consents, cooperation, and other assistance as Licensor may reasonably request to perfect, defend, and protect Licensor's and its affiliates' ownership of the Licensed Marks. **[If there is an expense associated with this section, the relevant terms of the License Agreement between Licensor and MVWC will govern which bears the expense, as between Licensor and MVWC.]**

G. Sublicensee shall promptly notify MVWC of any objection to its use of the Licensed Marks or any unauthorized use or attempted use, by any other person, firm or entity, of the Licensed Marks or any variations similar thereto, of which it is aware. In the event Licensor undertakes the prosecution of any litigation relating to the Licensed Marks, Sublicensee shall execute any and all documents and do such acts and things as Licensor may reasonably request in connection with such defense or prosecution.

H. Any act or omission which purports to create an interest in the Licensed Marks in favor of Sublicensee, directly or indirectly, shall be considered a material breach of this Sublicense Agreement and grounds for its immediate termination, including restitution for any damage incurred. Any application or registration by or on behalf of Sublicensee or its affiliates made in contravention of the terms and conditions of this Sublicense Agreement which would create in Sublicensee or any of its affiliates any right or interest, or the appearance of any right or interest, with respect to the Licensed Marks, shall be deemed to at all times to have been made solely and exclusively for the benefit of Licensor or its affiliates, and Sublicensee and its affiliates jointly and severally, do unconditionally and irrevocably assign to Licensor any and all right, title, or interest that it may have or appear to have with respect to the Licensed Marks.

I. Sublicensee shall at all times conduct its sales and marketing activities in a high quality, professional and courteous manner so as not to dilute or damage the image and reputation of high quality service symbolized by the Licensed Marks. Sublicensee shall immediately cease any marketing or promotional activity or practice that MVWC or Licensor determines is not in keeping with the foregoing standards or otherwise not in accordance with the provisions of this Sublicense Agreement.

3. CONFIDENTIALITY.

During the course of its engagement under this Sublicense Agreement, Sublicensee may have access to Licensor Confidential Information (as defined in the Marriott License). Sublicensee will not, during the term hereof or thereafter, without Licensor's prior consent, which consent may be granted or withheld in Licensor's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" person or entity any Licensor Confidential Information or use the Licensor Confidential Information in any manner not expressly authorized by this Sublicense Agreement. Sublicensee may divulge such Licensor Confidential Information only to such of Sublicensee's employees or agents as require access to it in order to provide the Services under this Sublicense Agreement, and only if such employees or agents are apprised of the confidential nature of such information before it is divulged to them and they are bound by confidentiality obligations substantially similar to those listed above. All other persons or entities are "unauthorized" for purposes of this Sublicense Agreement. Sublicensee agrees that the Licensor Confidential Information has commercial value and that Licensor and its affiliates have taken commercially reasonable measures to maintain its confidentiality, and, as such, the Licensor Confidential Information is proprietary and a trade secret of Licensor and its affiliates. Licensee will be liable to Licensor for any breaches of the confidentiality obligations in this Paragraph 3. by its employees and agents. Licensee will maintain the Licensor Confidential Information in a safe and secure location and will immediately report to Licensor and MVWC the theft or loss of all or any part of the Licensor Confidential Information.

4. INSURANCE AND INDEMNIFICATION.

A. All insurance policies obtained or maintained by Sublicensee will by endorsement specifically name as additional insureds Licensor, any affiliate of Licensor designated by Licensor, and their employees.

B. Sublicensee will, and hereby does, indemnify and, at Licensor's option, defend Licensor and its affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against any and all damages, claims, demands, suits, judgments, losses, or expenses (including attorneys' fees and litigation costs) of any nature whatsoever (including, but not limited to, libel, slander, disparagement, defamation, copyright infringement, trademark infringement, patent infringement, trade secret infringement, invasion of privacy or publicity rights, piracy and/or plagiarism arising from or related to any materials prepared by Sublicensee in connection with the provision of the Services under this Sublicense Agreement, violation of consumer protection rules, or any offerings of Sublicensee not consistent with this Sublicense Agreement or applicable law), arising directly or indirectly from or out of: (i) any act, error or omission of Sublicensee or its directors, invitees or employees, agents, or contractors; and/or (ii) any occupational injury or illness sustained by any employees, agents, or contractors of Sublicensee in furtherance of the Services hereunder; and/or (iii) any failure of Sublicensee to perform the Services hereunder in accordance with the highest generally accepted professional standards; and/or (iv) any breach of Sublicensee's representations as set forth herein or in any other agreement related to the provision of the Services; and/or (v) any other failure of Sublicensee to comply with the obligation on its part to be performed hereunder or in any other agreement related to the provision of the Services. The indemnification contained herein shall extend to claims occurring after this Sublicense Agreement has terminated as well as while this Sublicense Agreement is in force.

5. TERM AND TERMINATION.

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to perform the Services expires or terminates or (ii) the termination or expiration of the Marriott License.

B. MVWC shall have the right to terminate this Sublicense Agreement immediately upon written notice to Sublicensee in the event of Sublicensee's material breach of this Sublicense Agreement.

6. RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION.

Upon the expiration or termination of this Sublicense Agreement, all rights herein granted to Sublicensee shall end, and Sublicensee shall immediately cease all use of the Licensed Marks and System.

7. ASSIGNMENT.

A. This Sublicense Agreement is personal to Sublicensee, and Sublicensee may not sell, assign or otherwise transfer this Sublicense Agreement or any interest herein or any ownership interest in Sublicensee, or delegate any of its obligations hereunder, without MVWC's prior written consent, which MVWC may grant or withhold in its sole discretion. Any such attempted transfer shall be void and shall constitute a material breach of this Sublicense Agreement.

B. MVWC may sell, assign or otherwise transfer this Sublicense Agreement in accordance with the terms of the Marriott License.

8. LICENSOR AS THIRD-PARTY BENEFICIARY.

MVWC and Sublicensee agree that to the extent permitted under Applicable Law, Licensor and its affiliate are third party beneficiaries of this Sublicense Agreement, and it is intended by MVWC and Sublicensee that Licensor and its affiliates will be entitled to enforce this Sublicense Agreement. MVWC and Sublicensee further agree that Licensor and its affiliates are not liable for and does not assume any duties, obligations or liabilities under this Sublicense Agreement unless agreed to in writing by Licensor and its affiliates, as applicable. Sublicensee acknowledges and agrees that (i) its obligations hereunder (including payment obligations) with respect to the Services are primary obligations; (ii) that Licensor and its affiliates may pursue Sublicensee directly to enforce the such obligations, and (iii) that Licensor and its affiliates are not required to proceed against MVWC or any Guarantor (as defined in the Marriott License) before proceeding against Sublicensee with respect to the enforcement of such obligations.

EXHIBIT G

DESIGN REVIEW ADDENDUM

This Design Review Addendum ("**Addendum**") is a part of and is incorporated into that certain License, Services, and Development Agreement dated _____ 2011 (hereinafter referred to as the "**License Agreement**") by and between Marriott International, Inc. ("MII"), Marriott Worldwide Corporation ("MWC") (MII and MWC are referred to collectively herein as "**Licensor**"), and Marriott Vacations Worldwide Corporation ("**Licensee**").

RECITALS

A. Pursuant to the terms of the License Agreement, Licensee has been granted a license to operate the Destination Club Business and Whole Ownership Residential Business by developing, selling, marketing, operating and financing Destination Club Projects and Residential Projects (each, a "**Project**"); and

B. Licensee and Licensor intend for each New Project and the refurbishment, or renovation of Existing Projects, to be designed, constructed, renovated and refurbished in accordance with the Design Standards and the review process described in this Addendum; and

C. Licensee desires to engage Licensor to provide certain review services during the planning, development and operation phases of Projects for the purpose of assuring compliance with the Design Standards, and Licensor desires to provide such services to Licensee upon the terms set forth in this Addendum.

NOW, THEREFORE, Licensee and Licensor, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE 1

DEFINITIONS AND GENERAL MATTERS

1.1 Definitions. All capitalized terms not defined in this Addendum shall have the meanings ascribed to them in the License Agreement, which is incorporated herein by this reference. In this Addendum, the following terms have the following meanings:

"Addendum" shall mean this Design Review Addendum, including the exhibits attached hereto, as it may be amended, restated or supplemented from time to time.

"Audio/Visual Systems" shall include, but not be limited to, the following systems: general audio and visual systems, entertainment audio/video systems and video information systems.

"Decorative Items" shall include, but not be limited to, artifacts, artwork, carpeting, decorative lighting fixtures, etched glass, furniture, graphics, interior landscaping, radios, televisions and window treatments.

"Design Standards" shall mean the Marriott Vacation Club Design Standards (modules) which may be updated and amended on a periodic basis in accordance with the terms of the License Agreement.

"Project Request Date" shall mean the date upon which Licensee provides Licensor a Project Approval Request for a particular Project.

"Existing Project" shall mean a Project that has received Licensor's approval prior to the Project Request Date. A "New Project" will become an "Existing Project" for purposes of the reviews required by this Addendum upon receipt of final approval from Licensor for the opening thereof. Existing Projects shall not include any Project that has ceased to be a Licensed Project.

"Facilities Program" shall have the meaning ascribed to it in Section 2.1.2.

"FF&E" shall mean furniture, fixtures and equipment, including without limitation: Decorative Items; Audio/Visual Systems; in-unit kitchen appliances, refrigerators and minibars; cabinetry; computer equipment; Food/Kitchen Equipment; Laundry Equipment; Housekeeping Equipment; Telecommunications Systems; and Security Systems.

"Fixed Asset Supplies" shall mean items included within "Operating Equipment" under the Uniform System of Accounts that may be consumed in the operation of the Project or are not capitalized including, but not limited to, linen, china, glassware, tableware, uniforms and similar items used in the operation of the Project.

"Food/Kitchen Equipment" shall include, but not be limited to, all food preparation, cooking and holding equipment; exhaust hoods and hood fire protection systems; general storage layout, refrigerators and freezers (including coils, condensers and compressors); ice-making, beverage dispensing and other food and beverage equipment; dishwashing equipment (except any glass washer included in Housekeeping Equipment); and similar items used in the food and beverage service operation of the Project.

"Housekeeping Equipment" shall mean equipment items to be used by Project employees for cleaning the Project on a regular basis.

"Inventories" shall mean "Inventories" as defined in the Uniform System of Accounts, such as, but not limited to, provisions in storerooms, refrigerators, pantries and kitchens; beverages in wine cellars and bars; other merchandise intended for sale; fuel; mechanical supplies; stationery; and other expensed supplies and similar items.

"Laundry Equipment" shall mean washers, washer/extractors, dryers, chest-type ironers, steam boiler, thermal fluid heater for ironer, lint control devices, linen folders, linen carts, dry cleaning equipment (if required), laundry sinks, air compressors, laundry scales and similar items used in the laundry operation of the Project.

"Licensee" shall have the meaning ascribed to it in the preamble to this Addendum or shall mean any successor or permitted assign, as applicable.

"License Agreement" shall have the meaning ascribed to it in the preamble to this Addendum, as such agreement may be amended, restated or supplemented from time to time.

"Licensor" shall have the meaning set forth in the preamble to this Addendum or shall mean any successor or permitted assign, as applicable.

"Model Unit" shall have the meaning ascribed to it in Section 2.4.2.

"Opening Date" shall mean the first (1st) day on which a Project (or phase thereof) is open for overnight accommodation for owners and guests.

"Plans" shall have the meaning ascribed to it in Section 2.3.1.

"Project" shall have the meaning ascribed to it in the Recitals.

"Project Approval Request" shall have the meaning ascribed to it in Section 1.2.

"Project Related Areas" shall mean all facilities that are part of the Project, but outside the Project, which: (i) connect to or are directly accessible to the Project; (ii) provide services to the Project; and/or (iii) would normally be incorporated as part of a free-standing project.

"Project Systems" shall include, but not be limited to, software, hardware, cabling and all other items necessary for a computer; Audio/Visual Systems; management systems; front office, back office and accounting management systems; sales and reservations systems; timekeeping and payroll systems; point-of-sale systems, including food, beverage and retail functions; food and beverage inventory systems; engineering software; and word processing and other personal computer applications.

"Refurbishment Review Waiver Request" shall mean a request by Licensee for Licensor to waive the requirements of Article 3 due to the scope of the refurbishment activities planned for a particular Project. Refurbishment Review Waiver Requests shall be delivered to Licensor in writing and provide sufficient detail regarding the activities and Project scope for which Licensee is seeking a waiver. The intent behind this mechanism is to permit minor renovations and refurbishments to occur without the cost and time associated with the review process outlined in Article 3.

"Security Systems" shall mean video surveillance equipment; two-way radio systems; inspection tour recording systems; security alarm systems; access control systems (pedestrian and vehicular); and other special security systems required for the Project.

"Site" shall mean the parcel of land upon which the Project is located.

"Substantial Completion" shall mean: (i) substantial completion of the Project in conformance, in all material respects, with the Plans, Design Standards and the requirements of this Addendum (other than minor punchlist items, which will not individually or in the aggregate impair the use of the Project for its intended use, or impair the Project owners' and guests' experience); (ii) the provision of all Fixed Asset Supplies and Inventories and installation of the FF&E and Project Systems as required for the operation of the Project; provided, however, that if Licensee contracts with Licensor or an affiliate of Licensor to procure FF&E and/or Fixed Asset Supplies required for the operation of the Project, and Licensor or such affiliate is in default under the terms of such procurement contract, such FF&E and/or Fixed Asset Supplies shall not be required for Substantial Completion of the Project; and (iii) Licensee has obtained required permits as set forth in Section 2.4.4 necessary for the opening of the Project.

"Technical Services Fee" shall have the meaning ascribed to it in Article 5.

"Telecommunications Systems" shall mean PBX, phone systems, call accounting and pocket paging systems, and high-speed Internet access.

"Termination" shall mean the expiration or sooner cessation of this Addendum.

"Variance Notice" shall mean a separate written statement provided by Licensee to Licensor concurrently with Licensee's submittals to Licensor pursuant to Article 2 and Article 3, which statement shall detail all variances from the Plans or Design Standards contained in the relevant submittal. The Variance Notice shall also include a description of the rationale for the variance from the Design Standards.

1.2 Initiating the Review of a Project. To initiate Licensor's review of work to be performed in connection with a New Project or Existing Project, Licensee shall submit to Licensor a memorandum describing the overall scope of the Project along with a detailed description of the new construction, renovation or refurbishment work for which Licensee is seeking approval from Licensor (the "**Project Approval Request**"). The Project Approval Request should provide specific contact information for a representative of Licensee through whom Licensor may coordinate activities pursuant to this Addendum, provide a narrative of the work contemplated to be performed, a description of the Site, identify the Project as a New Project or an Existing Project, and include a preliminary schedule for the work to be performed. Unless an alternative date is agreed upon by the parties, within fifteen (15) days of receipt of the Project Approval Request, representatives of Licensee and Licensor shall hold a "kick-off meeting" to discuss the details surrounding the Project, the scope of services to be provided by Licensor (e.g., shared services, on site management, integration with adjoining resort) and other items the parties deem relevant. Unless an alternative location is mutually agreed upon by the parties, the kick-off meeting shall be held at the corporate headquarters of Licensor in Bethesda, Maryland. The date upon which the Project Approval Request is submitted to Licensor shall be considered the "Project Request Date" for the subject Project.

1.3 Review of Projects and Scope of Addendum. It is acknowledged that the terms of this Addendum shall apply to a variety of project types and undertakings, each one of which will be categorized as a New Project or an Existing Project for purposes of review for compliance with the Design Standards. The category of the Project will determine the process for review necessary to obtain the approval of Licensor. New Projects may include new construction (ground-up), the addition of a phase at an Existing Resort (which has not been previously approved by Licensor), or the conversion of a previously existing property to a Project. New Projects undergo a thorough review in accordance with Article 2 of this Addendum to assure they comply with the Design Standards. Existing Projects routinely go through renovations and refurbishment processes which require an abbreviated review of the undertakings as described in Article 3 of this Addendum.

1.4 Licensee Representative and Approval of Consultants. As soon as reasonably possible after the Project Request Date, but in no event later than thirty (30) days thereafter, Licensee shall provide Licensor with the names and other information reasonably requested by Licensor related to the Licensee's architect, interior designers and other consultants providing services to the subject Project.

ARTICLE 2

TECHNICAL SERVICES FOR NEW PROJECTS

2.1 New Project Conceptual and Schematic Design Phase

2.1.1 Preliminary Information. Licensor and Licensee shall confirm the then current version of the Design Standards for use by Licensee's design team, along with other information describing the standards that Licensor requires for the Project and Project Related Areas, as appropriate for the Project. All Plans for the Project shall incorporate the parameters described in the Design Standards.

2.1.2 Schematic Design Phase. Based upon, and incorporating the information provided in the materials described in Section 2.1.1 and the kick-off meeting described in Section 1.2, Licensee shall prepare or cause to be prepared and submitted to Licensor for approval: (i) a facilities program ("**Facilities Program**") describing the space requirements for all areas of the Project and the Project Related Areas (e.g., public spaces, kitchen, laundry, back office, etc.); (ii) a listing of each operating function of the Project and the as-designed areas, and other documents reasonably necessary to represent the size, layout and quality of the Project; (iii) a colored vicinity/location map indicating vehicular traffic directions, ingress and egress points and major surrounding developments and transportation centers; (iv) a site plan showing all site elements and proposed landscaping; (v) floor plans, showing all spaces listed in the Facilities Program; (vi) unit layouts, indicating all bath fixtures, in-unit kitchen equipment (if applicable), closets, balconies and other major features; (vii) building elevations and sections, showing exterior materials, details and colors; (viii) a rendered perspective drawing of the Project; and (ix) a sample board showing the proposed exterior materials. Such materials may also include a rendering and preliminary architectural plans of the Project Related Areas, as reasonably requested by Licensor, and a Variance Notice, if applicable. Unless an alternative location is mutually agreed upon by the parties, the presentation of the conceptual and schematic design submittal shall be made by Licensee's representatives in Bethesda, Maryland at the corporate headquarters of Licensor. Licensee will revise and amend the schematic design submittals as may be necessary to obtain Licensor's approval.

2.2 New Project Design Development Phase

2.2.1 Design Development Phase. Licensee shall, based upon incorporating the approvals described in Section 2.1.2, prepare or cause to be prepared in accordance with the Design Standards a design development submittal which may include the following: (i) a Project description and as-designed space utilization program; (ii) development plans and specifications for the Project, Site and related facilities; (iii) interior designer's plans, furniture layouts, reflected ceiling plans, interior elevations, wall sections, materials, lighting and color schemes; (iv) interior designer's and mechanical engineer's coordinated design of HVAC distribution; (v) interior designer's and electrical engineer's coordination of lighting and emergency lighting and alarm systems; (vi) a review of lighting layouts for such areas including specific fixture selection and recommendations on and specifications of dimmer equipment; and (vii) engineering drawings indicating locations and sizes of necessary mechanical connections for Food/Kitchen Equipment, Housekeeping Equipment and Laundry Equipment. All such plans and a Variance Notice, if applicable, shall be submitted to Licensor for approval.

2.2.2 Interior Design. Prior to submission, or as part of the plans submitted pursuant to Section 2.2.1, Licensee shall submit to Licensor for review and approval: (i) interior design plans, including floor plans, reflected ceiling plans, elevations, sections and renderings that are reasonably necessary to adequately explain the design intent of the Project's public spaces (which, upon approval, shall become part of the Plans); (ii) display boards of fabrics, carpets, furnishings, finishes, paints, lighting design guidelines (e.g., fixtures, chandeliers, sconces, etc.) and other materials for each Project space designated by Licensor; and (iii) a Variance Notice, if applicable. Upon request of Licensor and agreement by the parties of the date and location of such presentation, Licensee shall present these materials to Licensor for approval of the interior design of the Project, and Licensee shall revise and amend such presentation materials as required to obtain final approval of the interior design by Licensor.

2.3 New Project Construction Document Phase

2.3.1 Final Design Phase. Upon Licensor's approval of the items submitted by Licensee pursuant to Section 2.2, and based upon the designs therein approved by Licensor, Licensee shall cause Licensee's architect to produce final plans, specifications and complete construction drawings

(including, without limitation, architectural, electrical, plumbing, HVAC, structural, civil engineering, life safety, and landscape drawings for the Project and Project Related Areas) (collectively, the "**Plans**"), which shall be properly sealed by Licensee's architect. The Plans shall: (i) incorporate the Design Standards into the Project and Project Related Areas; and (ii) incorporate all legal requirements applicable to the design, construction and operation of the Project and the Project Related Areas.

The Plans and a Variance Notice, if applicable, shall be submitted to Licensor for approval at least thirty (30) days prior to commencement of construction of the Project and Project Related Areas., Licensee may submit the Plans at the time they are 30%, 60% and 90% complete for comment and approval by Licensor.

Following Licensor's approval of the Plans, no change in such Plans shall be made that materially affects the design, construction, operation, or aesthetics of the Project or any of the Project Related Areas (as related to the scope of Licensor's approval of such areas), without the prior approval of Licensor.

2.3.2 Systems. In accordance with the approved schedule for the Project, Licensee shall provide to Licensor: (i) general concepts for food and beverage facilities, including without limitation point of sale systems; (ii) the locations of security devices, and their specifications, installation details, power and space requirements; and (iii) the locations and types of Telecommunication Systems.

2.3.3 Decorative Items. Upon Licensor's approval of the interior design materials submitted pursuant to Section 2.2.2 and incorporating the information provided to Licensee as set forth above, Licensee shall prepare or cause to be prepared for Licensor's approval, documents reasonably describing the Decorative Items to be installed in the Project, and a Variance Notice, if applicable. Such information shall include the description, quantity, product specification, photograph (when appropriate), installed location and other pertinent information about the Decorative Items.

2.4 New Project Construction Phase

2.4.1 Construction of Project, Observations. Licensee shall construct, furnish and equip (or cause to be constructed, furnished and equipped) the Project and the Project Related Areas in accordance with the Design Standards and the Plans that have been previously approved by Licensor. During the course of construction, Licensee shall cooperate with Licensor for the purpose of permitting Licensor to observe from time to time, the construction of the Project and the Project Related Areas as it proceeds to determine whether construction is proceeding in accordance with the Design Standards and the approved Plans. In particular, Licensor may visit the Site at such intervals as Licensor deems reasonably necessary (which intervals shall include certain milestone events described on **Exhibit A**). Licensee shall give Licensor at least fifteen (15) days' notice prior to each of the events described in Exhibit A in order to enable Licensor to schedule its visit(s). However, the parties agree that despite its right to observe the construction pursuant to this Section 2.4.1, Licensor shall not be obligated to observe the construction of the Project or the Project Related Areas unless otherwise specified on Exhibit A. It is understood and agreed that Licensor is providing no construction management services, and that construction management shall be the sole responsibility of Licensee. To the extent that Licensor reasonably determines and provides notice to Licensee thereof that the Project, or the Project Related Areas, as constructed, furnished or equipped do not conform to the Design Standards confirmed in Section 2.1.1, or to the approved Plans, Licensee shall promptly correct or cause to be corrected such nonconforming work.

2.4.2 Model Units. Prior to construction of the Project, Licensee shall construct a model unit ("**Model Unit**") for review and approval by Licensor, such review and approval to include:

(i) compliance with the Design Standards; (ii) the level of fit, finish and quality appearing in the units and the general arrangement of the unit; and (iii) FF&E installed in the Model Unit. Upon receipt by Licensor of written notice from Licensee of completion of the Model Unit, Licensor shall have thirty (30) days in which to review and approve the Model Unit. If Licensor disapproves any portion of any Model Unit, Licensor shall provide detailed written objections and describe the required changes to such Model Unit that would be required to satisfy the Design Standards and obtain the approval of Licensor. Upon receipt by Licensee of written notice from Licensor that the Model Unit has been approved, Licensee shall construct, furnish and equip (or cause to be constructed, furnished and equipped) the Project in accordance with the level of fit, finish and quality appearing in, the general arrangement of, and the FF&E installed in, the approved Model Unit.

2.4.3 Shop Drawings & Submittal Reviews. Licensee shall submit to Licensor, for its approval, shop drawings, product data and samples generated by contractors or vendors (the "Submittals"), in accordance with the list of Submittals attached as **Exhibit B**.

2.4.4 Permits. Licensee shall be responsible for obtaining (or causing to be obtained) all permits and other approvals required for construction and operation of the Project, such as the building permit, occupancy permit, elevator permits, occupational licenses, liquor licenses and others for the Project and Project Related Areas.

2.4.5 Documents Upon Completion of Construction. Upon completion of construction of the Project, Licensee shall submit to Licensor: (i) an architect's certification that the Plans comply with all applicable legal requirements and that the Project has been constructed and completed in accordance with the Plans approved by Licensor; and (ii) a copy of the temporary or, if available, permanent certificate of occupancy for the Project. A copy of the permanent certificate of occupancy for the Project should be provided to Licensor by no later than thirty (30) days after receipt by Licensee.

ARTICLE 3

TECHNICAL SERVICES FOR EXISTING PROJECTS

3.1 Existing Project Refurbishment Conceptual and Schematic Design Phases

3.1.1 Preliminary Information. Licensor and Licensee acknowledge that it will become necessary to make certain renovations and undertake certain refurbishments to Existing Projects. Accordingly, Licensor and Licensee shall confirm the then current version of the Design Standards for use by Licensee's design team for the planning and design of such renovation and refurbishment activities. Unless a Refurbishment Review Waiver has been requested by Licensee, and approved by Licensor, all Plans for the renovation and refurbishment of an Existing Project shall incorporate the parameters described in the Design Standards and be evaluated based on the process described in this Article 3. Prior to commencing such renovation or refurbishment activities, representatives of Licensor and Licensee shall meet at the subject Existing Project for an initial review thereof. Licensor representatives shall cooperate with Licensee to agree upon conceptual refurbishment and renovation activities that will comply with the Design Standards.

3.1.2 Schematic Design Phase. Licensee shall, based upon and incorporating the information provided in accordance with Section 3.1.1, prepare or cause to be prepared and present to Licensor for approval, a conceptual design submittal that may include the following: a description of the proposed refurbishment or renovation plans; rendering and preliminary architectural plans; display boards of fabrics, carpets, furnishings, finishes, and paints; lighting design guidelines (e.g., fixtures, chandeliers, sconces, etc.); other materials proposed to be incorporated into the Project; and a Variance Notice, if

applicable. Unless an alternative location is mutually agreed upon by the parties, the presentation of the conceptual and schematic design presentation shall be made by Licensee's representatives at the corporate headquarters of Licensor in Bethesda, Maryland.

3.1.3 Decorative Items. Upon Licensor's approval of the interior design materials submitted pursuant to Section 3.1.2 and incorporating the information provided to Licensee as set forth above, Licensee shall prepare or cause to be prepared for Licensor's approval documents reasonably describing the Decorative Items to be installed in the Project and the installation locations or details therefor, and a Variance Notice, if applicable. Such information may include the description, quantity, recommended manufacturer and model number, product specification, photograph (when appropriate), installed location and other pertinent information about the Decorative Items.

3.2 Existing Project Refurbishment Construction Phase

3.2.1 Renovation and Refurbishment of Existing Project, Observations. Licensee shall renovate, refurbish, furnish and equip (or cause to be renovated, refurbished, furnished and equipped) the Project and the Project Related Areas in accordance with the Design Standards and the Plans that have been previously approved by Licensor. During the course of such activities, Licensor shall visit the Project to assure compliance with the Design Standards and prior approvals. To the extent that Licensor determines that the Project, or the Project Related Areas, as renovated or refurbished, furnished or equipped do not conform to the Design Standards in place at the time the Project was reviewed by Licensor, Licensor shall promptly notify Licensee of such nonconformity in writing and Licensee shall promptly correct (or cause to be corrected) such nonconforming work.

3.2.2 Permits. Licensee shall be responsible for obtaining (or causing to be obtained) all permits and other approvals required for renovation and refurbishment of the Project, such as the building permit, occupancy permit, elevator permits, occupational licenses, liquor licenses and others for the Project and Project Related Areas.

ARTICLE 4

APPROVALS AND VARIANCES

4.1 Requests for Approval

4.4.1 Requests for Approval. Wherever in this Addendum the consent or approval of Licensor or Licensee is required, such consent or approval unless otherwise noted shall not be unreasonably withheld, delayed or conditioned, shall be in writing and shall be executed by a duly authorized officer or agent of the party granting such consent or approval. If either Licensor or Licensee fails to respond within fifteen (15) days to a request by the other party for a consent or approval, the other party shall provide notice to the nonresponsive party of its failure, and such party shall respond within five (5) days or such consent or approval shall be deemed to have been given, except (i) as otherwise expressly provided in this Addendum, or (ii) in the case of consents or approvals that may be granted or withheld in the sole discretion of a party, in which case a failure to respond shall be deemed to be a withholding of consent or approval. Upon obtaining approval from Licensor, Licensee may rely on such approval for purposes of advancing design, renovation, refurbishment and construction activities.

In the event Licensor disapproves a request for approval by Licensee, Licensor shall provide detailed written objections and describe the required changes to such request that are necessary to obtain the approval of Licensor.

4.4.2 Licensor's Approval of Variances. Licensee acknowledges that Licensor will, in its review process, provide comments on the plans and specifications. Such reviews do not relieve Licensee and its consultants of their responsibility with regard to determining the completeness of subsequent documents and compliance with the Design Standards. Licensee acknowledges that an approval by Licensor at any stage does not constitute an approval of a variation in Plans or Design Standards unless a Variance Notice covering the deviation has been properly submitted by Licensee and accepted by Licensor in writing.

4.4.3 Nonconformity. To the extent that Licensor determines that the Project as constructed, renovated or refurbished, furnished or equipped does not conform to the Design Standards agreed to by the parties consistent with this Addendum, or to the approved Plans, Licensor shall provide written notice thereof to Licensee providing a detailed description of such nonconformity. Upon receipt of such notice, Licensee shall promptly (i) correct (or cause to be corrected) such nonconforming work, (ii) commence and diligently pursue a correction to such nonconforming work, or (iii) provide Licensor with adequate assurances that such nonconforming work will be promptly remedied within thirty (30) days after receipt of written notice from Licensor.

ARTICLE 5

TECHNICAL SERVICES FEE

5.1 Technical Services Fee. Licensee shall pay to Licensor a fee for services rendered pursuant to this Addendum in accordance with the schedule of fees attached hereto as **Exhibit C** and incorporated herein by this reference.

ARTICLE 6

OPENING DATE

6.1 Opening Date. The Opening Date shall in no event be earlier than the date on which all of the following have occurred: (i) all licenses, permits, and other approvals and instruments necessary for operation of the Project (or phase thereof) have been obtained, and (ii) on the Opening Date there will be no ongoing construction on any portion of the Project (or phase thereof) that would materially adversely limit, restrict, disturb or interfere with the experience of the Project owners and guests. If, as of the Opening Date, there remain to be completed minor unfinished punchlist items or installation of incidental FF&E and Fixed Asset Supplies in the common areas, lobby, administrative offices or any units to be opened on the Opening Date, none of which preclude Licensee from operating the Project (or phase thereof) in accordance with the Design Standards, the Opening Date shall not be delayed for such reasons; however, Licensee shall be obligated to promptly finish such items pursuant to the requirements of this Addendum.

ARTICLE 7

INSURANCE

7.1 Insurance Required. At all times during the construction of the Project (where a certificate of occupancy has not been issued) during such construction or such later date as indicated below, Licensee shall, at its expense, procure and maintain (or cause its general contractor to procure and maintain) insurance protecting Licensee and Licensor against loss or damage arising out of or in connection with the construction of the Project.

1. Such insurance shall, at minimum include:

(a) Commercial general liability insurance in an amount not less than One Million Dollars ($1,000,000) per each occurrence with a general aggregate limit of not less than Two Million Dollars ($2,000,000). Such insurance shall include, but is not limited to, the following coverages or endorsements:

- Independent Contractors Liability
- For any time-share Project that is developed or marketed in the United States including United States Territories and for any Project developed or marketed in jurisdictions in which there may be liability for construction defects, Products/Completed Operations Liability (construction defect) to be maintained for (i) three (3) years after the date of substantial completion of the Project or issuance of a certificate of occupancy for the Project, whichever is later. If a jurisdiction requires procurement of completed operations coverage or equivalent coverage, then such coverage will be procured as required by applicable law.
- For any residential or fractional Project that is developed or marketed in the United States including United States Territories and for any Project developed or marketed in jurisdictions in which there may be liability for construction defects, Products/Completed Operations Liability (construction defect) to be maintained for (i) ten (10) years after the date of substantial completion of the Project or issuance of a certificate of occupancy for the Project, whichever is later, or (ii) such time frame as may be required to cover the statutory time frame for construction defects in the state or country where the Project is located. If such coverage is provided by the general contractor, evidence of insurance shall be provided for the entire statutory time frame.
- Explosion, Collapse and Underground Coverage

(b) Business auto liability including owned, non-owned and hired vehicles, with combined single limits for bodily injury and property damage in an amount not less than One Million Dollars ($1,000,000) per each occurrence.

(c) Umbrella or excess liability, on a following form, in an amount not less than:

a. Two Million ($2,000,000) Dollars per occurrence for projects with construction value equal to or less than $500,000 and the Project is not occupied

b. Four Million ($4,000,000) Dollars per occurrence for projects with construction value of $500,001 to $1,000,000 or if under $500,000 and the Project is occupied

c. Nine Million ($9,000,000) Dollars per occurrence for projects with construction value of $1,000,001 to $10,000,000;

d. Fourteen Million ($14,000,000) per occurrence Dollars for projects with construction value of $10,000,001 to $20,000,000;

e. Nineteen Million ($19,000,000) Dollars per occurrence for projects with construction value of $20,000,001 to $50,000,000;

f. Such greater amount as is reasonably determined by Licensor and Licensee where the total project construction costs are greater than Fifty Million Dollars ($50,000,000).

Such coverage shall be in excess of the insurance required under Section 7.1.A.1(a), Section 7.1.A.1(b), and the employers liability required under Section 7.1.A.1(f). The general aggregate shall apply in total to this Project only if coverage is provided by a general contractor and shall be reinstated annually during construction. Upon the latest to occur of substantial completion of the Project or the issuance of a certificate of occupancy for the Project, the coverage shall specifically include the completed operations liability (construction defects) in the amounts required under this Section 7.1.1.

(d) Builders risk insuring such risks as commonly covered by an "all risk of physical loss" form on a replacement cost basis covering equipment to be installed in, and supplies to be used at, the Project and all Project related areas, including contractors' supplies, tools and equipment.

(e) Workers' compensation insurance covering all of Licensee's, its general contractors', its subcontractors' and its consultants' employees, in statutory amounts and employers' liability of not less than One Million Dollars ($1,000,000) for each accident.

7.2 General Provisions.

A. All insurance policies required under Section 7.1.A.1 .(a) and (b) shall include Licensor and its Affiliates as additional insureds. Licensee shall deliver to Licensor, upon commencement of construction of a Project, certificates of insurance, and if so requested copies of the insurance policies in the event of a claim, with respect to all policies required pursuant to Section 7.1 and, in the case of insurance policies about to expire, shall deliver certificates with respect to renewals thereof. If commercially available, such policies of insurance shall be endorsed to provide that the insurance shall not be canceled without at least thirty (30) days' prior written notice to the certificate holder. For all the above coverages, Licensee shall, and shall cause the general contractor and all subcontractors to, waive their respective rights of recovery and its insurers' rights of subrogation against Licensor and such coverage shall be primary and non-contributory to any other coverages Licensor may carry.

B. Licensee's obligation to maintain the insurance hereunder will not relieve Licensee of its obligations under any indemnification under this Agreement or the License Agreement. As required by Licensor on similar projects, Licensor reserves the right to review the insurance coverages and limits from time to time and require increases or amendments to the insurance outlined in 7.1 based on competitive terms and conditions in the jurisdiction of the Project. Such requirements shall be mutually agreed by Licensor and Licensee, but in no event shall the changes be less than those required by Licensor on similar projects.

ARTICLE 8

MISCELLANEOUS

8.1 Relationship. In the performance of this Addendum, Licensor shall act solely as an independent contractor. This Addendum shall in no respect be interpreted, deemed or construed as making Licensor a partner, joint venturer with, or agent of, Licensee.

8.2 Third-Party Rights. Nothing herein shall be construed to give any rights or benefits hereunder to any person or entity, other than Licensee or Licensor, and the rights of third-party beneficiaries are hereby expressly negated.

8.3 Headings; Section References. The headings of Sections herein are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope or content of this Addendum or any provision hereof. All references to Articles, Sections, paragraphs, clauses, exhibits, or addenda shall refer to the corresponding Article, Section, paragraph, clause of or exhibit or addendum attached to this Addendum unless otherwise specified.

8.4 Waiver. The failure of either party to insist upon a strict performance of any of the terms or provisions of this Addendum, or to exercise any option, right or remedy contained in this Addendum, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

8.5 Partial Invalidity. If any portion of any term or provision of this Addendum, or the application thereof to any person or circumstance shall be invalid or unenforceable, at any time or to any extent, the remainder of this Addendum, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Addendum shall be valid and be enforced to the fullest extent permitted by law.

8.6 Engagement of Third Party Consultants. Licensor may, at its own cost, engage third party consultants to perform some of its services under this Addendum.

EXHIBIT A
TO
DESIGN REVIEW ADDENDUM

MILESTONE EVENTS

Licensor will visit the Site for the purpose of performing its obligations under the Addendum at approximately the following times unless otherwise noted:

Commencement of metal stud installation in units.

**Completion of the Model Unit (fully finished and furnished).

**Licensee's kickoff meeting with the fire and life safety contractor

**After fire life safety equipment has been installed but prior to drywall/sheetrock.

Commencement of public space finishes.

Commencement of furniture installation.

**Final Acceptance.

In addition to the above-described milestone events, Licensor may visit the Site to observe the construction of the Project and Project Related Areas at such intervals as Licensor deems reasonably necessary.

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

EXHIBIT B
TO
DESIGN REVIEW ADDENDUM

SUBMITTALS

REQUIRED SUBMITTAL FORM:
* Sample / ** Shop drawing / *** Manufacturers literature

DIVISION 5

Decorative Metal work (bar rail, wall trim, grills, etc.) **/***

DIVISION 6

Millwork, paneling, trim casework */**

DIVISION 7

Exterior finish materials and colors *

DIVISION 8

Public Space and Guest Unit doors and Hardware ***
Storefront including entrance and revolving doors ***

DIVISION 9

All finish material
(Interior Design installation drawings, specifications and sample/color book) *

DIVISION 10

Building signs **
Interior graphics */**

DIVISION 11

Front desk equipment ***
Kitchen and laundry equipment ***

DIVISION 12

All furniture, fabric and upholstery */**

DIVISION 13 - NA

DIVISION 14

Elevator cab interiors */**
Elevator equipment **/***

DIVISION 15

Major mechanical equipment & controls including:
Boilers, chillers, cooling tower, air handlers & pumps **/***
Mechanical room layout **
Fire Protection Systems ***/**
- Any exceptions to approved Design Documents

DIVISION 16

Fire Protection Systems **/***
- Any exceptions to approved Design Documents

EXHIBIT C
TO
DESIGN REVIEW ADDENDUM

TECHNICAL SERVICES FEE

Review Categories	Review Fees
New Projects and Conversions of Existing Projects	$ 80,000
Refurbishment/Renovation of Existing Projects	
Soft Goods Refurbishment Review	$ 6,000
Refurbishment/renovation Projects In Excess of Soft Goods Update	$ 15,000

The review fees ("**Review Fees**") shall be billed by Licensor to Licensee on a lump sum basis as indicated for each review category identified above. Licensee shall pay the Review Fees in four (4) quarterly and equal installments. The first installment shall be payable upon submission of the first documents/plans for review by Licensor. In the event a Project is terminated before fully-reviewed by Licensor, the parties shall reasonably pro-rate the Review Fees based on the actual review work performed by Licensor.

The Review Fees listed above are inclusive of all expenses, included, but not limited to, travel, telephone, shipping, equipment, supplies, physical reviews of the Project, document approval, attendance at design progress meetings and meetings held in conjunction with the milestone events described on Exhibit "A" to the Addendum, on-site inspections during design & construction, post construction services and all other meetings required to successfully complete the review of each Project for compliance with the Design Standards.

Within one hundred twenty (120) days following the second anniversary of the License Agreement, the parties shall meet to evaluate the Review Fees and again on each second anniversary thereof. In the event the Review Fees are less, or greater than, the actual cost incurred by Licensor in the review of Licensee's Projects, the Review Fees shall be re-negotiated by the parties to an amount anticipated to cover the reasonable costs thereof.

EXHIBIT H

EXISTING PROJECTS AT WHICH LICENSEE HAS NOT ENGAGED IN TRANSIENT RENTAL

Existing Projects for which Licensee has not notified Licensor of Licensee's intention to engage in transient rentals

Project Name	**Place**
None	

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

Project Name	**Place**
Marriott Vacation Club at Empire Place	*(Bangkok, Thailand)*
Marriott Vacation Club at The Buckingham *(opening planned for mid-2012)*	*(Macau)*

EXHIBIT I

EXISTING GOLF FACILITIES

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

EXHIBIT J

PERMITTED LICENSEE AFFILIATE NAMES

Affiliate	Jurisdiction of Organization
United States Affiliates	
Marriott Kauai Ownership Resorts Inc.	Delaware
Also does business under the name Marriott Vacation Club International	
Marriott Overseas Owners Services Corporation	Delaware
Marriott Ownership Resorts Inc.	Delaware
Also does business under the names Faldo Golf Institute by Marriott; Grand Residences by Marriott; Horizons by Marriott Vacation Club; Marriott Vacation Club International; Marriott Vacation Club International, Corp.; Marriott's Mountainside Resort; Marriott's Summit Watch Resort; and Marriott's Waiohai Beach Resort	
Marriott Ownership Resorts Procurement, LLC	Delaware
Marriott Resorts Hospitality Corporation	South Carolina
Also does business under the names Horizons by Marriott Vacation Club; Marriott Vacation Club International; Marriott's Grand Chateau; Marriott's Legends Edge at Bay Point; Marriott's Oceana Palms; and Marriott's Villas at Doral	
Marriott Resorts Sales Company, Inc.	Delaware
Also does business under the name Marriott Vacation Club International	
Marriott Resorts Title Company Inc.	Florida
Also does business under the name Marriott Resorts Title, Inc.	
Marriott Resorts, Travel Company Inc.	Delaware
Also does business under the name Marriott Vacation Club International	
Marriott Vacation Club Ownership II LLC	Delaware
Marriott Vacation Club Ownership LLC	Delaware
Marriott Vacation Properties of Florida Inc.	Delaware
Marriott Vacations Worldwide Corporation	Delaware
Marriott's Desert Springs Development Corporation	Delaware
Non-United States Affiliates	
Marriott Ownership Resorts (Bahamas) Limited	Bahamas
Marriott Resorts Hospitality (Bahamas) Ltd.	Bahamas
Marriott Vacation Club Timesharing GmbH	Austria
Marriott Resorts Hospitality of Aruba, N.V.	Aruba
Marriott Ownership Resorts (St. Thomas), Inc.	Virgin Islands -US
Marriott Vacation Club International of Aruba N.V.	Aruba
Marriott Vacation Club International of Japan, Inc.	Japan
Promociones Marriott S.A. de C.V.	Mexico

EXHIBIT K
NEW PROJECT APPLICATION

I. PROJECT DESCRIPTION

Applicant: **Marriott Vacations Worldwide**

Date Submitted:_____

Project Description:_____

_____

_____

Brand(s):_____

Project Name (if known): _____

Number of Villas/Keys Planned: _____ Number of Floors: _____

		Villas	Keys
Destination Club Unit Mix:	Studios:		
	1-Bedroom:		
	2-Bedroom:		
	3-Bedroom:		
	4-Bedroom:		
	Other:		
	Lock-out Units		

		Villas	Keys
Residential Unit Mix:	Studios:		
	1-Bedroom:		
	2-Bedroom:		
	3-Bedroom:		
	4-Bedroom:		
	Other:		
	Lock-out Units		

On-Site Facilities

Restaurant Facilities /# of Seats: _____

Bars or Lounges: _____

Retail Shops: _____

Recreation/Golf/Spa: _____

Marketplace: _____

Sales Gallery: _____

Pools: _____

Play Areas:_____

Other: _____

Is the site co- located with any lodging or other facilities? If so, provide details.

_____

If co- located with MI lodging, is a shared services and/or integration agreement contemplated? If so, provide details.

_____

Description of Site:

Total Square Footage of Site: _____ Acreage: _____

Site is controlled by MVW as follows:

( ) Owned by MVW ( ) Leased by MVW
( ) Purchase Contract ( ) Other: _____

If the site is currently owned by an entity other than the MVW, please provide the following information:

Fee Owner: _____
Street Address:_____
City, State, Zip Code, Country:_____
Phone Number: _____
Relationship to MVW, if any:_____

OTHER INFORMATION ABOUT THE SITE

Are there currently any existing moratoriums? ( ) Yes* ( ) No

Are there any restrictions on the site that would necessitate special local variances (e.g., parking, signage, liquor licenses, etc.)? ( ) Yes* ( ) No

* Explain the situation(s) and your plans to resolve same (attach supplemental sheets if necessary):

_____

_____

Please submit with your application:

(1) A copy of the deed, lease, purchase contract or other documents showing MVW's ownership or control of the site;

(2) A copy of the plat of the site and a site plan;*

(3) Photographs of site and surrounding land uses;

(4) A conceptual floor plan and elevation (may be omitted if prototype [Brand] or if only variation to prototype is the addition of rooms); and

(5) A map of the location.

*** See Minimum Submission Requirements at Attachment A**

II. PROPOSED DEVELOPMENT/CONVERSION COSTS AND PROJECTIONS

Property will be a: _____ New Development _____ Conversion/Renovation

If a new development, please complete Section II A and C and the remainder of this application. If a conversion/renovation, please complete Section II B and C and the remainder of this application.

A. NEW DEVELOPMENT

PROPOSED DEVELOPMENT COSTS:

Land Cost: $_____

Development Cost (Construction/Other): $_____

Total Cost: $ _____ Per Villa/Room: $_____ Per Residence $_____

Anticipated Construction Start: _____

Estimated Opening Date: _____

SALES PROJECTIONS:

Estimated number of Vacation Ownership Interests:_____ Estimated gross contract sales: _____

Estimated number of Residential Units: _____ Estimated gross contract sales: _____

B. CONVERSION/RENOVATION

NAME OF PROPERTY AND CURRENT USE:_____

Acquisition Cost: $_____

Conversion Cost: $_____

Total Cost: $_____ Per Villa/Room: $_____

Year Built: _____

Anticipated Conversion/Renovation Start: _____

Estimated Conversion/Renovation Date: _____

SALES PROJECTIONS:

Estimated number of Vacation Ownership Interests:_____ Estimated gross contract sales:_____

Estimated number of Residential Units:_____ Estimated gross contract sales:_____

C. PROPOSED TRANSACTION SUMMARY

Please describe the proposed transaction terms and associated agreements, as well as results of the territorial search._____

D. RENTAL PROGRAM

Please indicate if transient rental is contemplated and describe applicable rental program arrangements: _____

III. OWNERSHIP STRUCTURE AND DUE DILIGENCE

Please provide the information requested in this section for the property owner, if different, from Marriott Vacations Worldwide.

Owner Name:_____

A/an_____ (state)

( ) General Partnership
( ) Limited Partnership
( ) Public Corporation
( ) Trust ( ) Estate
( ) Syndicated Limited Partnership
( ) Limited Liability Company
( ) Privately Held Corporation
( ) Individual
( ) Joint Venture
( ) Other

MVW Interest in Owner:_____

Contact:

Name: _____
Title: _____
Street Address:_____
Phone Number: _____
Fax Number:_____
E-mail Address:_____
Tax ID No.:_____

Principal Correspondent:

Name: _____
Title: _____
Street Address:_____
Phone Number: _____
Fax Number:_____
E-mail Address:_____

Authorized Signer for Entity:

Name: _____
Title: _____

Please provide the following for each individual or entity that is related to the transaction.

Full Name	Home and Business Street Addresses, Phone Numbers, & Email Address	Description of Interest

ATTACHMENT A: MINIMUM SUBMISSION REQUIREMENTS

1. Facilities program summary describing the space requirements for all areas of the project and the project related areas (e.g., public spaces, kitchen, laundry, back office, etc.);
2. A listing of each operating function of the project and the “as designed” areas, and other documents reasonably necessary to represent the size, layout and quality of the project;
3. A colored vicinity/location map indicating vehicular traffic directions, ingress and egress points and major surrounding developments and transportation centers;
4. A site plan showing all site elements and proposed landscaping;
5. Floor plans, showing all spaces listed in the facilities program;
6. Unit layouts, in unit kitchen equipment (if applicable), closets, balconies and other major features;
7. Building elevations and sections, showing exterior materials, details and colors;
8. A rendered perspective drawing of the project; and
9. A description of the proposed exterior materials.

EXHIBIT L

PURCHASER DISCLOSURE STATEMENT

[Marriott Vacation Club International][1] independently owns and manages the *[Marriott Vacation Club]*[2] program. The programs and products provided under the *[Marriott Vacation Club]* brand are owned, developed, and sold by *[Marriott Vacation Club International]*, not by Marriott International, Inc. or any of its affiliates. *[Marriott Vacation Club International]* is an independent entity and is not an affiliate of Marriott International, Inc. *[Marriott Vacation Club International]* and its affiliates use the Marriott marks under license from Marriott International, Inc. and its affiliate, and the right to use such marks shall cease if such license expires or is revoked or terminated. Marriott International, Inc. and its affiliates make no representations, warranties, or guaranties, express or implied, with respect to the information contained in any offering documents or with respect to the *[Marriott Vacation Club]* program.

1 Insert name of appropriate entity to which the disclosure relates.

2 Insert name of appropriate product or program to which the disclosure relates.

Exhibit 10.4

TAX SHARING AND INDEMNIFICATION AGREEMENT

Between

MARRIOTT INTERNATIONAL, INC.

and

MARRIOTT VACATIONS WORLDWIDE CORPORATION

Dated as of [ ], 2011

TABLE OF CONTENTS

TAX SHARING AND INDEMNIFICATION AGREEMENT

TAX SHARING AND INDEMNIFICATION AGREEMENT (this "Agreement"), dated as of [ ], 2011, by and between, MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII"), and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC"). Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Separation and Distribution Agreement, dated as of [ ], 2011, between MII and MVWC ("Separation Agreement").

W I T N E S S E T H

WHEREAS, MII is the publicly-traded parent of a multinational group of corporations ("MII Existing Group") and the common parent of an affiliated group of corporations within the meaning of Section 1504(a) of the Code that files consolidated U.S. federal income Tax Returns ("MII Consolidated Group");

WHEREAS, all of the outstanding MVWC Common Stock will be distributed by MII to its shareholders, pro rata based on their respective ownership of shares of MII Common Stock ("Distribution"), and the Distribution will be effected pursuant to, the Separation Agreement, subject to the satisfaction or waiver of the conditions set forth therein;

WHEREAS, prior to the Distribution, (i) the members of the MVWC Group are members of the MII Existing Group, (ii) MVWC is a newly-formed member of the MII Existing Group, and (iii) certain members of the MVWC Group are members of the MII Consolidated Group and also file combined, unitary or other State, local or foreign Tax Returns together with other members of the MII Existing Group;

WHEREAS, as a result of the Distribution, members of the MVWC Group will cease to be members of the MII Existing Group and will cease to file Tax Returns with other members of the MII Existing Group;

WHEREAS, prior to the Distribution, (i) MII will have formed MVW US Holdings, Inc. ("MVW US"), and MII and other members of the MII Group will have undertaken the MVW US Contribution, (ii) MII will have undertaken the MVW US Preferred Stock Sale, and (iii) MII and MVW US will have jointly made the 338(h)(10) Elections;

WHEREAS, prior to the Distribution, members of the MII Group will have undertaken the MVW International Contribution and the Internal Distributions;

WHEREAS, the Parties intend that for United States federal income tax purposes, (i) the MVW US Contribution will be a transaction pursuant to which gain or loss is recognized under Section 1001 of the Code, (ii) MII and MVW US will be eligible to make the 338(h)(10) Elections, (iii) the MVW US Contribution Losses will be recognized and taken into account by the MII Consolidated Group, (iv) the MVW International Contribution will qualify as a tax-free reorganization under Section 368(a)(1)(D) of the Code, (v) the Internal Distributions will qualify for non-recognition of gain or loss under Section 355 of the Code, (vi) the MVWC Contribution will qualify as a tax-free reorganization under Section 368(a)(1)(D) of the Code; and (vi) the Distribution will qualify for non-recognition of gain or loss under Section 355 of the Code (collectively, "Intended Tax Treatment");

WHEREAS, MII has obtained the Ruling and the Opinion to the effect that, subject to the assumptions set forth therein, the MVW US Contribution, the 338(h)(10) Elections, the MVW US Contribution Losses, the MVW International Contribution, the Internal Distributions, the MVWC Contribution, and the Distribution will qualify for the Intended Tax Treatment;

WHEREAS, in contemplation of the Distribution, the Parties desire to enter into this Agreement to provide for the allocation among them of the liabilities for Taxes arising prior to, as a result of and subsequent to the Distribution, and to provide for and agree upon other matters relating to Taxes;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. General. As used in this Agreement, capitalized terms shall have the following meanings:

"338(h)(10) Elections" means the elections under Section 338(h)(10) of the Code (and any corresponding or similar elections under state or local Tax law) that, at MII's option, MII and MVW US will have jointly made or will jointly make with respect to (i) the stock of MORI, (ii) the stock of any direct or indirect domestic corporate subsidiary of MORI, and (iii) the stock of any other domestic corporation contributed to MVW US, in connection with the MVW US Contribution and MVW US Preferred Stock Sale and, in each case, as directed by MII.

"Additional Tax" means:

(i) with respect to a Tainting Act by a MVWC Group member that results, directly or indirectly, in the MII Group not being able to utilize any MVW US Contribution Losses, an amount equal to the sum of (a) the amount of any Tax refund, credit or similar benefit that the MII Consolidated Group would otherwise have received under applicable Tax law if the MVW US Contribution Losses had been utilizable by the MII Consolidated Group and, where relevant, the MII Consolidated Group could have carried back the MVW US Contribution Losses to one or more taxable periods prior to the taxable period during which the MVW US Contribution Losses would have been incurred, and (b) the product of (x) the amount by which the consolidated taxable income (as determined under Treasury regulation section 1.1502-11) of the MII Consolidated Group for the taxable period during which the MVW US Contribution Losses would have been incurred and each successive taxable period thereafter (determined without taking into account any Tax Benefit Attributes of the MII Consolidated Group) otherwise would have been reduced by the MVW US Contribution Losses, multiplied by (y) the highest marginal corporate tax rate for the applicable taxable period under federal, state or local Tax law, as the case may be;

(ii) subject to clause (i) above and without duplication, with respect to any Tainting Act that affects the amount of any Tax imposed on or attributable to any member of the MII Group for which MII otherwise is responsible under this Agreement, an amount equal to the excess (if any) of (a) the cumulative amount of Tax for which MII is responsible under this Agreement after taking into account any and all Tainting Acts by the MVWC Group, over (b) the cumulative amount of Tax for which MII would be responsible under this Agreement determined without taking into account any Tainting Act; and

(iii) subject to clauses (i) and (ii) and without duplication, with respect to any Tainting Act that affects a Tax Benefit Attribute of any MII Group member, an amount equal to the refund, credit or other similar reduction in otherwise required Tax payments relating to the utilization of such Tax Benefit Attribute that MII otherwise would have recognized if such Tainting Act had not occurred.

"After-Tax Basis" means, with respect to any liability indemnified in this Agreement, the actual amount of any payment to be made with respect to such liability, after giving effect to any tax cost actually incurred by the recipient arising out of the receipt of such payment, and reducing such payment by the value of, any and all federal, state or other Tax benefits actually realized by the recipient in respect of the payment of the indemnified liability, which tax costs and tax benefits shall be treated as actually incurred or actually realized, as the case may be, based on a with-and-without tax calculation and assuming that all other gain, income, loss, deduction and other items are taken into account by the recipient prior to taking into account any such tax cost or tax benefit;

"Agreement" has the meaning assigned in the preamble hereto;

"Allocation" has the meaning assigned in Section 2.03(b);

"Business Day" means any day other than a Saturday, a Sunday and a day on which banks are required or authorized by law to be closed in the City of New York.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time and any successor legislation;

"Consolidated Group" means, with respect to a Person, (i) the MII Consolidated Group if the Person is a member thereof for such taxable period and (ii) the MVWC Consolidated Group if such Person is a member thereof for such taxable period.

"Distribution" has the meaning assigned in the recitals hereof;

"Distribution Date" means the date of the Distribution;

"Distribution Tax" means (i) any Tax, calculated without regard to any Tax Benefit Attributes of the MII Group, required to be paid by or imposed on any MII Group member resulting from, or arising in connection with, the failure of the MVWC Contribution or the Distribution to qualify for the Intended Tax Treatment, including by reason of the application of Section 355(e) of the Code to the Distribution, and (ii) any and all losses and liabilities relating to or arising from claims of lawsuits by stockholders of MII resulting from the failure of the Distribution to be tax-free to such stockholders under Section 355 of the Code (except with respect to cash received in lieu of fractional shares of MVWC Common Stock);

"Final Determination" means the final resolution of liability for any Tax for any taxable period by or as a result of (i) a final and unappealable decision, judgment, decree or other order of a court of competent jurisdiction; (ii) a final settlement, compromise or other agreement with the relevant Taxing Authority, an agreement that constitutes a determination under Section 1313(a)(4) of the Code, an agreement contained in an IRS form 870-AD, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or a comparable agreement under State, local or foreign law; (iii) the expiration of the applicable statute of limitations; or (iv) payment of such Tax, if assessed by a Taxing Authority, pursuant to an agreement in writing by MVWC and MII to accept such assessment;

"Group" of which a Person is a member means (i) the MII Group if the Person is a member of the MII Group and (ii) the MVWC Group if such Person is a member of the MVWC Group;

"Indemnifying Party" has the meaning assigned to Section 4.03;

"Indemnitee" has the meaning assigned to Section 4.03;

"Intended Tax Treatment" has the meaning assigned in the recitals hereof;

"Internal Distribution Tax" means any Tax, calculated without regard to any Tax Benefit Attributes of the MII Group, required to be paid by or imposed on any MII Group member resulting from, or arising in connection with, the failure of the MVW International Contribution or the Internal Distributions to qualify for the Intended Tax Treatment, including by reason of the application of Section 355(e) of the Code to the Internal Distributions;

"Internal Distributions" means, collectively, (i) the distribution of the MVW International Common Stock by MIHC to MII RHG Acquisition SARL ("RHG"), and (ii) the distribution, for U.S. federal income tax purposes, of the MVW International Common Stock by RHG to MII;

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

"MII" has the meaning assigned in the preamble hereto;

"MII Common Stock" means the Class A common stock of MII authorized and outstanding on the Distribution Date;

"MII Consolidated Group" has the meaning assigned in the recitals hereof;

"MII Consolidated Return" means any consolidated U.S. federal income Tax Return or amendment thereof of the MII Consolidated Group that includes MVWC or one or more of the MVWC Subsidiaries;

"MII Existing Group" has the meaning assigned in the recitals hereof;

"MII Group" means MII and any Subsidiary of MII that is not a member of the MVWC Group;

"MII Percentage" means 90 percent;

"MII Separate Returns" has the meaning assigned in Section 2.01(c) below;

"MII-MVWC Combined Returns" means any combined, unitary, consolidated or other group or similar Tax Return in respect of any Taxes (including non-income Taxes) filed or to be filed with a State or non-U.S. Taxing Authority that includes both a member of the MII Group and a member of the MVWC Group;

"Mitigation Amount" has the meaning assigned in Section 5.05.

"MORI" means Marriott Ownership Resorts, Inc., a Delaware corporation;

"MVW International Contribution" means the contribution by MII International Holding Company SARL ("MIHC") of MVWC Assets to MVW International Holding Company S.a.r.l. ("MVW International"), in exchange for all of the outstanding common stock of MVW International ("MVW International Common Stock");

"MVW US" has the meaning assigned in the preamble hereto;

"MVW US Contribution" means (i) the contribution by MII of all of the outstanding stock of MORI in exchange for the all of the outstanding preferred stock of MVW US ("MVW US Preferred Stock") and a portion of the outstanding common stock of MVW US ("MVW US Common Stock"), and (ii) the contribution by MII and other members of the MII Group of the outstanding stock of certain other corporations and the outstanding membership interests of certain limited liability companies to MVW US in exchange for the remaining MVW US Common Stock, as set forth in Exhibit A;

"MVW US Contribution Losses" means any losses recognized (i) by MORI and its corporate subsidiaries as a result of the MVW US Contribution, the MVW US Preferred Stock Sale and the 338(h)(10) Elections, or (ii) by MII or any other member of the MII Group as a result of contributing stock or membership interests to MVW US in exchange for MVW US Common Stock pursuant to the MVW US Contribution and the MVW US Preferred Stock Sale;

"MVW US Preferred Stock Sale" means the sale of all of the MVW US Preferred Stock by MII to unrelated third party investors pursuant to a pre-existing binding commitment that was entered into by MII and such investors prior to the MVW US Contribution;

"MVW US Restricted Transaction" means (i) any redemption by MVW US, or an acquisition by any member of the MVWC Group or any third party acquisitions on behalf of a member of the MVWC Group, of the MVW US Preferred Stock prior to the day that is the fifth anniversary of the Distribution Date, except for any redemption of the MVW US Preferred Stock pursuant to a "Change in Control" in accordance with Certificate of Designation of the MVW US Preferred Stock, and (ii) any issuance by MVW US of any common stock or preferred stock prior to the day that is the fifth anniversary of the Distribution Date;

"MVWC" has the meaning assigned in the preamble hereto;

"MVWC Assets" has the meaning assigned in the Separation Agreement;

"MVWC Business" has the meaning assigned in the Separation Agreement;

"MVWC Common Stock" means the single class of authorized and outstanding common stock of MVWC;

"MVWC Consolidated Group" means the affiliated group of corporations (as defined in Section 1504(a) of the Code) as in existence after the Distribution Date of which MVWC is the common parent;

"MVWC Contribution" means the transfer of MVWC Assets by MII to MVWC pursuant to the Separation Agreement;

"MVWC Group" means MVWC and any Subsidiary, from time to time, of MVWC after the MVWC Contribution;

"MVWC Percentage" means 10 percent;

"MVWC Separate Returns" has the meaning assigned in Section 2.01(c);

"Opinion" means the tax opinion rendered by Shearman & Sterling LLP to the effect that, subject to the assumptions, limitations and representations set forth therein, the MVW US Contribution, 338(h)(10) Elections, MVW US Contribution Losses, MVW International Contribution, Internal Distributions, MVWC Contribution, and the Distribution all satisfy the requirements for the Intended Tax Treatment;

"Party" means each of MII and MVWC;

"Person" has the meaning assigned in the Separation Agreement;

"Post-Distribution Period" means any Tax period beginning after the Distribution Date and the portion of any Straddle Period commencing after the Distribution Date;

"Pre-Distribution Period" means any Tax period ending on or before the Distribution Date and the portion of any Straddle Period ending on the Distribution Date;

"Regulations" means the final, temporary and proposed Treasury regulations promulgated under the Code;

"Restricted Transaction" means any transaction or series of transactions by a Person during the period from the Distribution Date to the first day after the second anniversary of the Distribution Date that would:

(i) cause or allow the MII Consolidated Group or the MVWC Consolidated Group not to be engaged in the active trade or business (for purposes of Section 355(b) of the Code and Regulations thereunder) that in the Tax Representation is represented to be conducted by the members of its Consolidated Group;

(ii) cause or allow MVW International not to be engaged in the active trade or business (for purposes of Section 355(b) of the Code and Regulations thereunder) that in the Tax Representation is represented to be conducted by MVW International;

(iii) cause or allow MIHC or RHG not to be engaged in the active trade or business (for purposes of Section 355(b) of the Code and Regulations thereunder) that in the Tax Representation is represented to be conducted by MIHC or RHG;

(iv) sell, exchange, distribute, transfer or otherwise dispose of or agree to transfer or dispose of (all as determined for U.S. federal income tax purposes) 50 percent or more of the gross assets of the MII Consolidated Group or the MVWC Consolidated Group (as it exists on the day after the date of the Distribution) other than pursuant to sales or transfers in the ordinary course of business or to members of the "separate affiliated group" of MII or MVWC (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution), as the case may be;

(v) sell, exchange, distribute, transfer or otherwise dispose of or agree to transfer or dispose of (all as determined for U.S. federal income tax purposes) 50 percent or more of the gross assets of MVW International (as it exists on the day after the date of the Internal Distributions) other than pursuant to sales in the ordinary course of business or to members of the "separate affiliated group" of MVW International (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution);

(vi) sell, exchange, distribute, transfer or otherwise dispose of or agree to transfer or dispose of (all as determined for U.S. federal income tax purposes) 50 percent or more of the gross assets MIHC or RHG (as it exists on the day after the date of the Internal Distributions) other than pursuant to sales in the ordinary course of business or to members of the "separate affiliated group" of MIHC or RHG (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution), as the case may be;

(vii) in the case of MII, MIHC, RHG, MVWC or MVW International, dissolve, liquidate or involve a merger, consolidation, reincorporation or other reorganization of such Person (other than, in the case of the Distribution, with another member of that Person's "separate affiliated group" (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution), or, in the case of an Internal Distribution, with another member of that Person's "separate affiliated group" (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution));

(viii) in the case of MII, MIHC, RHG, MVWC or MVW International, redeem or otherwise purchase any of its outstanding common stock other than through stock purchases meeting the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to its amendment by Revenue Procedure 2003-48);

(ix) in the case of MII, MIHC, RHG, MVWC or MVW International, issue any of its stock (including, without limitation, restricted stock or any instrument convertible or exchangeable into stock), unless such stock is issued in exchange for property, services or cash of approximately equivalent value and

(1) solely in the case of the MII Group, does not constitute (individually or in the aggregate) more than 49 percent of the aggregate value or aggregate voting power of its capital stock outstanding immediately after the Distribution or the relevant Internal Distribution; or

(2) is issued (A) to an employee or director in connection with the performance of services (and the stock issued is not excessive by reference to the services performed) in accordance with Safe Harbor VIII in Section 1.355-7(d) of the Regulations or (B) pursuant to the exercise of a Substitute Equity Award;

(x) In the case of MII, MIHC, RHG, MVWC or MVW International, enter into any agreements for sale or other disposition of its capital stock or amend its certificate of incorporation or other organizational documents or take any other action through shareholder vote or otherwise that affects the relative economic or voting rights of its outstanding stock (including, without limitation, any recapitalization, stock dividend or otherwise); and

(xi) enter into, or take affirmative steps in relation to, any negotiations, agreements or arrangements with respect to transactions or events (including stock issuances, option grants, capital contributions, acquisitions and changes in the voting power of any of its stock) that, separately or in conjunction with other transactions, may cause the Distribution or an Internal Distribution to be treated as part of a plan pursuant to which one or more persons acquire directly or indirectly stock representing a "50 percent or greater interest" in such Person within the meaning of Section 355(e)(4) of the Code.

"Restructuring Tax" means any Tax (other than any Distribution Tax, Internal Distribution Tax, Additional Tax, Transfer Tax or Section 338 Taxes) imposed on or attributable to a Group member that arises from or is attributable to the distribution, transfer, assignment, other disposition, receipt, purchase or other acquisition of MVWC Assets in connection with and in preparation for the Distribution;

"Ruling" means the private letter ruling issued by the IRS to MII in connection with the MVW US Contribution, 338(h)(10) Elections, MVW US Contribution Losses, MVW International Contribution, Internal Distributions, MVWC Contribution, or Distribution, together with any supplements issued by, and submissions to, the IRS with respect to such Ruling;

"Section 338 Taxes" means any Tax directly resulting from the 338(h)(10) Election, or any election under Section 338(g) of the Code made by any member of the MII Group in connection with the MVW US Contribution;

"Straddle Period" means a Tax Period beginning on or before, and ending after, the Distribution Date;

"Subsidiary" has the meaning assigned in the Separation Agreement;

"Substituted Equity Award" means any (vested or unvested) employee stock option, restricted stock unit or other equity award in respect MII Common Stock or MVWC Common Stock (the grant, exercise, vesting or settlement of which is subject to Section 83(a) of the Code) that has been converted pursuant to the Employee Benefits Allocation Agreement, dated as of [ ], by and between MII and MVWC from a (vested or unvested) employee stock option, restricted stock unit or other equity award (the grant, exercise, vesting or settlement of which is subject to Section 83(a) of the Code) that was granted by a member of the MII Existing Group to an employee of the MII Existing Group prior to the Distribution Date;

"Tainting Act" means (i) any act, failure to act or omission of or by any member of its Group that is inconsistent with the Intended Tax Treatment, the Ruling, the Tax Representations or any covenant or information submitted to the IRS or with respect to the Ruling; (ii) a failure of any of its representations made herein to be true and complete when made; (iii) the breach by any member of its Group of any covenant made herein by it; or (iv) any other action or omission by any member of its Group that is not required pursuant to this Agreement or the Separation Agreement, where such member knows or reasonably should expect, after consultation with is tax advisor, will give rise to Additional Tax, Restructuring Tax, Internal Distribution Tax or Distribution Tax;

"Tax Benefit Attribute" means any net operating loss, net capital loss, foreign tax credit, general business credit, fuel credit, minimum tax credit or any other similar Tax attribute;

"Tax Package" has the meaning assigned in Section 6.01(b) below;

"Tax Representations" means the representations and covenants submitted or made by MII and it Subsidiaries in connection with obtaining the Ruling;

"Tax Return" means any Tax return, declaration, statement, report, form and information return relating to Taxes, including any amendments thereto and any related or supporting information;

"Tax" or "Taxes" means (i) any federal, State, local or foreign income, gross receipts, franchise, estimated, extension, alternative minimum, add-on minimum, sales, use, goods and services, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee, withholding or other tax of any kind whatsoever, and (ii) any levies, duties, customs or other charges or assessments in the nature of or in lieu of any tax, in each case, imposed by a governmental authority and including any interest, penalties or additions to tax or additional amounts in respect of the foregoing;

"Taxing Authority" means any governmental body, agency, commission or authority having jurisdiction over the assessment, determination, collection or imposition of any Tax;

"Transfer Taxes" has the meaning assigned in Section 2.04; and

"Unqualified Tax Opinion" means a written tax opinion at a "will" level of Shearman & Sterling LLP or an independent tax counsel reasonably acceptable to MII to the effect that the MVW US Contribution, 338(h)(10) Elections, MVW US Contribution Losses, MVW International Contribution, Internal Distributions, MVWC Contribution, and the Distribution qualify for the Intended Tax Treatment.

Section 1.02. Interpretation. The provisions of Section 11.16 of the Separation Agreement are incorporated by reference and shall apply to the terms and provisions of this Agreement and the Parties hereto *mutatis mutandis*.

ARTICLE 2
PREPARATION AND FILING OF TAX RETURNS, PAYMENT OF TAXES

Section 2.01. Preparation and Filing of Tax Returns.

(a) MII Consolidated Returns. For each taxable year for which MII files a consolidated federal income Tax Return that begins on or before the Distribution Date, MII shall include all members of the MVWC Group that is permitted to be included under applicable law in such Tax Return. MII shall prepare and timely file (or cause to be prepared and timely filed) with the IRS any and all such MII Consolidated Returns (including extension requests, and other documents and statements). MII Consolidated Returns shall include all income, gains, losses, deductions, credits and other Tax attributes of the members of the MVWC Group that are members of the MII Consolidated Group for all taxable periods for which MII is entitled to include such

member of the MVWC Group in such Tax Returns. To the extent permitted under applicable Tax law, MVWC agrees to, and shall compel each other such included member of the MVWC Group to, (i) file or join in the filing of such Tax Returns, provide such authorizations, elections, consents and other documents as may be required in connection with such filings, and (ii) take such other actions as may be necessary, in the judgment of MII, to prepare, complete and timely file MII Consolidated Returns and to carry out the purposes and intent of this Section 2.01(a).

(b) MII-MVWC Combined Returns. MII shall prepare and file (or cause to be prepared and filed) with the Tax Authority of the relevant State or non-U.S. jurisdiction any MII-MVWC Combined Returns. To the extent permitted under applicable Tax law, MVWC agrees to, and shall compel each other member of the MVWC Group whose Tax information is included in any MII-MVWC Combined Return to, (i) evidence agreement to be included in such Tax Return on the appropriate form and (ii) take such other action as may be appropriate, in the opinion of MII, to carry out the purposes and intent of this Section 2.01(b).

(c) Separate Returns. MII shall be responsible for the preparation and filing of any other Tax Return with respect to any Tax (including non-income Taxes) that includes a member of the MII Group (the "MII Separate Returns"). For any Tax Return with respect to any Tax (including non-income Taxes) that includes a member of the MVWC Group or their operations or assets and that does not include any member of the MII Group or their operations or assets (the "MVWC Separate Returns"), MII shall be responsible for the preparation of any MVWC Separate Return that relates to a taxable period that ends on or prior to, or that includes but does not end on, the Distribution Date, which shall be prepared in a manner consistent with the current practice, elections, positions and methods used in filing the MVWC Separate Return, and MVWC shall be responsible for the filing of such MVWC Separate Return; provided that, in the case of a MVWC Separate Return that relates to a taxable period that includes but does not end on the Distribution Date, MVWC shall provide MII with information with respect to the portion of such taxable period that begins after the Distribution Date that is necessary to prepare such MVWC Separate Return, which information will be prepared on a basis consistent with the current practices of such MVWC Separate Return.

(d) Right of Review. MII shall have exclusive responsibility for and control of the preparation and filing of MII Consolidated Returns, MII-MVWC Combined Returns, MII Separate Returns and any other Tax Return filed with any Taxing Authority in connection with the determination of the U.S. federal income tax liability of the MII Consolidated Group or a Tax liability with respect to a MII-MVWC Combined Return or MII Separate Return; provided, that, for a taxable period prior to or including the Distribution Date, such Tax Returns shall be prepared in a manner consistent with MII's (or its relevant Subsidiary's) current practice, elections, positions and methods used in filing the relevant Tax Returns, unless otherwise required by applicable Tax law or as determined in good faith by MII. Notwithstanding the foregoing, MII shall notify MVWC of any portion of any such Tax Return that relates to the MVWC Group and is not prepared in a manner consistent with current practice or does not reflect a current election, position or method used in filing the relevant Tax Return. With respect to

MVWC Separate Returns prepared by MII pursuant to Section 2.01(c), MII shall provide MVWC with a reasonable opportunity to review such MVWC Separate Return, including any allocation of Taxes for a Straddle Period pursuant to Section 2.02(c), and shall consider in good faith the reasonable comments made by MVWC with respect to such Tax Returns, and the Parties shall attempt in good faith to resolve any disagreements resulting from such review.

(e) Authorizations. MII and MVWC shall, to the extent permitted under applicable Tax law and if necessary or appropriate, shall cause their respective Subsidiaries to, prepare, sign and timely file any consents, elections, powers of attorney and other documents, and shall take any other actions necessary or appropriate, to effect the filing of any Tax Return pursuant to this Section 2.01 or to contest such Tax Return in accordance with Section 5.03.

Section 2.02. Allocation and Payment of Taxes

(a) Pre-Distribution Period. MII shall be liable for and shall pay (or cause to be paid) to the relevant Taxing Authority any Taxes of or relating to any member of the MII Existing Group for any Pre-Distribution Period (other than any portion of a Straddle Period).

(b) Post-Distribution Period. MVWC shall be liable for and shall pay (or cause to be paid) to the relevant Taxing Authority any Taxes of or relating to MVWC and any member of the MVWC Group for any Post-Distribution Period (other than any portion of a Straddle Period).

(c) Straddle Period. With respect to any Tax Return for a Straddle Period that includes a member of the MVWC Group or any such member's assets or operations, the Parties and their respective Subsidiaries shall treat, and elect to treat the Distribution Date as the last day of the Tax period. If no such election is permitted, the Taxes for the Straddle Period shall be allocated to the Pre-Distribution Period as follows: (A) in the case of real or personal property taxes, taxes based on capital, or a flat minimum amount tax, the total amount of such Taxes multiplied by a fraction, the numerator of which is the number of days in the partial period through and including the Distribution Date and the denominator of which is the total number of days in such Straddle Period; (B) in the case of all other Taxes based on or in respect of income, the Tax computed on the basis of the taxable income or loss of MVWC and any member of the MVWC Group, as applicable, for such partial period determined from its books and records based upon an actual closing of the books methodology; and (C) in the case of all other Taxes, the Tax computed on the basis of the actual activities or attributes of MVWC or any member of the MVWC Group, as applicable, for such partial period as determined from its books and records. MII shall pay or cause to be paid to MVWC such amount of Straddle Period Taxes that is attributable to the Pre-Distribution Period under this Section 2.02 within 5 Business Days prior to the actual due date for payments in respect of the corresponding Tax Return for such Straddle Period Taxes. MVWC shall be responsible for any Taxes attributable to the portion of the Straddle Period that begins after the Distribution Date as allocated under this Section 2.02(c).

(d) Taxes Not Shown on a Tax Return. Each Party, or its respective Subsidiary, shall timely pay when due any Taxes not shown on a Tax Return filed by a member of a Group, such as Taxes invoiced by a Taxing Authority.

(e) Utilization of Tax Benefit Attributes. No Group member that utilizes a Tax Benefit Attribute of a member of the other Group shall be required to compensate or make any payment to such member of the other Group with respect to the utilization of such Tax Benefit Attribute.

Section 2.03. 338(h)(10) Elections.

(a) MVWC, MVW US and/or the applicable Subsidiary of MVW US shall join MII in making timely and irrevocable 338(h)(10) Elections. MVW US shall cooperate with MII and take all actions necessary and appropriate (including filing such additional forms, Tax Returns, elections, schedules and other documents as may be required), as permitted by applicable Tax law, to effect and preserve the 338(h)(10) Elections in accordance with the provisions of Section 1.338(h)(10)-1 of the Regulations. At MII's direction, MVWC, MVW US and/or the applicable Subsidiary of MVW US shall jointly execute with MII an IRS Form 8023 (and any similar state or local forms) for MORI and, as directed by MII and as permitted by applicable Tax law, any domestic corporate subsidiary of MORI, and MVWC, MVW US and/or such Subsidiary shall timely file such IRS Form 8023s (and any similar state or local forms), with the IRS (and any applicable state or local taxing authorities) and MVWC shall provide MII with a copy of each IRS Form 8023 (and any state or local forms) so filed within 10 days after filing.

(b) MII shall prepare an allocation of the applicable consideration among the assets of MORI and any corporate subsidiary of MORI for which a 338(h)(10) Election is made ("Allocation") and shall deliver the Allocation to MVW US. MII shall consider in good faith any written comments received by MVW US within 20 days of MII's delivery of the Allocation. Within 30 days of MII's delivery of the Allocation, MVWC, MVW US and /or the applicable Subsidiary of MVW US shall prepare consistently therewith (as adjusted to reflect any written comments by MVW US that were accepted by MII) an IRS Form 8883 (and any similar forms required by applicable state and local Tax laws) for MORI and any corporate subsidiary of MORI for which a 338(h)(10) Election is made, and promptly deliver copies of such forms to MII for MII's review and approval.

(c) MVW US and each other member of the MVWC Group shall timely file all Tax Returns (including, but not limited to, IRS Form 8023s and IRS Form 8883s) consistent with the 338(h)(10) Elections and, except as required pursuant to a Final Determination, shall not to take, or cause to be taken, any action that would be inconsistent with the 338(h)(10) Elections or the final Allocation in any Tax Return, audit, litigation or otherwise.

(d) To the extent that MVW US has a non-U.S. subsidiary and an election under Section 338(g) of the Code could be made with respect to non-U.S. subsidiary, MII shall determine whether such an election will be made and, where relevant, the foregoing provisions of this Section 2.03 shall apply.

Section 2.04. Transfer Taxes. Notwithstanding anything to the contrary in this Agreement, the Parties agree that all sales, use, transfer, intangible, recordation, documentary stamp or similar Taxes or charges of a similar nature, applicable to, or resulting from, (i) the 338(h)(10) Elections and any election under Section 338(g) of the Code, (ii) the MVW US Contribution, (iii) the MVW International Contribution, (vi) the Internal Distributions, (v) the MVWC Contribution, (vi) the Distribution and (viii) any other distribution, transfer, assignment other disposition, receipt, purchase or other acquisition of MVWC Assets in connection with and in preparation for the Distribution ("Transfer Taxes") shall be borne by MII. MVWC and each other MVWC Group member agrees to cooperate with MII in mitigating the imposition or assessment of any Transfer Taxes and, to the extent permitted under applicable Tax law, shall take any actions as may be necessary, in the judgment of MII, to mitigate the imposition or assessment of Transfer Taxes. MII shall determine the manner in which any Transfer Taxes and any corresponding transactions are reported for Tax purposes, including any position that no Transfer taxes are due and payable and, unless otherwise required pursuant to a Final Determination, no member of the MVWC Group shall take any action that is inconsistent with the manner in which such Transfer Taxes and transactions are reported. MII shall file all necessary documentation with respect to such Transfer Taxes on a timely basis; provided that MVWC shall cooperate with the preparation of any such documentation and, to the extent required by applicable Tax law, will timely file such documentation.

ARTICLE 3
TAX MATTERS

Section 3.01. Use of Tax Benefit Attributes.

(a) Carrybacks. If a Tax Benefit Attribute arises in any taxable period beginning after the Distribution Date in respect of any Tax Return, to the fullest extent permitted under applicable Tax law, the MVWC Consolidated Group, or the relevant member of the MVWC Group, as applicable, shall waive the carryback of such Tax Benefit Attribute. To the extent such a waiver is not permitted under applicable Tax law, MVWC shall be entitled to any refund for Tax obtained by the MII Group (or any member of the MII Group) as a result of the carryback of losses or credits of any member of such MVWC Group from any taxable period beginning on or after the Distribution Date to any taxable period ending on or before the Distribution Date, provided that MVWC has notified MII with respect to such carryback. Such refund shall be limited to the net amount received by the MII Group (by refund, offset against other Taxes or otherwise), net of any net Tax cost and other expenses incurred by the MII Group with respect to such refund, and shall be paid within 30 days after payment is received (or deemed received by reason of the reduction of Taxes otherwise payable) by the MII Group from a Taxing Authority. The application of such carrybacks (if any) by MVWC and/or any Subsidiary of MVWC shall be in accordance with the Code and the Regulations promulgated thereunder or other applicable Tax laws. If any such refund is subsequently disallowed, MVWC shall promptly pay to MII the full amount of such refund (together with any interest or penalties that are imposed).

(b) Carryforwards. MII shall promptly notify MVWC (a) of any consolidated carryover item that may be partially or totally allocable to a member of the MVWC Group and carried over to a taxable period beginning after the Distribution Date and (b) of subsequent adjustments which may affect such carryover item. MII shall determine that allocation of consolidated carryover items in its sole discretion but agrees to consider in good faith any reasonable written comments provided by MVWC in respect of any such allocation. Notwithstanding anything to the contrary contained in this Agreement, no MVW US Contribution Losses will be allocated to a member of the MVWC Group.

(c) Use of Tax Benefit Attributes By Related Persons. No member of the MVWC Group shall enter into a transaction after the Distribution Date with the principal purpose or effect of reducing a Tax Benefit Attribute that otherwise could be used or available to the MII Group, without MII's prior written consent.

Section 3.02. Pre-Distribution Earnings and Profits.

(a) MII shall, in accordance with Section 1.312-10(a) of the Regulations, allocate earnings and profits between MII and MVWC, and such allocation shall control for taxable periods beginning after the Distribution Date; provided, however, that MII shall provide MVWC a reasonable opportunity to review, and provide written comments to, such allocation of earnings and profits and shall consider in good faith the reasonable comments made by MVWC with respect to such allocation and/or reductions.

(b) MII shall in its sole discretion determine any allocations and/or reductions of earnings and profits and foreign taxes paid or accrued with respect to the Internal Distributions, and such allocations and/or reductions shall control for taxable periods (or portions thereof) beginning after the Distribution Date; provided, however, that MII shall provide MVWC a reasonable opportunity to review, and provide comments to, such allocation and/or reductions of earnings and profits and foreign taxes paid or accrued and shall consider in good faith the reasonable comments made by MVWC with respect to such allocation and/or reductions.

(c) As reasonably requested by MVWC, MII agrees to provide MVWC with copies of any workpapers or other documentation that were used in connection with determining the allocations and/or reductions of earnings and profits and foreign taxes paid or accrued under Sections 3.02(a) and (b).

Section 3.03. Section 83(h) Matters. Subject to Section 5.05:

(a) MII (or the relevant other member of the MII Group) shall be entitled to any deduction under Sections 83(h) and 162 of the Code (and any corresponding Tax Benefit Attributes) in respect of Substituted Equity Awards held by employees of any member of the MII Group; and

(b) MVWC (or the relevant other member of the MVWC Group) shall be entitled to any deduction under Sections 83(h) and 162 of the Code (and any corresponding Tax Benefit Attributes) in respect of Substituted Equity Awards held by employees of any member of the MVWC Group.

Section 3.04. MVWC Consolidated Group. MII intends that the MVW US Contribution and MVW US Preferred Stock Sale will not be structured in such a way as to cause MVWC to fail to own stock of MVW US possessing less than 80 percent of the total voting power or value (within the meaning of Code Section 1504(a)(2)).

Section 3.05. Consistency in Filing Tax Returns.

(a) On or after the Distribution Date, neither Party shall, nor shall permit any member of its Group to, make or change any accounting method, change its taxable year, amend any Tax Return or take any Tax position on any Tax Return, take any other action, omit to take any action, or enter into any transaction, that may reasonably be expected to result in any increased Tax liability of a member of the other Group, except with the prior written consent of MII or MVWC, as the case may be, which consent shall not be unreasonably withheld or delayed; provided, however, that the Parties agree that any changes by the MVWC Group in the Post-Distribution Period in the character or amount of payments between and among members of the MVWC Group in connection with services, sales or licensing activities in order to comply with Code Section 482 and the Regulations thereunder, or an analogous provision under U.S. federal, state and local or non-U.S. law (including the change in the characterization of a payment from a service payment to a royalty payment or a reduction in the level of payments) shall not be subject to this Section 3.05(a). MII and MVWC each agrees to file, and to cause the other members of its Group, to file, all U.S. federal, State and local income Tax Returns in accordance with this Article 3.

(b) Unless otherwise required by a Final Determination, the tax treatment reported on any Tax Return of the MVWC Group shall be consistent with the Intended Tax Treatment. To the extent that there are transactions relating to the Distribution that are not covered by the Intended Tax Treatment, MII shall determine the proper Tax treatment for such transactions and the method of reporting such transactions on any Tax Return, and such treatment and reporting method shall be used by the MVWC Group in preparing and filing any Tax Return of the MVWC Group.

ARTICLE 4
INDEMNITY

Section 4.01. Indemnification.

(a) Indemnification by MVWC. MVWC shall, on an After-Tax basis, indemnify the MII Group against and hold the MII Group harmless from:

(i) except to the extent such amount relates to Additional Taxes, Restructuring Taxes, Internal Distribution Taxes or Distribution Taxes, any Taxes of or relating to MVWC and any member of the MVWC Group for, and allocated hereunder, to any Post-Distribution Period, including the increase in the amount of any such Taxes as a result of a Final Determination, as described in Section 5.04;

(ii) the MVWC Percentage of any amount of Internal Distribution Tax and Distribution Tax, except to the extent due to a Tainting Act;

(iii) any amount of Restructuring Tax, Internal Distribution Tax or Distribution Tax resulting from a Tainting Act of any member of the MVWC Group; and

(iv) any amount of Additional Tax.

(b) Indemnification by MII. MII shall, on an After-Tax basis, indemnify the MVWC Group against and hold the MVWC Group harmless from:

(i) except to the extent such amount relates to Additional Taxes, Internal Distribution Taxes or Distribution Taxes, (i) Taxes of or relating to MII and any member of the MII Existing Group for, and allocated hereunder, to any Pre-Distribution Period, (ii) Section 338 Taxes, (iii) Restructuring Taxes (except as provided in Section 4.01(a)(iii)), and (iv) liabilities of any member of the MVWC Group for Taxes of any Person as a result of such member of the MVWC Group being, or having been, on or before the Distribution Date, a member of a consolidated group under Regulations section 1.1502-6(a);

(ii) the MII Percentage of any amount of Internal Distribution Tax and Distribution Tax, except to the extent due to a Tainting Act; and

(iii) any amount of Internal Distribution Tax or Distribution Tax resulting from a Tainting Act of any member of the MII Group.

(c) Notwithstanding Section 4.01(a) and Section 4.01(b), to the extent that a Restructuring Tax, Internal Distribution Tax or Distribution Tax arises as a result of a Tainting Act by both the MII Group and the MVWC Group, the amount of indemnification under Section 4.01(a) and Section 4.01(b) shall be based on the MVWC Percentage and the MII Percentage, respectively.

(d) To the extent that, as a result of a Final Determination, the MVW US Contribution Losses are disallowed, in whole or in part, with respect to the MII Consolidated Group and such failure does not result, directly or indirectly, from a Tainting Act by a MVWC Group member, and such MVW US Contribution Losses are available to the MVWC Consolidated Group, then as the assets that correspond to such MVW US Contribution Losses are transferred to a Person that is not a member of the MVWC Consolidated Group (but if to a member of the MVWC Group that is not a member of the MVWC Consolidated Group, only after section 267(f) ceases to apply) MVWC shall pay to MII, within 20 days after the filing of the US federal income tax return of the MVWC Consolidated Group for the year of the relevant transfers, an

amount equal to 38 percent of the disallowed MVW US Contribution Losses that are attributable to the assets transferred; provided, however, that (i) to the extent that transfers of assets that correspond to the MVW US Contribution Losses result in losses to the MVWC Consolidated Group for any given taxable year but the MVWC Consolidated Group has a net operating loss for such taxable year ("NOL Carryforward") without regard to the losses resulting from the transfer of such assets, MVWC shall not be liable under this Section 4.01(d) until the MVWC Consolidated Group absorbs the NOL Carryforward (or a portion thereof but only to the extent of such portion) against its consolidated taxable income (as determined under Treasury regulation section 1.1502-11), which NOL Carryforward shall be treated as being absorbed in any subsequent taxable year prior to any MVW US Contribution Losses that are recognized in such subsequent taxable year (and, if not absorbed, any such MVW US Contribution Losses will be treated as an NOL Carryforward for purposes of this Section 4.01(d)), and, if a portion of the NOL Carryforward is absorbed in a subsequent taxable year, the MVW US Contribution Losses that comprise the NOL Carryforward will be treated as being absorbed prior to any other losses that comprise the NOL Carryforward, and, if such NOL Carryforward expires, MVWC shall not be liable under this Section 4.01(d), and (ii) subject to clause (i) of this proviso, to the extent that in a given taxable year, assets that correspond to the MVW US Contribution Losses are transferred and result in losses and the MVWC Consolidated Group has a NOL Carryforward for such taxable year only after taking into account such losses, MVWC shall be currently liable under this Section 4.01(d) in respect of the excess of the MVW US Contribution Losses over the amount of the NOL Carryforward but MVWC shall not currently be liable under this Section 4.01(d) in respect of the amount of the NOL Carryforward, which shall be taken into account in accordance with clause (i) of this proviso. For the avoidance of doubt, (a) the amount of MVW US Contribution Losses in respect of an asset is the amount by which the tax basis of the asset exceeded its fair market value as of the date of the Distribution, as determined by MII in connection with the MVW US Contribution, (b) to the extent transfers of assets that correspond to the MVW US Contribution Losses result in losses that exceed the corresponding MVW US Contribution Losses for such assets, for purposes of this Section 4.01(d), the MVW US Contribution Losses will be treated as being used first by the MVWC Consolidated Group, and (c) MVWC shall be required to make payments under this Section 4.01(d) regardless of whether the transfer results in a gain or additional loss, in each case, for U.S. federal income tax purposes. MVWC agrees to provide, upon a reasonable written request by MII, information regarding the assets that correspond to the MVW US Contribution Losses, including any transfers thereof and the use of any losses in respect of the transfers of such assets.

(e) To the extent that MVW International has made one or more distributions to MVWC out of any earnings and profits allocated to MVW International in connection with the MVWC Contribution and Internal Distributions and (I) as a result of a Final Determination in respect of an audit or other proceeding that begins on or prior to the 6th anniversary of the Distribution Date, additional U.S. federal income taxes in excess of $2 million are imposed on MVWC (or any member of the MVWC Consolidated Group) in respect of such distribution(s) solely because either (i) the amount of earnings and profits that were allocated to MVW International in connection with the MVW International Contribution and Internal Distributions is determined to

be greater than such amount of earnings and profits that were allocated or (ii) the amount of foreign taxes paid or accrued that are creditable for U.S. federal income tax purposes and that were allocated to MVW International in connection with the MVW International Contribution and Internal Distributions is determined to be less than such amount of creditable foreign taxes paid or accrued that were allocated, or (II) solely as a result of the allocation to MVW International of earnings and profits and/or foreign taxes paid or accrued that are creditable for U.S. federal income tax purposes, as determined by MII pursuant to Section 3.02(b), additional U.S. federal income taxes in excess of $2 million are imposed on MVWC (or any member of the MVWC Consolidated Group) in respect of such distribution(s) and reported on the applicable U.S. federal income tax return for the MVWC Consolidated Group, then (a) MVWC will be responsible for any such additional U.S. federal income taxes until the amount of such additional U.S. federal income taxes equals $750,000, and (b) MII will be responsible for and will indemnify MVWC against any such additional U.S. federal income taxes in excess of $750,000; provided that (x) MII will have sole and exclusive control over any audit or other proceeding relating to the allocation and substantiation of such earnings and profits or creditable foreign taxes paid or accrued that begins on or prior to the 6th anniversary of the Distribution Date (and any related proceedings that arise after the 6th anniversary of the Distribution Date), (y) any payments by MII under this Section 4.01(e) shall be made 20 days after the applicable Final Determination in the case of clause (I) above, or 20 days after the due date (including extensions obtained) for the applicable U.S. federal income tax return of the MVWC Consolidated Group, and (z) for the avoidance of doubt, MII will not be required to indemnify MVWC under this section 4.01(e) in respect of any such additional U.S. federal income taxes that are imposed as a result of any audit or other proceeding that begins after the 6th anniversary of the Distribution Date.

Section 4.02. Treatment of Indemnity Payments. Except to the extent otherwise required by applicable Tax law, any indemnity payment hereunder shall be treated, for all Tax purposes, as made immediately before the Distribution (i) as a distribution by MVWC to MII, if made pursuant to Section 4.01(a), and (ii) as a contribution by MII to MVWC, if made pursuant to Section 4.01(b).

Section 4.03. Timing of Indemnity Payments. To the extent that one Party (the "Indemnifying Party") has an indemnification obligation to another Party (the "Indemnitee"), the Indemnitee shall provide the Indemnifying Party with a written claim that includes its calculation of the amount of such indemnification payment. Such calculation shall provide sufficient detail to permit the Indemnifying Party to reasonably understand the calculations. The Indemnifying Party shall make the required payment to the Indemnitee within ten Business Days of receipt of such claim, but in no event more than five Business Days prior to the due date of the related payment of Taxes to the relevant Taxing Authority (including extensions), unless explicitly provided otherwise in this Agreement. Any Party making an indemnification payment under this Agreement shall have the right to reduce any such payment by any amounts owed to it by the other Party to this Agreement.

Section 4.04. Refunds of Indemnified Taxes. If any portion of Taxes with respect to which the Indemnitee is indemnified by the Indemnifying Party pursuant to Section 4.01 is refunded by a Taxing Authority, such refund, including any related interest thereon but net of any Taxes or out-of-pocket costs and expenses incurred by the Indemnitee in connection with such refund, shall be the property of the Indemnifying Party that made a payment to the Indemnitee pursuant to Section 4.01, and, if received by the Indemnitee that received the payment pursuant to Section 4.01, such Indemnitee shall promptly pay over such refund, including any related interest thereon but net of any cost and expense incurred by the Indemnitee in connection with such refund, to the Indemnifying Party that made the payment.

ARTICLE 5
REFUNDS, AUDITS, CONTROVERSIES, ADJUSTMENTS

Section 5.01. Refunds. Except to the extent set forth in Section 4.04, MII shall have the right to any Tax refunds or other Tax benefits, and any interest thereon, in respect of any MII Consolidated Return, any MII-MVWC Combined Return, any MII Separate Return and, to the extent allocable to a Pre-Distribution Period under this Agreement, any MVWC Separate Return and MVWC shall promptly pay over to MII any refund to which MII is entitled pursuant to this Section 5.01 that is received by a member of the MVWC Group. MVWC shall have the right to any Tax refund or other Tax benefits and any interest thereon in respect of any MVWC Separate Return to the extent allocable to a Post-Distribution Period under this Agreement, and Marriot shall promptly pay over to MVWC any refund to which MVWC is entitled pursuant to this Section 5.01 that is received by a member of the MII Group. If a Party receives a refund of the other Group and pays such refund over to such other Group and such refund is subsequently disallowed, such other Group shall repay the amount of the refund to such Party together with any interest or penalties due thereon.

Section 5.02. Notification. If one of the Parties (or any of their respective Subsidiaries) receives any written notice of deficiency, claim or adjustment or any other written communication from a Taxing Authority regarding any Distribution Tax, Restructuring Tax or Additional Tax, the Party (or its Subsidiary) receiving such notice or communication shall promptly give written notice thereof to the other Party. MVWC shall promptly forward any written notice of deficiency, claim or adjustment or any other written communication that any member of the MVWC Group receives from a Taxing Authority to MII if such notice or communication may relate to any MII Consolidated Return, MII-MVWC Combined Return or MII Separate Return. MII shall promptly forward any written notice of deficiency, claim or adjustment or any other written communication that any member of the MII Group receives from a Taxing Authority to MVWC if such notice or communication may relate to an MVWC Separate Return or a Tax for which MVWC may be liable or responsible for under this Agreement. A failure of MII, on the one hand, or MVWC, on the other, to comply with this Section 5.02 shall not relieve the other Party of its indemnification obligation hereunder, except to the extent that such failure materially prejudices the ability of the such other Party to contest the liability for the relevant Tax or increases the amount of such liability.

Section 5.03. Contests.

(a) MII Consolidated Returns, MII-MVWC Combined Returns and MII Separate Returns. MII shall have exclusive responsibility and control of the conduct of examinations and audits of any MII Consolidated Return, any MII-MVWC Combined

Return or any MII Separate Return by any Taxing Authority, and of any refund claims with respect thereto. If a MII Consolidated Return, a MII-MVWC Combined Return or a MII Separate Return becomes the subject of litigation in any court, the conduct of the litigation shall be controlled exclusively by MII. MVWC shall assist and cooperate with MII during the course of any such examination, audit or litigation. MVWC shall have the right to participate, at its own expense, in any audit, examination or litigation that relates to a matter for which MVWC is required to indemnify MII pursuant to Section 4.01(a), and MII shall not settle such audit, examination or litigation without the prior consent of MVWC, which consent shall not be unreasonably withheld or delayed. MVWC shall reimburse MII for all reasonable out-of-pocket costs and expenses incurred by the MII Group that directly relate to any examination, audit or litigation of any matter for which MVWC is required to indemnify MII pursuant to Section 4.01(a) within 10 Business Days of receiving an invoice from MII therefor, including a calculation of the amount of costs or expenses that provides sufficient detail to permit MVWC to reasonably understand the calculations; provided that if MVWC is only liable under this Agreement for a portion of the relevant adjustment, MVWC shall only be responsible for a proportionate amount of such costs and expenses.

(b) MVWC Separate Returns. MII shall have exclusive and sole responsibility and control of the conduct of examinations and audits of any MVWC Separate Return with respect to a Pre-Distribution Period (other than in respect of a Straddle Period) by any Taxing Authority and any litigation in respect thereof; provided that MII will keep MVWC reasonably informed of the status and progress of such examination, audit or litigation and MII shall not settle such audit, examination or litigation without the prior consent of MVWC, which consent shall not be unreasonably withheld or delayed. With respect to a MVWC Separate Return for a Straddle Period, the Party with the greater burden of the potential adjustment shall be entitled to control of the conduct of any examination and audit of such MVWC Separate Return by any Taxing Authority and any litigation in respect thereof; provided that the non-controlling Party shall be entitled to participate, at its own expense, in any audit, examination or litigation, the controlling Party shall not settle such audit, examination or litigation without the prior consent of the other Party, which consent shall not be unreasonably withheld or delayed. MII and MVWC shall each assist and cooperate with the other Party during the course of any such proceeding.

Section 5.04. Adjustments After Final Determination. Notwithstanding anything to the contrary contained in this Agreement, if, as a result of a Final Determination, an adjustment to income or other item is made with respect to any MII Consolidated Return, MII-MVWC Combined Return, MII Separate Return or MVWC Separate Return, the allocation of liability and payment for Taxes shall be made in accordance with Section 2.02 and Section 4.01.

Section 5.05. Section 83(h) Deductions. If, as a result of a Final Determination, a Party (or its Subsidiary) that claimed a deduction pursuant to Section 3.03 is not allowed that deduction, in whole or in part, the other Party (or its Subsidiary) shall, upon request by such first Party, make a claim for such deductions if the taxable year to which such deductions would relate is not yet closed; provided, that the first Party has furnished the other Party (i) an opinion of counsel satisfactory to the other Party that such deduction by the other Party (or one of its

Subsidiaries) should be sustained based on the Final Determination and (ii) an acknowledgement that the first Party will reimburse the other Party for all reasonable out-of-pocket costs and expenses incurred by the other Party (or any of its Subsidiaries) in connection with claiming such deduction. The other Party shall pay the first Party an amount equal to the amount by which the Taxes of the other Party have been actually reduced, as reflected on an amended Tax Return or claim for a refund, as a result of such deduction in such taxable year, or any prior or future taxable year to which such deductions may be carried, ("Mitigation Amount") assuming that such deductions will be treated as used after any other Tax Benefit Attribute of the claiming Party; provided that, if such deduction by such other Party (or any of its Subsidiaries) is not sustained in whole or in part in a Final Determination, the Party that received the Mitigation Amount shall return to the Party that paid the Mitigation Amount an amount equal to the reduction in the Mitigation Amount (if any) as a result of such Final Determination; provided, further, that the other Party shall be required to pay the first Party in respect of any Tax benefit realized in a future year only at the time when such benefit is actually realized.

ARTICLE 6
INFORMATION AND COOPERATION; BOOKS AND RECORDS

Section 6.01. MVWC Tax Information.

(a) General. Each Party shall deliver to the other Party, as soon as practicable, such information and data as the other Party may reasonably request, and shall make available such knowledgeable employees as the other Party may reasonably request, including providing the information and data required by each Party's customary internal tax and accounting procedures, in order to enable the other Party to complete and timely file all Tax Returns that may be required to be filed with respect to the activities of any member of the MVWC Group, to respond to audits by any Taxing Authorities with respect to such activities, to prosecute or defend any administrative or judicial proceeding and to otherwise enable each Party to satisfy its accounting and tax requirements.

(b) MVWC Tax Package. The MVWC Group shall provide to MII in a format reasonably determined by MII all information reasonably requested by MII as necessary to prepare any MII Consolidated Return, any MII-MVWC Combined Return, any MII Separate Return that includes MVWC Assets and any MVWC Separate Return (each, a "Tax Package"). The Tax Package shall be prepared on a basis consistent with current practices of the MII Consolidated Group, the relevant MII-MVWC Combined Return and the relevant MII Separate Return to which the Tax Package relates. MVWC shall furnish to MII the Tax Package for the relevant MII Consolidated Return, MII-MVWC Combined Return or MII Separate Return in respect of a taxable year no later than 30 days after the close of the relevant taxable year or, in the case of a short taxable year, no more than 60 days after MII requests MVWC to complete such Tax Package. MVWC shall also furnish MII work papers and other such information and documentation as is reasonably requested by MII for Tax preparation purposes with respect to any member of the MVWC Group.

Section 6.02. MII Tax Information. No more than 60 days after MVWC' request for information, MII shall deliver to MVWC in a format reasonably determined by MVWC, all information reasonably requested by MVWC as necessary to prepare a MVWC Separate Return, such information and data concerning any Tax Benefit Attributes that were allocated to a member of the MVWC Group, and information and data to respond to audits by any Taxing Authorities with respect to the activities of the MVWC Group or the MVWC Assets, to prosecute or defend claims for Taxes in any administrative or judicial proceeding and to otherwise enable MVWC to satisfy its accounting and tax requirements. In addition, MII shall make available to MVWC MII's knowledgeable employees for such purpose.

Section 6.03. Record Retention. Each of MVWC, on the one hand, and MII, on the other hand, (and their respective Subsidiaries) shall retain all books, records, documentation or other information relied on or otherwise used in the preparation of any MII Consolidated Return, MII-MVWC Combined Return or MII Separate Return reflecting MVWC Assets for taxable periods beginning before the Distribution Date until the later of the six-year anniversary of the filing of the relevant Tax Return or the expiration of the relevant statute of limitations (including, in each case, any extension thereof). Upon the expiration of the relevant period, the foregoing information may be destroyed or disposed of; provided, however, that (i) the Party retaining the documentation or other information provides sixty (60) days prior written notice to the other party describing, in reasonable detail, the documentation to be destroyed or disposed of and (ii) such other Party agrees in writing to such destruction or disposal. If a Party objects to the proposed destruction or disposal, then the other Party shall promptly deliver such materials to the objecting party or continue to retain such materials, in either case at the expense of the objecting party.

Section 6.04. Cooperation. The Parties shall reasonably cooperate with one another in a timely manner with respect to any matter arising hereunder, including the preparation and execution of memoranda and representations, the execution of any document that may be necessary or reasonably helpful in connection with any audit or contest, the filing or amending of a Tax Return or obtaining any tax opinion or private letter ruling. The Parties shall perform all actions required or permitted under this Agreement in good faith. If one Party requests the cooperation of the other Party, the requesting Party shall reimburse the other Party for all reasonable out-of-pocket costs and expenses incurred by the other Party in complying with the requesting Party's request; provided that the other Party shall provide the requesting Party with a written notice prior to incurring any out-of-pocket costs or expenses.

Section 6.05. Copies of Tax Returns and Related Workpapers. As soon as reasonably practicable but in no event later than December 31, 2011, MII shall furnish copies of any and all Tax Returns, and any related workpapers as reasonably determined by Marriott, of or that includes any member of the MVWC Group for the past three taxable years for which Tax Returns have been filed (measured as of the Distribution Date).

ARTICLE 7
REPRESENTATIONS AND WARRANTIES AND COVENANTS

Section 7.01. Representations and Warranties and Covenants.

(a) Representations and Warranties and Covenants of MII. MII hereby represents and warrants to MVWC, and covenants, that

(i) as of the date hereof, no member of the MII Group knows of any fact that is inconsistent with the Tax Representations or the conclusions of the Ruling or the Opinion that the Intended Tax Treatment applies;

(ii) no member of the MII Group has any plan or intention to take any action or fail to take any action if such action or failure to act would be inconsistent with the Tax Representations;

(iii) each member of the MII Group will treat, on any relevant Tax Return, the MVW US Contribution, the 338(h)(10) Elections, MVW US Contribution Losses, the MVW International Contribution, the Internal Distributions, the MVWC Contribution, and the Distribution in accordance with the Intended Tax Treatment; and

(iv) no member of the MII Group will enter into a Restricted Transaction.

(b) Representations and Warranties and Covenants of MVWC. MVWC hereby represents and warrants to MII, and covenants, that

(i) as of the date hereof, no member of the MVWC Group knows of any fact that is inconsistent with the Tax Representations or the conclusions of the Ruling that the Intended Tax Treatment applies;

(ii) no member of the MVWC Group has any plan or intention to take any action or fail to take any action if such action or failure to act would be inconsistent with the Tax Representations;

(iii) each member of the MVWC Group will treat, on any relevant Tax Return, the MVW US Contribution, the 338(h)(10) Elections, MVW US Contribution Losses, the MVW International Contribution, the Internal Distributions, the MVWC Contribution, and the Distribution in accordance with the Intended Tax Treatment; and

(iv) no member of the MVWC Group will enter into a Restricted Transaction or a MVW US Restricted Transaction.

Section 7.02. Exceptions to Covenants.

(a) Restricted Transaction. Notwithstanding Section 7.01(a)(iv) and Section 7.01(b)(iv), a Party or a member of its Group may enter into a Restricted Transaction if:

(i) prior to entering into each such Restricted Transaction, the Party entering into such Restricted Transaction receives a ruling from the IRS (and, to the extent an issue is not covered by the ruling, an Unqualified Tax Opinion with respect to such issue) or an Unqualified Tax Opinion, in each case, in a form and substance reasonably satisfactory to the other Party, to the effect that the Restricted Transaction will not cause the Distribution, the MVWC Contribution, the MVW International Contribution, the Internal Distributions, MVW US Contribution Losses, 338(h)(10) Elections or the MVW US Contribution to fail to qualify for the Intended Tax Treatment in whole or in part; or

(ii) the other Party consents in writing to such Restricted Transaction (which consent may be withheld by such other Party at its sole discretion).

Each Party shall cooperate with the other Party in connection with obtaining such IRS ruling and/or Unqualified Tax Opinion. The Party proposing to enter in a Restricted Transaction shall reimburse each member of the Group of the other Party for all reasonable out-of-pocket costs and expenses incurred by the such Group in connection with requesting or obtaining an IRS ruling and/or an Unqualified Tax Opinion pursuant to this Section 7.02(a) within 10 Business Days of receiving an invoice from such other Party therefor.

(b) MVW US Restricted Transaction. Notwithstanding Section 7.01(b)(iv), a member of the MVWC Group may enter into a MVW US Restricted Transaction if MII consents in writing, which may be granted or withheld in the sole discretion of MII.

(c) No Exception to Liability. For the avoidance of doubt, notwithstanding Section 7.02(a) or Section 7.02(b), entering into a Restricted Transaction or a MVW US Restricted Transaction shall be treated as a Tainting Act for all purposes of this Agreement, and each Party shall be liable for any Additional Tax, Restructuring Tax or Distribution Tax resulting from any Restricted Transaction or MVW US Restricted Transaction in which such Party participates.

Section 7.03. Certain Taxing Authority Contacts by MVWC Group. Subject to Section 7.02(a), no member of the MVWC Group shall seek any guidance from the IRS or any other Taxing Authority (whether written or oral) at any time concerning the consequences of the MVW US Contribution, 338(h)(10) Elections, MVW US Contribution Losses, MVW International Contribution, Internal Distributions, MVWC Contribution, or the Distribution to MII or the MII Consolidated Group, including the effect of any other transactions, without prior written consent of MII, which consent shall not be unreasonably withheld or delayed.

ARTICLE 8
GENERAL PROVISIONS

Section 8.01. No Duplication of Payment. Notwithstanding anything to the contrary herein, nothing in this Agreement shall require a Party hereto to make any payment attributable to any indemnification for Taxes or payment of Taxes hereunder, or for any Tax Benefit Attribute, for which payment has previously been made by such Party hereunder.

Section 8.02. Interest. Any payments required pursuant to this Agreement which are not made within the time period specified in this Agreement shall bear interest for the period the amount remains unpaid at a rate equal to two hundred basis points above the average interest rate on the senior bank debt of (i) MII, in the case of a payment due to MVWC, or (ii) MVWC, in the case of a payment due to MII.

Section 8.03. Termination. This Agreement shall remain in force and be binding so long as the applicable period for assessments or collections of Tax (including extensions) remains unexpired for any Taxes contemplated by, or indemnified against in, this Agreement.

Section 8.04. Effectiveness. The effectiveness of this Agreement and the obligations and rights created hereunder are subject to and conditioned upon the completion of the Distribution pursuant to the terms of the Separation Agreement.

Section 8.05. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service (including overnight delivery) or by registered or certified mail (postage prepaid, return receipt requested) to MII and MVWC at their respective addresses (or at such other address as shall be specified in a notice given in accordance with this Section 8.05) listed below:

(a) To MII:

Marriott International, Inc.
10400 Fernwood Road
Bethesda, MD 20817
Attn: General Counsel and Tax Director

(b) To MVWC:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd
Orlando, FL 32821
Attn: General Counsel and Tax Director

Section 8.06. Complete Agreement; Construction. This Agreement is intended to provide rights, obligations and covenants in respect of Taxes and shall supersede all prior agreements and undertakings, both written and oral, between members of the MII Group, on the one hand, and members of the MVWC Group, on the other, with respect to the subject matter hereof and thereof.

Section 8.07. Counterparts. This Agreement may be executed in one or more counterparts, and by MII and MVWC in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 8.08. Waiver. MII and MVWC, as the case may be, may (a) extend the time for the performance of any of the obligations or other acts of the other party or parties, (b) waive any inaccuracies in the representations and warranties of the other party or parties contained herein or in any document delivered by the other party or parties pursuant hereto or (c) waive compliance with any of the agreements or conditions of the other party or parties contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any such rights.

Section 8.09. Amendments. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, MII and MVWC or (b) by a waiver in accordance with Section 8.08.

Section 8.10. Successors and Assigns. The provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by MII and MVWC and their respective successors and permitted assigns. This Agreement cannot be assigned by MII or MVWC without the consent of the other party.

Section 8.11. Subsidiaries. MII and MVWC shall each cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary of such party (including predecessors and successors) or by any entity that becomes a Subsidiary of such party on or after the Distribution Date.

Section 8.12. Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of MII and MVWC and their respective Subsidiaries, and nothing herein, express or implied, is intended to or shall confer upon any third parties any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.13. Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.14. Specific Performance. MII and MVWC agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

Section 8.15. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, applicable to contracts executed in and to be performed entirely within that State.

Section 8.16. Arbitration. Any conflict or disagreement arising out of the interpretation, implementation, or compliance with the provisions of this Agreement shall be finally settled pursuant to the provisions of Article VII (Dispute Resolution) of the Separation Agreement, which provisions are incorporated herein by reference.

Section 8.17. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Distribution, the MVWC Contribution or the MVW US Contribution is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, MII and MVWC shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the Distribution, the MVWC Contribution and the MVW US Contribution contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 8.18. Costs and Expenses. Unless specifically provided herein, each Party agrees to pay its own costs and expenses resulting from the fulfillment of its respective obligations hereunder.

Section 8.19. Coordination with Separation Agreement. Except as explicitly set forth in the Separation Agreement, this Agreement shall be the exclusive agreement among the Parties with respect to all Tax matters, including indemnification in respect of Tax matters. The Parties agree that this Agreement shall take precedence over any and all agreements among the Parties with respect to Tax matters.

* * *

IN WITNESS WHEREOF, MII and MVWC have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

MARRIOTT INTERNATIONAL, INC.

By: _____
Name:
Title:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name:
Title:

Exhibit 10.6

Form of

NONCOMPETITION AGREEMENT

Between

MARRIOTT INTERNATIONAL, INC.

And

MARRIOTT VACATIONS WORLDWIDE CORPORATION

Dated as of [ ], 2011

TABLE OF CONTENTS

NONCOMPETITION AGREEMENT

NONCOMPETITION AGREEMENT (this "Agreement"), dated as of [ ], 2011, between MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII") and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC").

RECITALS

A. Pursuant to the Separation and Distribution Agreement (the "Distribution Agreement") dated as of [ ], 2011, MII has agreed to distribute to its stockholders all of MVWC's issued and outstanding capital stock (the "Distribution") if the conditions set forth in the Distribution Agreement are satisfied, including, among others, that the parties hereto have entered into this Agreement.

B. Following the Distribution, (i) MVWC will own and conduct, directly and indirectly, the Destination Club Business (as defined herein) and (ii) MII will continue to own and conduct, directly and indirectly, the Hotel Management and Franchising Business (as defined herein).

C. In connection with the Distribution, MVWC will enter into License, Services And Development Agreements with each of MII and The Ritz-Carlton Hotel Company, L.L.C ("Ritz-Carlton"), (the "Marriott License Agreement" with MII and the "Ritz-Carlton License Agreement" with Ritz-Carlton), pursuant to which, among other things, MII and Ritz-Carlton will grant certain licenses to MVWC to use certain intellectual property in the Destination Club Business after the Distribution.

D. In connection with the Distribution, and to permit MII and MVWC to tailor their business strategies to best address market opportunities in their respective industries while maximizing the value of the Marriott and Ritz-Carlton brands and the intellectual property that is the subject of the Marriott License Agreement and the Ritz-Carlton License Agreement (together, the "License Agreements"), MII and MVWC have agreed to the noncompetition covenants set forth in this Agreement. Except as expressly stated in this Agreement and the License Agreements, there are no agreements or understandings between MII and MVWC limiting in any way the extent to which or the means by which each might choose to compete with the other.

AGREEMENT

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

ARTICLE I
DEFINITIONS

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

"Affiliate" of any Person means a Person that controls, is controlled by, or is under common control with such Person; provided, however, that for purposes of this Agreement, none of the Subsidiaries of MII will be deemed to be an Affiliate of MVWC or any Affiliate of MVWC; and none of the Subsidiaries of MVWC will be deemed to be an Affiliate of MII or any Affiliate of MII. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

"Agreement Dispute" means any controversy, dispute or claim that arises out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity or breach of this Agreement.

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

"Compete" means: (i) to conduct or participate or engage in, or bid for or otherwise pursue a business, whether as a principal, sole proprietor, partner, stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity; or (ii) have any debt or equity ownership interest in or actively assist, any Person or business that conducts, participates or engages in, or bids for or otherwise pursues a business, whether as a principal, sole proprietor, partner or stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity.

"Destination Club Business" has the meaning ascribed to it in the License Agreements.

"Destination Club Project" has the meaning ascribed to it in the License Agreements.

"Distribution Date" means the date on which the Distribution occurs.

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

"Hotel Management and Franchising Business" means the business of selling, marketing, managing, operating, licensing or franchising of hotels, resorts or other transient or extended stay lodging facilities, including Condominium Hotels, but does not include the activities included in the term Destination Club Business. For the avoidance of doubt, the mere ownership or leasing of a hotel shall not be deemed to be engaging in the Hotel Management and Franchising Business.

"Law" means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, government approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended.

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

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

"Transaction Agreements" means this Agreement, the Distribution Agreement, the Marriott License Agreement, the Ritz-Carlton License Agreement and any other instruments, assignments, documents and agreements executed in connection with the Distribution.

Captitalized terms used but not defined herein shall have the meaning ascribed to them in the Marriott License Agreement.

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

Definition	Location
AAA	Section 5.2
Agreement	Preamble
Dispute Notice	Section 5.1
Distribution	Recitals
Distribution Agreement	Recitals
License Agreements	Recitals
MII	Preamble
Marriott License Agreement	Recitals
MVWC	Preamble
Ritz-Carlton	Recitals
Ritz-Carlton License Agreement	Recitals
Rules	Section 5.3
Term	Section 4.1

ARTICLE II
MII NONCOMPETITION COVENANTS

Section 2.1 Restrictions. Subject to the exclusions, exceptions and limitations expressly set forth in this Agreement, MII agrees that during the Term, MII will not, and it will cause each of its Subsidiaries and Affiliates not to: (i) Compete in the Destination Club Business anywhere in the world; or (ii) license its names or marks (including the Proprietary Marks) to any Person (other than MVWC) for use in the Destination Club Business anywhere in the world.

Section 2.2 Management Exception. Notwithstanding Section 2.1 above, nothing in this Agreement will restrict (i) Ritz-Carlton or its Affiliates from operating and managing Ritz-Carlton branded properties developed, owned, leased or sold by MVWC under on-site resort management contracts (or similar agreements) between MVWC (or its Affiliates) and Ritz-Carlton (or its Affiliates), or (ii) MII or its Affiliates from operating and managing Marriott branded properties developed, owned, leased or sold by MVWC under on-site resort management contracts (or similar agreements) between MVWC (or its Affiliates) and Marriott (or its Affiliates).

Section 2.3 MII Exceptions. Notwithstanding Section 2.1 above, nothing in this Agreement will restrict MII or any of its Subsidiaries or Affiliates from engaging in the following, or as set forth in Sections 2.4 and 2.5:

(i) developing, selling, marketing, owning, leasing, managing or franchising residential units and related facilities that may be included in a rental program for a hotel or resort property or operated as a serviced apartment for transient or extended stay customers;

(ii) engaging in activities that MII is specifically permitted to engage in under Sections 2.3(B), 2.3(C), and 2.5(A) or 5.6 of the Marriott License Agreement and the Ritz-Carlton License Agreement and Section 2.4 below, in accordance with such provisions;

(iii) accepting advance deposits or payments for hotel stays; and (ii) accepting multi-year advance hotel bookings, provided that any such multi-year advance hotel bookings relate to specific, identified hotels and not on a systemwide basis);

(iv) owning, operating, managing, licensing or franchising any businesses or services that are ancillary to the Destination Club Business, such as travel insurance, or amenities at a Destination Club Project, such as country clubs, spas, golf courses, food and beverage outlets, and gift and sundry shops; or

(v) owning equity securities of a publicly-traded Person that Competes in the Destination Club Business, provided that the aggregate holdings of MII, its Subsidiaries and Affiliates of such equity securities in such Person shall not exceed 5% of the outstanding equity securities of such Person.

Section 2.4 Chain Acquisitions

A. MVWC acknowledges that MII and its Affiliates may make hotel chain acquisitions (and subsequent dispositions thereof) that may include an existing branded or unbranded Destination Club Business. The provisions of this Section 2.4 shall apply to any such hotel chain acquisitions in which the number of hotel rooms that are the subject of such acquisition (whether owned, leased, managed or franchised) is greater than the number of Destination Club Units that are the subject of such acquisition (whether owned, leased, managed or franchised) (such an acquisition, a "Hotel Chain Acquisition"). MII shall notify MVWC within five (5) business days following the closing of any such Hotel Chain Acquisition, and MII and MVWC shall use commercially reasonable efforts to negotiate (i) an exchange relationship between the acquired Destination Club Business and the Licensed Destination Club Business, (ii) the affiliation of all or part of any such acquired Destination Club Business with the Licensed Destination Club Business, and/or (iii) the management or purchase by MVWC of all or part of any such acquired Destination Club Business. In the event that the parties are unable to reach agreement on any of the foregoing alternatives within sixty (60) days following the closing of such acquisition, then MII and its Affiliates shall have the right to operate or manage (or engage third parties to operate or manage, under a licensing or franchise agreement or otherwise) such Destination Club Business on a stand-alone basis, but without use of any of the Branded Elements, under a brand name that does not include any of the Licensed Marks, even if the Destination Club Units that are part of such Destination Club Business are co-located with Marriott Hotels; provided, however, that MII and its Affiliates will have the right (and will have the right to permit third parties, under a management, licensing or franchise agreement or otherwise) to (x) market, offer, and sell units in any Destination Club Project that is part of such standalone Destination Club Business at any hotel (including any MII Lodging Facility) acquired as part of such Hotel Chain Acquisition which is adjacent to such Destination Club Project (an "Adjacent Hotel") to any Person, including guests of such Adjacent Hotel, whether or not such guest is a member of any Frequent Traveler Program, (y) place overflow guests of such Adjacent Hotel (including any MII Lodging Facility) in the adjacent Destination Club Project on a transient basis, and (z) offer potential customers of the Destination Club Project stays at such Adjacent Hotel in connection with the marketing and sale of the units of such adjacent Destination Club Project.

B. If the parties are unable to reach agreement on any of the alternatives in Section 2.4.A(i) through (iii) above, MII or its Affiliates may continue to manage or operate (or engage third parties to manage or operate, under a license or franchise agreement or otherwise) existing Destination Club Projects that are co-located with hotels that are rebranded as MII Lodging Facilities as a result of such chain acquisition; provided, however, that any such Destination Club Projects developed after such Hotel Chain Acquisition (excluding projects under development at the time of such Hotel Chain Acquisition) shall not be co-located with any MII Lodging Facilities.

ARTICLE III
MVWC NONCOMPETITION COVENANTS

Section 3.1 Restrictions. Subject to the exclusions, exceptions and limitations expressly set forth in this Agreement, MVWC agrees that during the Term it will not, and it will cause each of its Subsidiaries and Affiliates not to: (i) Compete in the Hotel Management and Franchising Business anywhere in the world; or (ii) license its names or marks to any Persons (other than MII) for use in the Hotel Management and Franchising Business anywhere in the world.

Section 3.2 MVWC Exceptions. Notwithstanding Section 3.1 above, nothing in this Agreement will restrict MVWC or any of its Subsidiaries or Affiliates from: (i) engaging in activities that MVWC is specifically permitted to engage in under Sections 2.5(B) and 9.2 of the Marriott License Agreement and the Ritz-Carlton License Agreement, in accordance with such provisions; (ii) operating hotels as a Marriott franchisee under a franchise agreement with MII; or (iii) owning equity securities of a publicly-traded Person that Competes in the Hotel Management and Franchising Business, provided that the aggregate holdings of MVWC, its Subsidiaries and Affiliates of such equity securities in such Person shall not exceed 5% of the outstanding equity securities of such Person.

3.3 Destination Club Business Chain Acquisitions

A. MII acknowledges that MVWC and its Affiliates may make Destination Club Business acquisitions (and subsequent dispositions thereof) that may include an existing branded or unbranded Hotel Management and Franchising Business, or owned or leased hotels (the "Owned or Leased Hotels"). The provisions of this Section 3.3 shall apply to any such Destination Club Business acquisitions in which the number of Destination Club Units that are the subject of such acquisition (whether owned, leased, managed or franchised) is greater than the number of hotel rooms that are the subject of such acquisition (whether owned, leased, managed or franchised) (such an acquisition, a "Destination Club Business Acquisition"). MVWC shall notify MII within five (5) business days following the closing of any such Destination Club Business acquisition, and MVWC and MII shall use commercially reasonable efforts to negotiate (i) a relationship under which the acquired Hotel Management and Franchising Business and/or the Owned or Leased hotels will affiliate with, and use certain systems that are part of, MII's Hotel Management and Franchising Business and/or (ii) the management or purchase by MII or its Affiliates of all or part of any such acquired Hotel Management and Franchising Business and/or Owned or Leased hotels. In the event that the parties are unable to reach agreement on any of the foregoing alternatives within sixty (60) days following the closing of such acquisition, then MVWC and its Affiliates shall have the right to operate or manage (or engage third parties to operate or manage, under a management, license or franchise agreement or otherwise) such Hotel Management and Franchising Business and/or such Owned or Leased hotels, it being understood that MVWC shall have no right to use the Licensed Marks in connection therewith under the terms of the Marriott License Agreement and the Ritz-Carlton License Agreement. In the event that any such Owned or Leased Hotels are managed at the time of the Destination Club Business Acquisition by a

third party under a contract that MVWC does not have the right to terminate without penalty, then at such time during the term as such third party manager ceases to manage any such Owned or Leased Hotel, MVWC and MII shall use commercially reasonable efforts to negotiate an agreement under which MII or its Affiliates shall manage such Owner or Leased Hotel. If MVWC and MII are not able to agree on terms for MII or an Affiliate to manage such hotel within 60 days after commencing such negotiations, then MVWC shall have the right to manage or engage a third party to manage such hotel thereafter.

3.4 Hotels Acquired for Conversion to Destination Club Units

MII acknowledges that MVWC and its Affiliates may acquire, lease or otherwise become involved in the management or operation of hotel, resort or other transient or extended stay lodging facilities for the purpose of converting such facilities to Destination Club Projects or Residential Projects ("Conversion Hotels"). MVWC and its Affiliates may engage in the Hotel Management and Franchising Business with respect to such Conversion Hotels during the period between the date of takeover of such Conversion Hotel by MVWC or an Affiliate and the date on which the Conversion Hotel is converted to a Destination Club Project or Residential Project; provided, that (i) if such conversion occurs in a single phase, such period may not exceed 36 months after the date of takeover of such Conversion Hotel by MVWC or an Affiliate and (ii) if such conversion occurs in multiple phases, at least half of the units of such Conversion Hotel must be converted within 36 months after the date of takeover of such Conversion Hotel by MVWC or an Affiliate and the remainder of such units must be converted within 60 months after the date of takeover of such Conversion Hotel; and further provided, that in the case of either (i) or (ii) above, MVWC or an Affiliate shall diligently pursue the conversion of such Conversion Hotel to a Destination Club Project or Residential Project during such period.

ARTICLE IV
TERM

Section 4.1 Term. The term of this Agreement (the "Term") will commence on the Distribution Date and will continue until the earlier of the (i) termination of the Marriott License Agreement and (ii) tenth anniversary of the Distribution Date. This Agreement shall automatically terminate without any action on the part of the parties hereto if the Distribution Agreement is terminated for any reason in accordance with its terms.

ARTICLE V
COOPERATION; DISPUTE RESOLUTION

Section 5.1 Negotiation. If an Agreement Dispute arises, MII or MVWC may send the other party written notice of such Agreement Dispute ("Dispute Notice") and the general counsels and chief financial officers of MII and MVWC and such other executive officer(s) designated by each of MVWC and MII will negotiate for a reasonable period of time to resolve such Agreement Dispute. Unless otherwise agreed by MVWC and MII, if the Agreement Dispute has not been resolved within thirty days from receipt of such

Dispute Notice, the Agreement Dispute will be resolved in accordance with Section 5.2. In the event of any arbitration or litigation in accordance with this ARTICLE V, MII and MVWC may not assert any statute of limitations, laches or similar defenses relating to the date of receipt of the Dispute Notice, if the Dispute Notice was served prior to the expiration of the applicable statute of limitations period and the prosecuting party complies with the applicable contractual time period or deadline under this Agreement.

Section 5.2 Mediation. If, within 30 days after delivery of a Dispute Notice, a negotiated resolution of the Agreement Dispute under Section 5.1 has not been reached, MII and MVWC agree to seek to settle the Agreement MAE Matter by mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures, and to bear equally the costs of the mediation; provided, however, that MII and MVWC will each bear its own costs in connection with such mediation. If the Agreement Dispute has not been resolved through mediation within 90 days after the date of service of the Dispute Notice, or such longer period as the parties may mutually agree in writing, each party will be entitled to refer to the dispute to arbitration in accordance with Section 5.3 below.

Section 5.3 Arbitration. If the Agreement Dispute has not been resolved for any reason within 90 days after the date of service of the Dispute Notice, such Agreement Dispute will be settled, at the request of any relevant party, by arbitration administered by the AAA under its Commercial Arbitration Rules, conducted in Washington, D.C., except as modified herein (the "Rules"). There will be three arbitrators. Each of MII and MVWC will appoint one arbitrator within 20 days after receipt by respondent of a copy of the demand for arbitration. The two party-appointed arbitrators will have 20 days from the appointment of the second arbitrator to agree on a third arbitrator who will chair the arbitral tribunal. Any arbitrator not timely appointed by the parties under this Section 5.3 will be appointed in accordance with AAA Rule R.11, and in any such procedure, each party will be given a limited number of strikes, excluding strikes for cause. Any controversy concerning whether an Agreement Dispute is able to be arbitrated, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this ARTICLE V will be determined by the arbitrators. MII and MVWC intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable, and any award rendered by the arbitrators will be final and binding on the parties. MII and MVWC agree to comply with any award made in any such arbitration proceedings and agree to enforcement of or entry of judgment upon such award, in any court of competent jurisdiction, including any New York State or federal court sitting in the Borough of Manhattan in The City of New York. The arbitrators will be entitled, if appropriate, to award monetary damages and other remedies, subject to the provisions of The arbitrators shall not, under any circumstances, have any authority to award, indirect, consequential, punitive, exemplary or similar damages, and may not, in any event, make any ruling, finding or award that does not conform to this Section 5.3. Subject to applicable Law, including disclosure or reporting requirements, or the parties' agreement, the parties will maintain the confidentiality of the arbitration. Unless agreed to by all the parties or required by applicable Law, including disclosure or reporting requirements, the arbitrators and the parties will maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

Section 5.4 Treatment of Negotiations and Mediation. Without limiting the provisions of the Rules, unless otherwise agreed in writing or permitted by this Agreement, MII and MVWC will keep confidential all matters relating to this ARTICLE V and any negotiation, mediation, conference, arbitration, or discussion pursuant to this ARTICLE V will be treated as compromise and settlement negotiations for purposes of Rule 408 of the Federal Rules of Evidence and comparable state rules; provided, that such matters may be disclosed (a) to the extent reasonably necessary in any proceeding brought to enforce the award or for entry of a judgment upon the award and (b) to the extent otherwise required by applicable Law, including disclosure or reporting requirements. Nothing said or disclosed, nor any document produced, in the course of any negotiations, conferences and discussions under this ARTICLE V that is not otherwise independently discoverable will be offered or received as evidence or used for impeachment or for any other purpose in any current or future arbitration.

Section 5.5 Consolidation. The arbitrators may consolidate arbitration under this Agreement with any arbitration arising under or relating to any of the Transaction Agreements if the subject of the Agreement Disputes thereunder arise out of or relate essentially to the same set of facts or transactions. Such consolidated arbitration will be determined by the arbitrators appointed for the arbitration proceeding that was commenced first in time.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Counterparts; Entire Agreement; Corporate Power.

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

(b) This Agreement, together with the License Agreements, contains the entire agreement between the parties with respect to the subject matter hereof, supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties other than those set forth or referred to herein or therein.

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

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

(ii) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby;

(iii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of such Person enforceable in accordance with the terms hereof;

(iv) it has carefully considered the provisions of this Agreement and agrees that the restrictions set forth herein are fair and reasonable, are required for protection of the legitimate interests of the other party hereto and are a material and necessary part of the transactions contemplated in connection with the Distribution, and it further agrees that the restrictions are reasonable in scope, area and time, and will not prevent it from pursuing other non-competitive business ventures or otherwise cause a financial hardship to it; and

(v) it agrees that it is receiving good and valuable consideration for entering into this Agreement, which consideration includes, among other things, the receipt of consideration pursuant to the terms of the Distribution Agreement, and acknowledges that the other party has relied upon the covenants contained in this Agreement and that such covenants are conditions to, and a material part of, the willingness of such other party to consummate the transactions contemplated by the Distribution Agreement.

Section 6.2 Governing Law. This Agreement, except as otherwise expressly provided herein, will be governed by and construed and interpreted in accordance with the laws of the State of New York, irrespective of the choice of laws principles of the State of New York, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

Section 6.3 Jurisdiction. The parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby will be brought in any state or federal court sitting in the State of New York, so long as one of such courts has subject matter jurisdiction over such suit, action or proceeding, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 6.7 will be deemed effective service of process on such party.

Section 6.4 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 6.5 Assignment. This Agreement may not be assigned or transferred, in whole or in part, without the prior written consent of the other party. Any such assignment or transfer without consent will be void. Notwithstanding the foregoing, (i) MII may assign this Agreement to the extent that an assignment is effectuated through a merger, consolidation, acquisition of all or substantially all of the assets of MII, or any direct or indirect change of control of MII and (ii) MVWC may assign this Agreement to the extent that an assignment is effectuated through a merger, consolidation, acquisition of all or substantially all of the assets of MVWC, or any direct or indirect change of control of MVWC. This Agreement will be binding on and inure to the benefit of each of the parties hereto, their successors and permitted assigns, provided that the terms of this Section 6.5 are complied with.

Section 6.6 Third Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the parties and are not intended to confer any right or remedies hereunder upon any Person except the parties hereto. There are no third party beneficiaries of this Agreement and this Agreement will not provide any third person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 6.7 Notices. All notices and other communications hereunder must be in writing and will be deemed duly given (a) on the date of delivery if delivered personally, or if by facsimile, upon written confirmation of receipt by facsimile, (b) on the first Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder must be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice

(i) if to MII or any Affiliate of MII, to:

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

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

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

(ii) if to MVWC or any Affiliate of MVWC, to:

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

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

Attention: General Counsel
Facsimile: (407) 513-6680

Section 6.8 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any party. Upon such determination, the parties will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

Section 6.9 Headings. The Article, Section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

Section 6.10 Waivers of Default. Waiver by any party of any default by any party of any provision of this Agreement will not be deemed a waiver by the waiving party of any subsequent or other default, nor will it prejudice the rights of any other party.

Section 6.11 Amendments. No provisions of this Agreement will be deemed waived, amended, supplemented or modified by any party, unless such waiver, amendment, supplement or modification is in writing and signed by an authorized representative of the party against whom such waiver, amendment, supplement or modification is sought to be enforced.

Section 6.12 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the party that is or is to be thereby aggrieved will have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies will be cumulative. The parties agree that the remedies at law for any breach or threatened

breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

Section 6.13 Interpretation. In this agreement, words in the singular are deemed to include the plural and vice versa and words of one gender are deemed to include the other gender as the context requires. The terms “hereof,” “herein,” “hereby,” “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement taken as a whole and not to any particular provision of this Agreement. Article and Section references are to the Articles and Sections of this Agreement unless otherwise specified. The table of contents and headings contained in this Agreement are for convenience of reference purposes only and do not affect in any way the meaning or interpretation of this Agreement. The word “including” and words of similar import when used in this Agreement means “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” is not exclusive.

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

[The remainder of this page is intentionally left blank.]

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

MARRIOTT INTERNATIONAL, INC.

By: _____
Name:
Title:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name:
Title:

[Signature Page to Noncompetition Agreement]

Exhibit 10.7

FORM OF OMNIBUS TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (this "Agreement"), dated as of [_____], 2011 (this "Agreement"), by and between MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII"), and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC").

RECITALS

WHEREAS, pursuant to that certain Separation and Distribution Agreement, dated as of _____, 2011 (the "Separation Agreement"), between MII and MVWC, MII has agreed to distribute all of the issued and outstanding common shares of MVWC to the shareholders of MII on a pro rata basis, subject to the terms and conditions therein (the "Spinoff").

WHEREAS, in connection with the Spinoff, MII and MVWC have agreed that MII or its Affiliates shall provide MVWC and its Affiliates with certain services on a temporary basis after the Closing; and

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Separation Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MII and MVWC agree as follows:

1. Transition Services. For a period commencing on the Closing Date and continuing until the second anniversary of the Closing Date (the "Transition Period")(unless a different period is specified for a particular service on the applicable exhibit attached hereto (each, a "Services Exhibit"), MII shall provide, or cause its Affiliates to provide, to MVWC and its Affiliates the services described in the Services Exhibits hereto (the "Transition Services"). Such services shall be provided at the charges described in the Services Exhibits and in accordance with Section 3 below. MVWC may cancel any Transition Services upon not less than one hundred twenty (120) days' prior written notice of cancellation to MII, unless a different period is provided for in the Services Exhibits. The cancellation of one category of Transition Services shall not operate to cancel or otherwise affect the remaining Transition Services, it being understood that some services are bundled and cannot be cancelled separately. To the extent possible, the cancellation of a Transition Service shall be effected at the end of a MII Accounting Period. MVWC may use the Transition Services for its own internal business purposes for its business conducted under brands licensed from MII and its Affiliates, consistent with the terms of the underlying agreement between MII and the applicable product/service vendor, and may not resell the Transition Services or otherwise make them available for use by third parties (provided, that a property owner's association or similar entity for a project operated by MVW or its Affiliates under brands licensed from MII and its Affiliates shall not be considered a third party for purposes of this Section 1).

2. Standard of Service. MII will provide, or cause to be provided, the Transition Services in accordance with MII's standard policies, procedures and practices in effect immediately prior to the date hereof, as the same may be changed from time to time, and the Services Exhibits. In providing the Transition Services, MII shall at all times exercise the same care and skill as it exercises in performing like services for itself and other third parties, including franchisees. Except as provided in the preceding sentence, the Transition Services are provided on an "AS IS" basis.

3. Billing and Payment.

A. Payments. MVWC will pay the costs set forth in the Services Exhibits for the Transition Services provided pursuant to Section 1 of this Agreement during the Transition Period. Such costs that are currently allocated are subject to change based on annual budgets, actual expenditures, or other metrics, whether or not such allocation is set forth or described in the Services Exhibits; provided, that all such allocations to MVW shall be made on a fair and reasonable basis, and MVW acknowledges that such allocation methodologies in place as of the Closing Date are fair and reasonable; provided further, that if a portion of the costs for any Transition Services are attributable to the development of systems enhancements with a total cost of $5 million or more, (i) if such systems enhancements are not intended to become effective during the Transition Period, MVWC shall not be allocated any costs for such systems enhancements, and (ii) if such systems enhancements become effective before the end of the term during which the related Transition Services are provided under this Agreement, then MII and MVWC shall discuss and agree on a reasonable allocation of such costs to MVWC taking into consideration the remaining term of the provision of the related Transition Services hereunder. Such allocations shall be subject to periodic "true-ups" for actual allocated costs. MII or one of its Affiliates shall bill MVWC for the Transition Services at the times and in the manner as such billing is made immediately prior to the Closing Date, and MVWC shall pay MII at the times and in the manner as payment is customarily made as of the Closing Date, in each case unless otherwise specified in the Services Exhibits, but in no event shall any payments be made more than thirty (30) days after the invoice date. Notwithstanding the foregoing, payments made by MII to third parties (or MVWC employees) on behalf of MVWC or its Affiliates will be drawn by MII directly from MVWC bank accounts which MVWC shall keep funded with sufficient amounts to enable MII to make such payments, and MII shall not be required to advance or use any of its own funds to make any such payments. Any payments not made by MVWC to MII when due shall bear interest, computed daily, from the date due to the date of payment based on the annual percentage rate equal to the Prime Rate, plus three percentage points (3%). "Prime Rate" means the "rate" that Citibank, N.A. (or its successor entity) publishes from time to time as its prime lending rate in effect from time to time. MII shall be entitled to the costs of collecting any overdue amounts including reasonable attorneys' fees and expenses.

B. Termination-Related Services and Payments. In connection with the termination or cancellation of the provision of any Transition Services hereunder, whether at the end of the term of this Agreement or earlier, MII shall provide commercially reasonable services and assistance to transition such services to MVWC and its Affiliates or a third party provider, including such termination services as may be described in the Services Exhibits (as described herein, the "Termination Services"). Except as otherwise provided in a Services Exhibit, with respect to the Termination Services: (i) MII shall make available to MVWC such books and records (subject to MII's reasonable records retention policies) as will be needed by MVWC to

prepare the accounting statements for the Transition Services for the accounting period of MVWC in which the termination or cancellation of the Transition Services or this Agreement, as the case may be, occurs and for any subsequent periods, (ii) MII shall use commercially reasonable efforts to facilitate the orderly transfer of all information contained within such books and records from MII's systems to MVWC's or a successor's systems, provided MII shall not be required to transfer any information that is confidential and/or proprietary to MII, (iii) MII acknowledges and agrees to provide MVWC all such data, books, and records, in such forms and electronic formats as agreed by MI and MVCW, and (iv) MII shall, within ninety (90) days after termination or cancellation of the Transition Services or of this Agreement, as the case may be, prepare and deliver to MVWC a final accounting statement with respect to the Transition Services. MVWC shall have no obligation to reimburse MII for any costs relating to data retention or storage by MII for legal, regulatory or other purposes.

MVWC shall reimburse MII for (i) any out of pocket costs incurred by MII or its Affiliates in providing the Termination Services, (ii) any costs and expenses of employees of MII or any Affiliate that are allocated to a fund or specified payment source (for the avoidance of doubt, MVWC is not responsible for internal costs incurred by MII, and not allocated to such a fund or specified payment source, that otherwise would have been incurred if the Termination Services were not provided), in providing Termination Services, and (iii) severance and other termination payments made by MII or its Affiliates for the termination of employment of employees of MII or its Affiliates (if any), it being understood that MVW shall only be responsible for such severance and termination costs as are mutually agreed to by MII and MVWC with respect to employees of MII or its Affiliates that are primarily engaged in providing Transition Services (for the avoidance of doubt, MVWC is not responsible for severance and other termination payments made by MII for the termination of employees of MII or its Affiliates that were not primarily engaged in providing Transition Services to MVWC), in each case as may be described in more detail in the Services Exhibits.

4. Access. Each party shall make available on a timely basis to the other party and its Affiliates, as applicable, all information and materials reasonably requested by such Persons to enable them to provide or receive the Transition Services, as applicable, consistent with past practice. MVWC will give MI and its Affiliates, as applicable, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of MVWC and its Affiliates and their respective personnel for the purposes of providing the Transition Services.

5. Subcontracting. To the extent necessary or desirable to perform the Transition Services, MII or its Affiliates, as applicable, may subcontract any part of such services; provided, however, MII will continue to be responsible for its obligations under this Agreement on behalf of itself and any subcontractors of MII or its Affiliates. MII or its Affiliates, as applicable, shall be responsible for all payments to such subcontractors (provided, that such obligation of MII to pay such subcontractors shall not alter the amount MII is entitled to receive from MVWC for Transition Services hereunder).

6. Taxes. MVWC will pay all applicable taxes (including, without limitation, sales, use, services, value-added, and other such transaction-based taxes), duties, and tariffs and all other taxes or charges imposed on the provision of the Transition Services by MII or its Affiliates, as applicable, except for taxes based on net income of Parent or its Affiliates. If any such taxes are levied on MII or deducted from amounts otherwise due to MII hereunder, MVWC shall "gross up" the payments to MII so that the net amount received by MII is equal to the amount required to be paid to MII hereunder.

7. Firmware or Software. MVWC acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor which are owned by MII or its Affiliates, as applicable, by reason of the provision of the Transition Services provided hereunder, except to the extent that any such license rights or rights of use are provided for in a written agreement signed by MII and MVWC.

8. Relationship of Parties. In providing the Transition Services, MII and its Affiliates, as applicable, shall act under this Agreement solely as independent contractors and not as agents or partners of MVWC. All employees and representatives providing the Transition Services shall be under the direction, control and supervision of MII and its Affiliates, as applicable (and not of MVWC) and MII and its Affiliates, as applicable, shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of MVWC. Except as specifically provided herein, neither party shall act or represent or hold itself out as having authority to act as an agent or partner of the other party, or in any way bind or commit the other party to any obligations. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, agency, trust or other association of any kind, each party being individually responsible only for its obligations as set forth in this Agreement. Without limiting the foregoing, no services provided under this Agreement shall be construed as legal, accounting or tax advice or shall create any fiduciary obligations on the part of MII or any of its Affiliates to MVWC or any of its Affiliates, or to any plan trustee or any customer of any of them.

9. Force Majeure. No party shall be liable for any interruption, delay or failure to perform any obligation under this Agreement when such interruption, delay or failure is due to causes beyond its reasonable control, including any strikes, lockouts, acts of any government, riot, insurrection or other hostilities, embargo, fuel or energy shortage, fire, flood, acts of God, or general inability (not specific to the claiming party) to obtain necessary labor, materials or utilities. In any such event, the claiming party's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof and the claiming party shall have no liability to the other party in connection therewith. The claiming party will promptly notify the other party, in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, the claiming party will use reasonable commercial efforts to resume its performance promptly.

10. Termination. This Agreement shall terminate on the earliest to occur of (a) the latest date on which any Transition Service is to be provided as indicated on the Services Exhibits, (b) the date on which the provision of all Transition Services has terminated or been canceled pursuant to Section 1 and (c) the date on which this Agreement is terminated pursuant to Section 11. Sections 3, 6, 7, 8, 9, 12, 13 and 17 shall survive any termination of this Agreement or cancellation of any Transition Services hereunder.

11. Breach of Agreement. For purposes hereof, an "Event of Default" shall mean a party's failure to comply in all material respects with its obligations hereunder which failure remains uncured for a period of 10 Business Days following such party's receipt of written notice of such failure,. In the event of an Event of Default, the non-defaulting party may terminate this Agreement immediately by providing written notice of termination. Without limiting the foregoing, a payment or other breach by MVWC with respect to one or more Transition Services shall give MII the right to suspend such Transition Services until such breach is cured. The failure of a party to exercise its rights hereunder with respect to a breach by the other party shall not be construed as a waiver of such rights nor prevent such party from subsequently asserting such rights with regard to the same or similar defaults.

12. Disclaimers; Indemnification; Limitation of Liability.

(a) EXCEPT AS SET FORTH IN SECTION 2, MII DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CUSTOM OR USAGE IN THE TRADE, IN CONNECTION WITH THE PROVISION OF THE TRANSITION SERVICES UNDER THIS AGREEMENT.

(b) With regard to any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any claim, default or assessment) (collectively, "Losses") arising out of a breach of MII's obligations in connection with the provision of Transition Services under this Agreement, other than Losses arising as a result of the fraud or willful misconduct of MII, MII's sole liability for such Losses shall be to use reasonable commercial efforts to re-perform, or cause its Affiliates to re-perform, such services. MII agrees to indemnify, defend and hold harmless MVWC and its Affiliates and their respective directors, officers, employees and agents as a result of the fraud or willful misconduct of MII. MVWC shall promptly advise MII of any such breach of which it becomes aware.

(c) EXCEPT FOR ITS OBLIGATION TO COMPLY WITH SUBSECTION (b) ABOVE, MII SHALL NOT BE LIABLE FOR ANY LOSSES IN CONNECTION WITH THIS AGREEMENT. MVWC AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS MII AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ("INDEMNIFIED PERSONS") FROM ANY CLAIMS ASSERTED, OR ASSOCIATED LOSSES, BY OR ON BEHALF OF THIRD PARTIES OR WHICH RESULT FROM

GOVERNMENTAL ACTION. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT SHALL A PARTY OR ITS AFFILIATES OR AGENTS BE LIABLE TO ANY INDEMNIFIED PERSON FOR LOSS OF PROFITS, LOSS OF BUSINESS, OR LOSS OF DATA, OR FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR OTHER INDIRECT DAMAGES, IN CONNECTION WITH THIS AGREEMENT UNLESS SUCH DAMAGES ARE AWARDED AND REQUIRED TO BE PAID BY AN INDEMNIFIED PERSON TO A THIRD PARTY PURSUANT TO AN ORDER OF A GOVERNMENTAL AUTHORITY.

(d) The party required to indemnify pursuant to this Article (the "Indemnitor"), upon demand by a party ("Indemnitee"), at Indemnitor's sole cost and expense, shall resist or defend such Claim (in the Indemnitee's name, if necessary), using such attorneys as the Indemnitee shall approve, which approval shall not be unreasonably withheld. If, in the Indemnitee's reasonable opinion, there exists a conflict of interest which would make it inadvisable to be represented by counsel for the Indemnitor, the Indemnitor and the Indemnitee shall jointly select acceptable attorneys, and the Indemnitor shall pay the reasonable fees and disbursements of such attorneys.

(e) The foregoing provisions of this Article set forth the full extent of the parties' liability (monetary or otherwise) under this Agreement for any and all Losses.

13. Confidentiality. Each party agrees to treat, and to cause its employees and agents to treat, confidentially all records and other information with respect to the other party. Specifically, each party agrees that it will, and will cause its employees and agents to, during the term of this Agreement and thereafter (except where required by law or court order or administrative agency order or subpoena): (a) retain all such information of the other party in confidence; (b) not disclose any such information to any third party without the permission of the other party, except as required by Law; (c) not use any such information of the other party for any purposes other than performing its obligations under this Agreement; (d) limit access to the information of the other party to those employees and agents who have a need to know the information for the business purposes of this Agreement, and maintain reasonable arrangements to protect confidentiality satisfactory to the other party with such party's employees and agents having access to such information and with third parties having any access to such information; and (e) ensure that all tangible objects and copies thereof in such party's possession or under its control containing or imparting any such information of the other party shall be returned to the other party at any time upon the request of the other party or upon termination of this Agreement.

14 Modification of Procedures. MII may make changes from time-to-time in its practices and procedures for performing the Transition Services. Notwithstanding the foregoing sentence, unless required by law, MII shall not implement any substantial changes affecting MVWC or its Affiliates unless:

(a) MII has furnished MVWC notice (the same notice MII provides its own business) thereof;

(b) MII changes such practices and procedures for its own business units at the same time; and

(c) MII gives MVWC a reasonable period of time for MVWC (i) to adapt its operations to accommodate such changes or (ii) reject such changes. In the event MVWC fails to accept or reject a proposed change on or before a reasonable date specified in such notice of change, such failure shall be deemed to have accepted such change. In the event MVWC rejects a proposed change but does not terminate this Agreement, MVWC agrees to pay any reasonable expenses resulting to MII's need to maintain difference versions of the same systems, procedures, technologies, or services or resulting from requirements of their party vendors.

15. Compliance Audits. Upon notice from MII, MVWC shall provide MII, its auditors (including internal audit staff and external auditors), inspectors, regulators and other reasonably designated representatives as MII may from time to time designate in writing (collectively, the "MII Auditors") with access to, at reasonable times, to any MVWC facility or part of a facility at which MVWC is using the Transition Services, to MVWC personnel, and to data and records relating to the Transition Services for purposes of verifying compliance with this Agreement. MII audits may include security reviews (including MVWC's completion of security related questionnaires) of the Transition Services and MVWC's systems, including reasonable use of automated scanning tools such as network scanners, port scanners, and web inspection tools. MVWC will provide any assistance that MII Auditors may reasonably require with respect to such audits.

16. Audit Rights. MVWC shall have the right, upon at least thirty (30) days written notice to MII, and in a manner to avoid interruption to MII's business, to perform audit procedures over MII's internal controls and procedures for the Transition Services provided by MII under this Agreement; provided that, such audit right shall exist solely to the extent required by MVWC's external auditors to ensure MVWC's compliance with the Sarbanes-Oxley Act of 2002, to determine if MVWC's financial statements conform to Generally Accepted Accounting Principles (GAAP) or to the extent required by governmental agencies. MII shall provide MVWC and MVWC's auditors with appropriate space, furnishings, and telephone, facsimile and photocopy equipment as MVWC or MVWC's auditors may reasonably require to perform such audit procedures. MII shall consider in good faith, but shall not be obligated to make, changes to its controls and procedures to address any findings of such audits. MVWC shall pay or reimburse all of MII's incremental costs arising from all such audit-related activities, provision of space, furnishings and equipment, and analysis and implementation, if any, of any potential changes in MII's controls or procedures described in this Section 16.

17. Miscellaneous. The following sections of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 17 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement): Article VIII (Further Assurances); Article IX (Termination); Section 11.1 (Counterparts; Entire Agreement; Corporate Power); Section 11.2 (Governing Law); Section 11.3 (Jurisdiction); Section 11.4 (Waiver of Jury Trial); Section 11.5 (Assignment); Section 11.6 (Third Party Beneficiaries); Section 11.7 (Notices); Section 11.8 (Severability); Section 11.10 (Headings); Section 11.11 (Waivers of Default); Section 11.12 (Specific Performance); Section 11.3 (Amendments); and Section 11.16 (Interpretation).

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date and year first set forth above.

MARRIOTT INTERNATIONAL, INC.

By: _____
Name:
Title:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name:
Title:

Services Exhibits

Marriott Business Services (MBS)

1. Purchasing Card Processing and Administration. MII will:
   - Provide access to Paymentnet application to MVWC users to monitor, review and approve PCard transactions, as well as provide access to run reports in Paymentnet.
   - Provide direct reimbursement to JP Morgan for purchasing card transactions from an MVWC disbursement bank account.
   - Administer a purchasing card program to MVWC associates for business expenses, including issuing cards with appropriate controls, including MCC blocking and card limits.
   - Provide a financial rebate on a quarterly basis to MVWC related to their volume as based on JP Morgan calculations.
   - Provide access to Quickbase application or manual form equivalent to validate PCard holder rights and limits, as well as other supporting information.
2. Fixed Assets Services and System Support.
   - *Activity 1: Fixed Assets Processing.*
     - Transaction processing to maintain subsidiary fixed asset registers in MI systems (FAS and PSAM).
     - Tax Book maintenance for MVWC domestic fixed assets.
     - Corporate and Local Book maintenance for MVWC international assets.
     - Provide journal entry detail as required; MVWC to post to MVGL
     - Provide Fixed Asset Registers via OnDemand reporting or other as required.
     - MI labor costs for above expected to approximate 2 full-time equivalents; adjusted as dictated by business requirements.
     - Annual ongoing cost for fully-loaded FTEs including MBS overhead and governance expected to be approximately $160K/year.
   - *Activity 2: Application Support and Systems Costs*
     - Annual estimated total costs for the categories below are:

	Annual Estimate
IRAS Labor	$ 143,100
IR Service Fee & Other IR	$ 46,500
Ideal License	$ 260,000
Mainframe EDP	$ 345,100
OnDemand	$ 24,300
Infor Maintenance Contract	$ 47,500
CSG/FIN	$ 116,000
Total	$ 982,500

- Ongoing Application Support and System costs will be apportioned between the parties using total assets as metric, subject to change as described in "General" section below:
    - Annual estimate: MVWC assets 19,189 (19%), MII assets 83,022 (81%) = $186,675 MVW
- *General: Provisions applicable to Activity 1 and 2.*
    - Term to commence at the spin date and expire after period 13, 2012 (activities to provide year-end 2012 data included).
    - Ad hoc transitional or separation accounting and consulting services may be provided by MII at a mutually agreed-upon cost.
    - Amounts are estimates and intended to reflect actual MBS accounting labor costs and 19% of MII application support and system costs, and are subject to change as dictated by business requirements. Methodology is subject to review in the event of material change in system requirements, support costs, relevant metrics or accounting method.

3. Comprehensive Accounts Payable Services.

- *Activity 1: Vendor maintenance and compliance.* MII will:
    - Provide MVWC vendor setup and maintenance in PeopleSoft Accounts Payable, including tax ID and vendor banking maintenance.
    - Provide MVWC vendor support through a support call center consistent with MII-defined business hours
    - Set terms the same as with MII vendors (standard terms are currently 45 days for suppliers).
- *Activity 2: Invoice processing and payments.* MII will:
    - Provide PeopleSoft AP system access to MVWC users to enter in invoice payments for processing.
    - Produce and distribute AP payments via check, ACH or other electronic payment methods funded from an MVWC disbursement account. Exception includes properties using Bottomline technology; these properties will print their own checks onsite using a local printer.
    - Provide client support through a support call center consistent with MII-defined business hours.
    - Leverage ATCAT application to identify and reduce duplicate payments as well as process returned checks.
    - Provide payment administration for outstanding payments such as stop and reissue payment processing.
    - Image invoices and provide access to imaged invoices to MVWC users as long as MII offers the imaging functionality.
    - Provide support and system maintenance to PeopleSoft AP system.
    - Provide supply chain accounts payable services to MVWC Development Group (contract purchasing, purchasing including purchase order and item maintenance, project administration, project reporting).
    - Provide access to queries and reporting for accounts payable activity.
    - Send and receive positive pay files for payment sent to Citibank account.
    - Provide limited services from the Luton Shared Services Centre for technical support.

- *Activity 3: Accounts Payable Compliance.* MII will:
  - Produce and submit state filing for all 50 US states related to unclaimed property.
  - Produce and submit 1099 filing for US payments.
  - Produce and submit 1042S filing for US payments made to foreign MVWC owners.
  - Administer approval authority in PeopleSoft AP for MVWC users.
  - Provide application to MVWC vendors to access their own information in PeopleSoft (ESupplier).
  - Account reconciliation services for AP related balance sheet accounts.
- *MVWC's Costs for Activity 1, 2 and 3.*
  - Costs before the Spinoff are:
    - $1.22 per distribution line on an invoice.
    - Express payments are $7.27 per distribution line.
    - The AP System Usage Fee is $.48 per distribution line.
    - The rate for properties using these services outside the US is $1.51 per distribution line.
  - Costs after the Spinoff will be based on the current rate methodology in line with projected budget for that service year. Incremental to this rate will be the cost of additional FTEs for accounting services.

4. Comprehensive Travel Card and Expense Report Processing and Administration. MII will:
   - Provide access to Carlson Wagonlit tools to book travel.
   - Provide access to IBM GERS system (MarrExpress) to process travel expense reports.
   - Provide direct reimbursement to JP Morgan for Corporate Travel Card transactions processed through MarrExpress using an MVWC disbursement bank account.
   - Provide direct reimbursement to the associate for reimbursable items to the associate processed through MarrExpress using an MVWC disbursement bank account.
   - Administer a corporate travel card program to MVWC associates for business expenses.
   - Provide a financial rebate to MVWC related to their volume as based on JP Morgan calculations.
   - Provide limited audit procedures, including selecting samples of expense reports to ensure receipts are provided for all expense items that require a receipt.
   - Provide card services for all MVWC associates who have a Corporate Card.
   - Costs to MVWC before the Spinoff are $3.09 per distribution line on an invoice.
   - Costs to MVWC after the Spinoff will be based on the current rate methodology in line with projected budget for that service year.

5. Sales/Use Tax Services
   - *Activity 1: Filing sales/use tax returns.* MII will timely file and pay sales/use taxes related to MVWC administrative units by statutory due dates. (NOTE: If MBS does not have access and training for new MVWC ledger, MBS may not be able to provide this service.)
   - *Activity 2: Filing tangible personal property tax returns.* MII will timely file tangible personal property tax returns for MVWC resorts by statutory due dates. MVWC will provide asset listings as of January 1 each year, including additions and dispositions.

- *Activity 3: Payment of TPP tax bills.* MII will timely pay tax bills by statutory due dates.
- *Activity 4: Coordinating tax audits related to filed returns.* MII will respond to requests from tax authorities to review records related to tax return filings, in timeframe prescribe by tax authority. MVWC will provide additional records as required by the tax authorities.
- *Activity 5: Performing Tax Research.* MII will perform ad hoc tax law research at the request of MVWC Tax, based on information provided by MVWC.
- Property tax costs are anticipated to be similar to prior year costs, provided the number of units does not materially change. Costs for sales tax will include a cost per location for filed returns (currently 31 locations), as well as an overhead cost not previously charged to MVWC for ad hoc research. The total sales tax cost for the first year is estimated to be $78,000, but could change based on projected budget.

6. Bundling of Services for Cancellation Purposes.

- Section 1 of the Omnibus Transition Services Agreement provides as follows:

  The cancellation of one category of Transition Services shall not operate to cancel or otherwise affect the remaining Transition Services, it being understood that some services are bundled and cannot be cancelled separately.

- MII and MVWC hereby agree that the Transition Services outlined in this Exhibit titled "Marriott Business Services (MBS)" shall be bundled as follows:
  - Bundle #1: The Transition Services set forth above in Category 1 above titled "Purchasing Card Processing and Administration," Category 3 above titled "Comprehensive Accounts Payable Services," and Category 4 above titled "Comprehensive Travel Card and Expense Report Processing and Administration."
  - Bundle #2: The Transition Services set forth above in Category 2 above titled "Fixed Assets Services and System Support."
  - Bundle #3: The Transition Services set forth above in Category 5 above titled "Sales/Use Tax Services."
- For example, MVWC may cancel the Transition Services in Bundle #1 without cancelling the Transition Services in Bundle #2 or Bundle #3.
- For another example, if MVWC desires to cancel the Transition Services in Category 1 above titled "Purchasing Card Processing and Administration," then MVWC must also simultaneously cancel the Transition Services in Category 3 above titled "Comprehensive Accounts Payable Services," and Category 4 above titled "Comprehensive Travel Card and Expense Report Processing and Administration."

7. Financial Application Configuration Support.

- *Activity 1:* Configuration items such as PeopleSoft General Ledger Business Units, ChartFields, Combination Edits, etc. will continue to be maintained by MII representatives (FIM team). This is required for MVWC to utilize the MII non-general ledger financial applications within the FIN 8.8 shared environment. MII representatives (FR&A Team) will review MVWC account configuration requests (i.e. all business unit and chartfield additions/changes/deletions to accounts in Marriott's shared environment) as needed and make determination to ensure no adverse impact to Marriott's ability to record and report. MII actual hours of support will be billed $88k/year assuming 80 hours/pd and standard FIM billing rates. Billing for FIM support will start in January 2012, FR&A: $83/per account configuration request.

8. Consulting Services for MVWC Financial Applications.

- *Activity 1:* MII (FIM) to provide business consulting services as needed to MVCI related to their financial applications (e.g., general ledger). MII (FIM) shall make available up to twenty (20) hours per period of such consulting services. The cost is estimated to be $28,600 per year, based on MVWC's use of twenty (20) hours per period. Actual consulting hours will be billed at standard FIM billing rates. This time will be charged to MVWC via OFB's periodic billing process. MVWC will utilize MII FIM's existing process for submitting requests. These requests will be prioritized with all requests and worked on in the prioritized order. MII (FIM) will identify a lead point of contact for escalation.
- *Activity 2:* MII (IR) shall make available up to twenty-four (24) hours per period of technical consulting services as needed to MVWC related to their financial applications (e.g., MVGL). The cost is estimated to be $44,616 annually, based on MVWC's use of twenty-four (24) hours per period. Actual consulting hours will be billed at standard IR billing rates. This time will be charged to MVWC via OFB's periodic billing process. MVWC will utilize MII IR Finance Systems existing process for submitting requests. These requests will be prioritized with all requests and worked on in the prioritized order. MII IR Finance Systems will identify a lead point of contact for escalation.

9. IT2 Treasury Workstation.

- *Activity 1:* MII IR to provide consulting support/advice for MVWC's own instance of IT2 Treasury Workstation (8 hours/pd). Anticipated costs for these services: $10,400/yr ongoing (based upon 8 hrs/pd). Actual hours will be billed via OFB based on standard IR billing rates. MVWC will contact Denise Hughes for service.

10. Term. MI and MVWC hereby agree that the Transition Period for the Transition Services outlined in this Exhibit titled "Marriott Business Services (MBS)" shall commence on the Closing Date and continue until December 31, 2013, including any activities necessary to provide year- end 2013 data (e.g. filing 1099 forms).

GOLF SERVICES

1. Provision of Golf Services. Beginning on the Closing Date and continuing thereafter until the end of the 2012 fiscal year of Marriott Vacations Worldwide Corporation ("MVWC"), unless terminated as provided in Section 2 below, Marriott International, Inc. ("MII") shall provide the services described in Section 3 below (collectively, the "Golf Services") to all golf course properties (each a "Golf Property") owned or managed by MVWC or any MVWC Affiliate.

For avoidance of doubt, as of the Closing Date the Golf Properties are as follows:

- Grande Pines Golf Club (*Orlando, Florida*)
- Grande Vista Golf Club and the Faldo Golf Institute by Marriott (*Orlando, Florida*)
- Kauai Lagoons Golf Club (*Lihue, Hawaii*)
- Shadow Ridge Golf Club and the Faldo Golf Institute by Marriott (*Palm Desert, California*)
- Son Antem Golf Club (*Mallorca, Spain*)
- The Abaco Club on Winding Bay (*Abaco, Bahamas*)
- The Ritz-Carlton Golf Club & Spa (*Jupiter, Florida*)

Unless otherwise provided in this Schedule, MII's provision of the Golf Services shall be consistent with practices, procedures and levels of service, including the frequency, quality and duration of service, in effect immediately prior to the Closing Date.

2. Addition and Deletion of Golf Properties.

a. Addition of Golf Properties. MII and MVWC acknowledge and agree that MVWC or its Affiliates may from time to time acquire, develop or be engaged to manage one or more additional golf properties. Upon at least thirty (30) days prior written notice to MII from MVWC, any such additional golf property shall become a Golf Property without any requirement for further action on behalf of either party, including but not limited to amendment of this Schedule. MII shall provide the Golf Services to the new Golf Property in accordance with the terms of this Schedule. Golf Services Fees will be $27,230 per year for each additional Golf Property added plus reimbursement of reasonable travel expenses pursuant to Section 4.b below.

b. Deletion of Golf Properties. MII and MVWC acknowledge and agree that MVWC may from time to time terminate MII's provision of Golf Services to a Golf Property. Upon at least sixty (60) days prior written notice to MII, MVWC may remove a Golf Property from the terms of this Schedule and terminate MII's provision of Golf Services to such Golf Property. Any such termination shall not affect the provision of Golf Services to the remaining Golf Properties, and such termination shall be effective without any requirement for further action on behalf of either party, including but not limited to amendment of this Schedule. Any fees for provision of the Golf Services to such Golf Property which are accrued and unpaid as of the date of termination (the "Termination Date") shall be due and payable to MII within thirty (30) days after the date on which the Golf Property ceases to receive Golf Services. Beginning on the Termination Date, the annual Golf Services Fee will be reduced by the remaining annual Golf Services Fee for the exiting Golf Property.

3. Description of Golf Services. MII shall provide the Golf Services generally described below to each Golf Property:

a. Brand Standards. MII will make available and communicate applicable brand standards for golf operations by interfacing with MVWC corporate and Golf Property leadership, for three categories of standards:

- Operational standards (for example, golf services offered to guests, cleanliness, recommendations for staffing, associate compensation and benefits, retail merchandising, guest recognition programs and other similar programs, etc.).
    - Golf Grounds Operations
    - Golf Shop Operations
    - Retail Merchandising
    - Outside Service Operations
    - Instructional Programming
    - Tournament Operations
- Physical standards of the golf course (for example, course design, course conditioning level, quality of the golf facilities, FF&E, and fixed asset supplies, frequency of FF&E replacements, etc.).
- Technology standards (for example, those relating to software, hardware, telecommunications, systems security and information technology).

b. Financial Review. MII shall provide the following services related to the Golf Property's financial performance and budgeting:

- As requested, support the annual golf budget development process by reviewing draft projections and making recommendations to MVWC corporate executives and Golf Property managers.
- For new projects or renovations, support MVWC development with the golf proforma process which includes providing guidance on projections of golf rounds and revenue from multiple user groups (MVWC owners, resort, residents, members, and outside play). Provide on-going guidance and recommendations as requested throughout the course of the project.
- Provide recommendations for fixed asset schedules and inventory controls.
- Provide semi-annual industry benchmark performance data based on available data.

c. Human Capital Readiness.

- Include Golf Properties in recruiting programs that benefit the Marriott and Ritz-Carlton (as appropriate) portfolios.
- Assist with reviewing job descriptions, as requested, for management, supervisory personnel and other key personnel.
- Assist with the identification and interview of management employees, as requested by MVWC; *provided*, however, that final hiring decisions shall be made solely by MVWC. Reimbursement of reasonable travel expenses may apply.
- Coordinate with MVWC's Human Resources department, as requested by MVWC, to provide information regarding golf industry standard employee benefits, insurance, and compensation plans; *provided*, however, that final determinations regarding such benefits and plans shall be made solely by MVWC.

- MII and MVWC acknowledge and agree that day-to-day supervision, evaluation, promotion, termination other employment related functions regarding individuals working at the Golf Properties shall be conducted solely by MVWC.

d. Training. MII will transfer information and knowledge of golf club operations and marketing to MVWC and Golf Property personnel through formal and informal means.

- Conduct training seminars with MVWC leadership and Golf Property personnel, as reasonably requested, about golf clubs and the key elements of their success.
- Offer attendance at MII's corporate sponsored training seminars, including any proprietary training program as scheduled by MII at its regional locations in the United States, to senior Golf Property staff.

e. Marriott Programs & Processes. Make available to and facilitate for the benefit of the Golf Property programs that are implemented throughout the Marriott or Ritz-Carlton (as appropriate) portfolio. Current examples (which are subject to change) of such programs are:

- *Marketing*: Marriott Golf Links, Global Getaways, Marriott Golf Reciprocal Membership Program, Community Footprint Initiatives, National Golf Foundation customer survey program, tee time reservation system, websites, golfer satisfaction survey, industry financial benchmarking, newsletters, sweepstakes, and promotions. Certain marketing programs are optional at the discretion of each Golf Property, and fees may apply.
- *Procurement*: to the extent permitted and/or possible, make available preferred vendor discount programs and vendor rebates, that are in place at other Marriott or Ritz-Carlton golf locations.
- Environmental programs / "green" initiatives

g. Golf Course / Clubhouse Design, Construction, and Renovation Projects. MII will make the following services available to MVWC and its Affiliates for an additional fee:

- Review plans and specifications for the construction in co-ordination with MVWC A&C and Golf Course / Clubhouse Architects
- Review the master plan for the construction of the full development to ensure that all phases are coordinated and that MVWC's opening targets are met.
- Assist in the review and selection of the golf course / clubhouse contractors.
- Assist with developing a pre-opening budget estimate to include all expenses incurred during the time period from the start of grassing to the property opening.
- Provide guidelines for staffing levels, and make recommendations for leased maintenance equipment, purchased maintenance equipment, operating supplies, systems, marketing, and working capital.
- Review MVWC's budget forecasts and advise on any changes necessary.
- Advise on layout and operational procedures for the golf facility.

- Review plans and proposals through the design phase.
- Provide program/space parameters for all golf buildings.
- Provide Golf Design Standards Guide to MVWC for planning purposes.
- Review construction cost forecasts through the design phase in relation to the projects financial targets.
- Assist in establishing ground maintenance budgets.
- Help finalize orders for maintenance equipment.
- Review plans and scheduling of final FF&E procurement.

In the event MVWC desires to obtain any of the services described in this Section 3.g., MII and MVWC (or their respective Affiliates, as appropriate) will enter into a technical services agreement to document such services, the applicable fees, and the other applicable terms and conditions.

4. Fees and Expenses.

a. Golf Services Fee. The annual fee ("Golf Services Fee") payable by MVWC to MII for the Golf Services provided to the seven Golf Properties reflected in Section 1 shall be equal to a total of $190,610 annually ($27,230 per Golf Property). The Golf Services Fee shall be payable to MII in equal periodic (13 periods per year) installments, in arrears, within fifteen (15) days after the end of each period.

b. Travel Expenses. MII's reasonable actual travel expenses to Golf Properties outside of the United States in connection with MII's provision of the Golf Services will be reimbursed by MVWC. Such travel expenses shall be subject to MVWC's prior written approval, and will be reimbursed within thirty (30) days after MVWC's receipt from MII of invoices detailing such actual travel expenses.

FALDO GOLF INSTITUTE MARKETING SERVICES

1. Provision of Services. Beginning on the Closing Date and continuing thereafter until the end of the 2012 fiscal year of Marriott Vacations Worldwide Corporation ("MVWC"), unless terminated as provided in Section 2 below, Marriott International, Inc. ("MII") shall provide the services described in Section 3 below (collectively, the "FGI Services") to the Faldo Golf Institute locations (the "FGl Properties") owned and/or operated by MVWC or any MVWC Affiliate.

For avoidance of doubt, as of the Closing Date the FGI Properties are as follows:

- Grande Vista Golf Club and the Faldo Golf Institute by Marriott (*Orlando, Florida*)
- Shadow Ridge Golf Club and the Faldo Golf Institute by Marriott (*Palm Desert, California*)

Unless otherwise provided in this Schedule, MII's provision of the FGI Services shall be consistent with practices, procedures and levels of service, including the frequency, quality and duration of service, in effect immediately prior to the Closing Date.

2. Addition of FGI Properties.

a. Addition of FGI Properties. MII and MVWC acknowledge and agree that MVWC or its Affiliates may from time to time acquire, develop, license or be engaged to manage one or more additional FGI Properties. Upon at least thirty (30) days prior written notice to MII from MVWC, any such additional FGI Property shall become subject to this Schedule without any requirement for further action on behalf of either party, including but not limited to amendment of this Schedule. MII shall provide the FGI Services to the new FGI Property in accordance with the terms of this Schedule.

b. Deletion of FGI Properties. MII and MVWC acknowledge and agree that MVWC may from time to time terminate MII's provision of FGI Services to an FGI Property. Upon at least sixty (60) days prior written notice to MII, MVWC may remove an FGI Property from the terms of this Schedule and terminate MII's provision of FGI Services to such FGI Property. Any such termination shall not affect the provision of FGI Services to the remaining FGI Properties, and such termination shall be effective without any requirement for further action on behalf of either party, including but not limited to amendment of this Schedule.

3. Description of FGI Services. MII shall provide the FGI Services generally described below to each FGI Property:

- Develop and implement the national golf advertising plan based on the approved budget provided by MVWC. Oversee the implementation of the agreed to marketing activities for the Faldo Golf Institute, including but not limited to the marketing services described above under "Golf Services."
- Provide recommendations for contract negotiations with Sir Nick Faldo.
- Review and make recommendations, as requested, on instructional curriculum.

4. Fees. In consideration of MII's provision of the FGI Services to the FGI Properties, MVWC shall pay to MII an annual fee (the "FGI Fee") equal to ten percent (10%) of the annual national marketing budget for FGI Properties, which budget shall be determined by MVWC in its sole discretion. The FGI Fee shall be payable in equal periodic (13 periods per year) installments, in arrears, within fifteen (15) days after the end of each period. The budget, and the corresponding FGI Fee, shall be adjusted as necessary to reflect any addition or deletion of FGI Properties as contemplated by Section 2 above.

Tax Services for Fixed Assets

1. Tax Fixed Assets Calculation and Maintenance of Tax Depreciation and Amortization.

- MII will calculate tax depreciation, amortization and asset gain/(loss) detail adequate to complete MVWC's 2011 year-end tax provisions for certain fixed assets of MVWC through the end of Fiscal Year 2011.

- Completion of MVWC's 2011 IRS Forms 4562, 4626 and 4797 for short period (date after Spin-Off through the end of the 2011 Fiscal Year), including calculation of tax depreciation, amortization and gain/(loss) on dispositions.
- Completion of tax fixed asset system database as of January 1, 2012 in a manner that properly reflects the tax basis and tax depreciable lives in MVWC assets, including adjustments required as a result of the Spin-Off and related to pre-transactional restructuring.
- Tax consulting services relating, among other things, to migration and establishment of MVWC's tax fixed asset systems and M-1 related items for capitalized interest deductions.
- MVWC will pay the costs related to the tax consulting services including the costs of the salary and benefits of a Senior Manager (MRP $104,350) to perform this work, which is estimated to take 35-40 hours.

Services for MVWC's Owner Services in Salt Lake City, Utah

MII will provide MVWC with access to certain services and systems at MVWC's Salt Lake City, Utah location in support of MVWC's Owner Services department. The services identified below will be provided by MII's Global Reservation Sales and Customer Care ("GRSCC"), International Fulfillment Services ("MIFS"), Information Resources ("MIIR") and Guest Services ("MGS") group.

Except as otherwise noted below, the access to services and systems shall be provided in a manner, and at a cost, substantially in accordance with practice of MII or its Affiliates as of the date of the Spin-Off.

1. IEX Scheduling Tool.

- The IEX scheduling software is a tool that both MII and MVWC use in the call center. This software is used to not only schedule the contact center associates for both businesses, but to track statistical performance of the associates. The IEX platform is stored on a server out of the Global Reservations Sales and Customer Care (GRSCC) and we purchase licenses to use this software.
- The service provided is the ability to access the software located on MII servers. MII purchases licenses on an annual basis, and allocates based on usage (currently about 67% MVWC and 33% MII).
- MII is trying to separate the contract into two separate invoices or accounts. This should be rectified by the next billing (November 2011). If this is not possible, the current agreement should last until the 2012 invoicing cycle.

2. IR Service and Support provided for Owner Services – SLC.

- Support desktop and laptop PCs, provide Network and File and Print services, e-mail services, support building access security system, and manage content for FIDO (Fundamental Information Delivered Online) MVWC program information database.
- Cost: Budget for FY 2011: $474,441. Actual costs are based on time spent on MVWC issues per time recorded on time tracking software.
- After Spinoff, support will continue at current level and approximately the same cost. Increase in cost is driven by merit increases and training costs for IR associates.
- For more detail see below:

1. **Breakdown of Services provided**:

a. **Description of service**

- **Desktop Service**

The IR Contact Center Technology – Field (CCT-Field) team currently provides complete desktop lifecycle support for all MVWC Owner Services' approximate 730 computers located in the Owner Services Contact Center in Salt Lake City UT and at approximately 55 agents' homes. This support includes everything from: procurement via the TMC team at MII Headquarters, to setup and imaging, to troubleshooting, updates and repair, to moves and changes, to decommissioning, wiping, and lease returns or disposal.

Unlike at other MVWC locations, these machines, along with the user population, do not reside inside the MV Active Directory domain. These reside inside the MICA domain. Being in the MICA domain gives the CCT-Field team in Salt Lake City the rights and permissions required to enable us to support these machines.

When imaging is done, a custom image is built by the MII IR team in SLC based upon MII's Lodging image. Any unique or additional application installs which are not contained in the image being deployed, are performed by the CCT-Field team. Licenses for those applications are purchased by the CCT-Field team and managed in conjunction with the TMC team at MII Headquarters. Also, major deployments and security updates requiring the use of "Big Fix" for deployment are handled by MII's Deployment Services team.

Network and File and Print Services

Local data network (LAN) and file and print services are provided and maintained and supported by the CCT-Field team. This local network service is provided in conjunction and in cooperation with the MII Network Engineering team. This service encompasses procurement, configuration,

installation, and support of network infrastructure. This infrastructure includes both wired and wireless solutions, and extends from the MII Wide Area Network (WAN) to the individual endpoints in the center. The campus physical cable infrastructure, is overseen and any adds, moves or changes are coordinated by the CCT Field team in conjunction with our certified third party installers.

The Wide Area Network, is designed, installed and managed by the MII Network Engineering team, with the CCT Field team providing on-site support as needed. 15 Mbps MPLS circuits are provided by both AT&T and Verizon, providing shared Wide Area connectivity. In addition, on the AT&T network, a 25Mbps circuit is provisioned which provides a shared internet access. Internet access is limited/filtered via Websense, in conjunction with MII's policies/procedures.

The file and print environment is shared by all operations functioning in the Salt Lake City Contact Center Campus. This environment is comprised of approximately 10 file and print server(s), applications servers, (ex. SQL, Exchange, RightFax, SharePoint. Etc) and the disk storage associated with each of these servers. These servers are purchased, installed and configured and maintained by the CCT-Field team. As part of the on-going maintenance, appropriate monitoring and alarming, as well as patch deployment, updates, and upgrades are provided by the CCT-Field team working in conjunction and cooperation with the appropriate MII IR Groups. In addition, appropriate rights and permissions providing access to this environment is granted and maintained by the CCT-Field team and the appropriate MII IR Groups.

The print environment is made up of approximately 20 printers which are purchased, managed and maintained by a combination of CCT-Field resources, as well as third party support vendors.

A shared data backup environment is also provided. This backup environment provides data backup to disk as well as to tape. Those tapes are then rotated to our off-site storage facility. All necessary backup and restoration jobs are performed by the CCT-Field team. Along with the backup of the network data, select local data is backed up to this same environment for select associates using a laptop and that require the service.

Appropriate ups/generator power, fire suppression, HVAC and security is provided to each computer room.

E-mail Services

The IR Contact Center Technology – Field (CCT-Field) team currently provides complete e-mail services for MVWC Owner Services' 684 email mailboxes. This service includes mailbox creation, to storage group management, to distribution list creation and management, and Exchange server management and support.

As part of the desktop service and support outlined above, Microsoft Outlook is one of the desktop applications included. Outlook provides access to the shared MII Microsoft Exchange server which is housed in the Salt Lake City server farm.

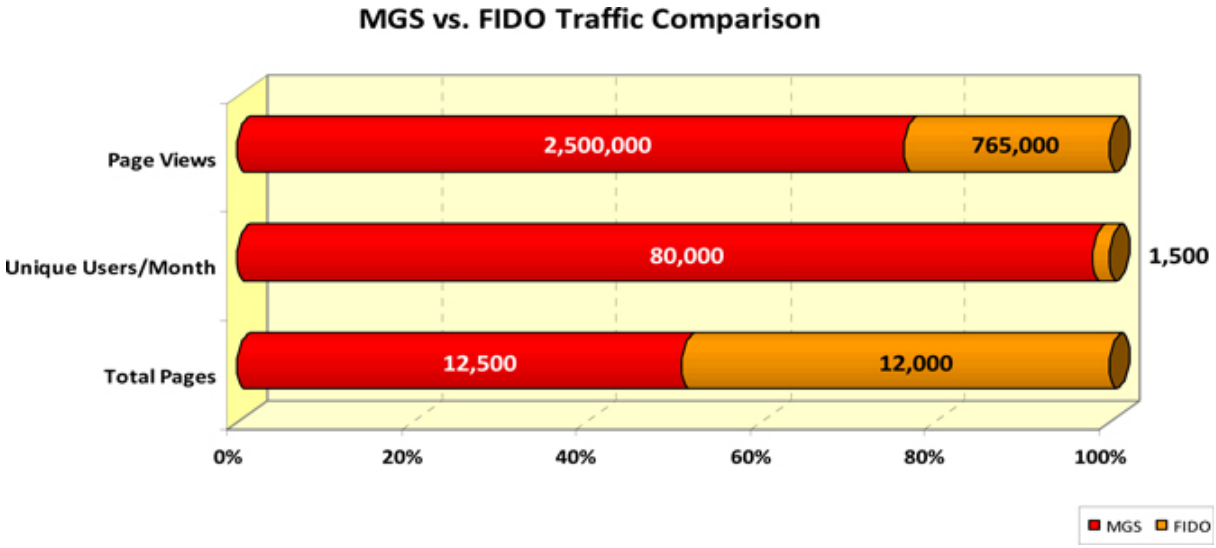
In conjunction with Owner Service's email campaigns, a temporary tool was established, called Group Mail. That application is still running, and MII Email Services has provided new connectors and a new method for delivering those campaigns in such a way as to not jeopardize MII's email. If that is to continue post spin-off, consideration will need to be made for this. Investigation has begun with a third party and their tool for providing this service (Silverpop).

Physical access and building(s) Security

A local door security system has been installed, supported and maintained by the CCT-Field team, Salt Lake City Facilities Maintenance, and MII Headquarters Facility teams. This system provides or restricts access to each building and specific locations inside each building as directed by the individual operations functioning in the Salt Lake City Contact Center. This system is connected to and works along with the same system installed at MII Headquarters.

Web Development Service

The CCT-Field team currently manages and maintains all content for current knowledgebase and content management system known as FIDO (Fundamental Information Delivered Online). FIDO provides information enabling MVWC Owner Services associates to perform their functions. This system resides in the same environment with MGS (Marriott's Global Source). Below is a comparison with FIDO and all of MGS.



b. **Roles and responsibilities for MII and MVWC** – CCT-Field provides complete desktop services and support, network, file and print and email services. Most of those services are provided with assistance from other MII IR resources. In addition, physical access and security is provided.

c. **Potential changes required as of spin-off date**

MVWC Owner Services resources (computers and users) will need to be moved to a MVWC Active Directory location. Rights and permissions will need to be established to enable appropriate parties' ability to provide desktop services.

Licenses and software will need to be transitioned to the appropriate location.

Appropriate MVWC image and support model will need to be deployed. Mechanism for deployment of security patches, application updates, and other adds or changes will need to be established.

PC Vendor will need to be contacted and informed of split and existing leases will need to be modified to represent ownership/liability shift from MII to MVWC.

MVWC will need to coordinate allocation percentages or separation technique and costing with other operations currently sharing CCT-Field services and the SLC Contact Center infrastructure.

d. **Planned changes or upgrades to service (over the 2 year term)**

All current pc leases will expire and equipment warranties will expire. Existing hardware will need to be decommissioned, wiped and returned as directed in end of lease documentation. Replacement hardware will need to be procured, imaged with new operating system and current image, and deployed. Any applicable software upgrades will need to be deployed, updated, and maintained.

Existing LAN switches have reached end of life and will need to be replaced in 2012.

Several of the existing servers' warranties expire in 2011 and replacement equipment will need to be purchased and put in place early in 2012. As replacement equipment is purchased, the server operating system will also be upgraded to appropriate level.

As existing application vendors provide upgrades to their products, those upgrades will need to be deployed as appropriate.

There is a project currently underway focusing on the migration of FIDO from it's existing environment, which has reached end of life, to a new environment.

e. Software required to provide service (use software template)

- See attached software documentation.

f. 3rd Parties utilized in delivering service

- MII Infrastructure Engineering
- MII System Administration Groups
- MII System Engineering Groups
- MII Deployment Services Groups
- MII Security Groups
- MII Active Directory Groups
- MII Technology Management Center (TMC)
- Insight (vendor)
- Lenovo (vendor)
- IBM Credit Corp (leasing agency)
- Software vendors as appropriate
- TechConnect (Vendor)
- AT&T and Verizon (Vendors)
- Perpetual Storage (Vendor)
- Printelligent (Vendor)
- Automated Business Products (Vendor)
- Syscom Services (Vendor)
- OpenText (Vendor)
- HP (Vendor)
- Americom (Vendor)

g. Service cost allocation

Total CCT-Field department costs are allocated by period, based upon time reported from tracking software (Help Desk Authority), which reflects CCT-Field associates time spent supporting each operation.

2. Governance

a. Primary contact for MII and MVWC

MII Contact: Kurt Mounteer
MVWC Contact: Paul Morris and appropriate other MVWC resources.

b. Service level objectives

- Current on-site support is provided m-f 0600-1700 Mountain Time.
    1. On-site support can be contacted by either voice or email, and is responded to either immediately or as quickly as best effort will allow.
- On call support is provided for any times outside of that window, and a 30 minute response to inquiry is standard.

c. Escalation process (if different by breakdown, please identify)

1. CCT Field Associate
2. CCT Field Supervisor/Manager (Chad Soper/Ryan Strong)
3. CCT Field IR Manager (Kurt Mounteer)
4. CCT VP (Martin Regan)

d. Description and timing of service reports – N/A

3. Customer Service Labor-Partner Specialist.

- Partner specialists employed by MII provide customer service to Marriott Rewards members in relation to questions/issues/problems raised by MVWC owners and guests related to travel partners associated with Marriott Rewards.
- One FTE partner specialist to handle MVWC timeshare owner questions and issues related to Marriott Rewards travel partners, the cost of which specialist is currently $39,247 per year and is charged by MII to MVWC to provide service. The future cost charged to MVWC will be cost of such specialist in the future.

4. Nexpress Printer under MII Master Agreement.

A leased Kodak NexPress 2500 Equipment is used by MVWC in Salt Lake City, Utah to print high-end brochures. This lease is assigned to MVWC, but is under a Master Agreement with MII. MII has no financial responsibility for this lease. In addition, Ricoh partners with Kodak for leasing of the NexPress branded Kodak equipment. The existing MII-Ricoh Master Agreement will be amended to support this lease. All costs related to these agreements are MVWC's costs. Upon expiration of this lease, the terms of the agreement under the arrangements should be solely with MVWC.

Risk Management Services

1. Shared Safety and Security Services between MII-Operated Hotels and MVWC-Operated Resorts. These shared services, including property tours and emergency response, will continue to be provided pursuant to the terms and conditions of the existing agreements.

2. Historic Casualty Insurance Loss Data Runs for MVWC Operations. In June of 2012 and June of 2013, MVWC will request from MII a 5-year casualty insurance loss run (Workers' Compensation, General/Auto Liability, Employment Practices) valued as of June 30, 2012 and June 30, 2013, respectively. By July 31, 2012 and July 31, 2013 (or other dates mutually agreed upon), MII will provide such loss data in Excel format or similar electronic format at a cost of $100 per each hour of time spent by MII to prepare the report (currently estimated to take 10 hours of work for each report). The loss run will be used by MVWC to support annual insurance program renewal processes and will include the following information:

- State
- Claim Number
- Claim Description (brief)
- Location (unit number)
- Date of Loss
- Type of Loss
- Incurred Loss Value
- Paid Loss Value
- Status
- Closed Date (if closed)
- Recovery (if any)

3. Emergency Response Services outside the Americas from Global Safety & Security. These services will be provided only if requested by MVWC in a particular instance and only if MII resources can be effectively deployed in such instance. In each instance, MII and MVWC will enter into a services agreement in a mutually agreed upon form.

MI Global Procurement Services

Description of Service

MII currently provides services relating to the negotiation, documentation and implementation of agreements and pricing arrangements with vendors of goods and services (the "Global Procurement Services") to hotels and other properties outside the territory covered by the Procurement Services Agreement between MI and Avendra, L.L.C. as described hereinafter (the "Territory"). MII lodging properties participate in such agreements and pricing arrangements either on a mandatory basis (for MII-managed lodging properties) or on an opt-in basis (for franchised lodging properties). Following the spinoff MII will continue to provide the Global Procurement Services to MVW properties in the Territory (except as such Territory may be otherwise noted hereunder) on the same basis as such services are currently provided to MI-managed lodging properties; however, MVW will participate on an opt-in basis.

Terms of provision of service

MII shall provide the Global Procurement Services to MVW properties located in the Territory (except as such Territory may be otherwise noted hereunder) on an opt-in basis with respect to specific products or services (the "Procured Products or Services").

MII shall notify MVW on a regular basis via the Marriott Global Source website, related email communications (as is currently done with respect to MI-managed lodging properties) and any other communication channels MVW has access to, with respect to new product or service opportunities that are available for participation by MVW, and such notices shall include the general parameters of the opportunity (volume, pricing, etc.). MVW may elect to participate in any such product or service opportunities, in its sole discretion, by purchasing under such programs either through the Marriott Global Source system or such other access to purchasing as may be available.

MII shall be compensated with respect to the Global Procurement Services it provides in connection with Procured Products or Services by means of a cost recovery mechanism whereby any rebates resulting from the Procured Products or Services will first to go MII and MII shall retain that amount of the rebates generated relating to MII's associated expenses, with the remainder of such rebates then being remitted among participating MVW properties based on the volume of their purchases relating to that for which the rebate(s) was/were paid for the purchase of such Procured Products or Services (according to each MVW properties pro-rata purchasing volume of such MVW properties collective purchasing volume).

Upon MVW's reasonable request, MII shall provide copies of the texts of the contracts under which MVW properties are purchasing Procured Products or Services. The contents of the texts of the contracts shall be kept confidential by MVW and shall be used only in connection with the purchase of goods and services by MVW pursuant to such contracts. To the extent such contracts contain terms specifically applicable only to purchases by MII's lodging business and not applicable to purchases by MVW, MII may redact such terms from copies of contracts provided to MVW.

The initial contact persons with respect to the Global Procurement Services shall be: Stephane Masson for MII and Bob Bukovic for MVW. Such initial contact persons may be changed from time to time by providing written notification to MII's or MVW's contact person, as applicable, of the new contact person. All matters arising with respect to the Global Procurement Services following the spinoff and the terms of MVW's participation therein shall be raised with the contact persons.

Territory

The territories in which the Global Procurement Services shall be provided are any countries other than (i) the United States and its territories and possessions wherever located and (ii) countries located in North America, Central America and the Caribbean ((i) and (ii) together, the "Non-Procurement Territories"), unless in any of the Non-Procurement Territories the products or services are not covered by MVW's procurement services with Avendra in which case(s) those certain Global Procurement Services shall be provided in those Non-Procurement Territories.

Exhibit 10.8

PAYROLL SERVICES AGREEMENT

by and between

MARRIOTT INTERNATIONAL, INC.

and

MARRIOTT VACATIONS WORLDWIDE CORPORATION

effective

[DATE]

TABLE OF CONTENTS

PAYROLL SERVICES AGREEMENT

This PAYROLL SERVICES AGREEMENT (this "Agreement"), together with the Exhibits attached hereto and made a part hereof (each "Exhibit" or, together, the "Exhibits"), is made and entered into as of _____, 2011 (the "Agreement Date") by and between MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII") and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC").

R E C I T A L S

WHEREAS, pursuant to that certain Separation and Distribution Agreement, dated as of _____, 2011 (the "Separation Agreement"), between MII and MVWC, MII has agreed to distribute all of the issued and outstanding common shares of MVWC to the shareholders of MII on a pro rata basis, subject to the terms and conditions therein (the "Spinoff").

WHEREAS, in connection with the Spinoff, MII and MVWC have agreed that MII and its Affiliates (as defined in the Separation Agreement) (collectively, "Service Provider") shall provide MVWC and its Affiliates (collectively, "Client") with certain services on a temporary basis after the Closing, including employee payroll and payroll-related services;

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Separation Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Client and Service Provider agree as follows:

Section 1 — Definition of Terms

As used in this Agreement, the following capitalized terms shall have the meanings set forth herein:

(a) "Client Information" shall be all Client data and information entered into or held by Marriott for purposes of entry into the Marrpay® Software, or generated by the Marrpay® Software.

(b) "Default" shall have the meaning specified in Section 9.

(c) "LMS" shall mean the labor management scheduling application that interfaces with Marrpay® for processing of time and attendance records, as such application may be updated or replaced by Service Provider from time to time.

(d) "Marrpay On-Line Service®" shall mean those mainframe-computer-based features of the Marrpay® Software which permit remote entry and retrieval of information. It includes, among other things, information retrieval, file maintenance, time data entry processes and Report Writer functionality.

(e) "Marrpay® Software" shall mean the mainframe-computer-based software system which performs payroll and employee services processing in order to, among other things, issue payroll payments, payroll registers, Forms W-2, and information reports.

(f) "MBS" shall mean the Marriott Business Services department of Marriott International, Inc.

(g) "Services" shall mean the services as described in Section 2 below and in Exhibits A, B and C to be provided by Service Provider to Client in any Client location within the United States including the U.S. Virgin Islands.

(h) "Software Products" shall mean all the proprietary software, including but not limited to Marrpay® Software, On-Demand and LMS, owned and developed or procured by Service Provider, including any Third-Party Software relating thereto, and any and all materials, procedures, manuals and other documentation to be utilized for the provision of the Services.

(i) "Weeks Reported for Pay" shall mean each instance in which an employee has time data reported for payroll payment as tracked and reported by Marrpay®.

Section 2 — Services

During the term of this Agreement as defined in Section 4, Service Provider shall provide to Client the following Services:

(a) the software products and related rights, access and services including but not limited to the rights, access and services identified in Exhibit A (the "Software Services");

(b) payroll and payroll-related services (the "Payroll Services") which shall include but are not limited to the services identified in Exhibit B (collectively with the Software Services, the "Non-Termination Services"); and

(c) services provided in connection with the termination or cancellation of the provision of any Non-Termination Services (the "Termination Services"), which include but are not limited to the services specifically identified in Exhibit C.

Client may use the Services for its own internal business purposes for its business conducted under brands licensed from Service Provider, consistent with the terms of the underlying agreement between Service Provider and the applicable product/service vendor, and may not

resell the Services or otherwise make them available for use by third parties (provided, that a property owner's association or similar entity for a project operated by Client under brands licensed from Service Provider shall not be considered a third party for purposes of this Section 2).

Section 3 — Billing and Payment

3.1 **Non-Termination Services.** Client will pay the costs set forth in Exhibit D for the Non-Termination Services performed pursuant to this Agreement. Such costs that are currently allocated are subject to change based on annual budgets, actual expenditures, or other metrics, whether or not such allocation is set forth or described in the Exhibits; provided, that all such allocations to Client shall be made on a fair and reasonable basis, and Client acknowledges that such allocation methodologies in place as of the Closing Date are fair and reasonable; provided further, that if a portion of the costs for any Non-Termination Services are attributable to the development of systems enhancements with a total cost of $5 million or more, (i) if such systems enhancements are not intended to become effective during the period during which the Non-Termination Services are provided, Client shall not be allocated any costs for such systems enhancements, and (ii) if such systems enhancements become effective before the end of the period during which the Non-Termination Services are provided under this Agreement, then Service Provider and Client shall discuss and agree on a reasonable allocation of such costs to Client taking into consideration the remaining term of the provision of the related Non-Termination Services hereunder. Such allocations shall be subject to periodic "true-ups" for actual allocated costs. Service Provider shall bill Client for the Non-Termination Services at the times and in the manner as such billing is made immediately prior to the Closing Date, and Client shall pay Service Provider at the times and in the manner as payment is customarily made as of the Closing Date, in each case unless otherwise specified in the Exhibit D, but in no event shall any payments be made more than thirty (30) days after the invoice date. Notwithstanding the foregoing, payments made by Service Provider to third parties (or Client employees) on behalf of Client will be drawn by Service Provider directly from Client bank accounts which Client shall keep funded with sufficient amounts to enable Service Provider to make such payments, and Service Provider shall not be required to advance or use any of its own funds to make any such payments. Any payments not made by Client to Service Provider when due shall bear interest, computed daily, from the date due to the date of payment based on the annual percentage rate equal to the Prime Rate, plus three percentage points (3%). "Prime Rate" means the "rate" that Citibank, N.A. (or its successor entity) publishes from time to time as its prime lending rate in effect from time to time. Service Provider shall be entitled to the costs of collecting any overdue amounts including reasonable attorneys' fees and expenses.

3.2 **Termination Services.** Client will pay the costs set forth in paragraph 4 of Exhibit D for the Termination Services.

3.3 **Additional Costs.** Client will pay the costs for audits as set forth in Section 6.7 and the costs for retaining access to LMS as set forth in paragraph (4) of Exhibit A, as applicable.

Section 4 — Term and Termination

4.1 This Agreement shall terminate on the earliest to occur of (a) the latest date on which any Service is to be provided as indicated in Section 4.2 and the Exhibits, and (b) the date on which the provision of all Services has been terminated or cancelled pursuant to this Section 4. Sections 3, 5, 6.3, 6.4, 6.6, 7 and 8 shall survive any termination of this Agreement or cancellation of any Services hereunder.

4.2 Unless cancelled earlier pursuant to Section 4.3, the Non-Termination Services shall expire upon completion of all regular payroll processing activities for Client for the 2013 payroll tax year. No Non-Termination Services will relate to the 2014 or any subsequent payroll tax year. The term during which the Termination Services shall be provided is as set forth in Exhibit C.

4.3 Notwithstanding Section 4.1 and 4.2, either party shall have the right to terminate this Agreement upon the Default of the other party immediately by providing written notice of termination. Client may terminate this Agreement for any reason or no reason upon one hundred twenty (120) days notice to Service Provider.

4.4 Notwithstanding Section 4.3, this Agreement may not be terminated by Client with respect to only some of the Services, but must be terminated with respect to all Services except as Service Provider agrees otherwise.

Section 5 — Ownership of Systems and Material

All Software Products, systems, programs, operating instructions, and other documentation prepared by Service Provider in connection with provision of the Services shall be and remain confidential and proprietary to Service Provider or third parties that supplied them and shall not be used for any purpose independent of the Services provided by Service Provider. Client acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefore which are owned by Service Provider by reason of the provision of the Services provided hereunder, except to the extent that any such license rights or rights of use are provided for in a written agreement signed by Service provider and Client. Client shall treat these Software Products and all Services and related procedures as confidential, except to the extent Client is required to disclose information by valid order of a court or governmental agency or if the information is available in the public domain through no fault of Client. Client agrees that Software Products provided to Client under this Agreement are for Client’s internal use only. Client shall not copy, modify, reverse engineer, or in any way alter or make available to others the Software Products, without Service Provider’s express written consent.

Upon expiration or termination of this Agreement, with or without cause, Client shall immediately cease to use and shall, upon Service Provider's instruction, promptly return all Software Products and other materials and documentation provided by Service Provider pursuant to this Agreement or, at Service Provider's option and instructions, destroy and certify to the destruction of all such materials. Nothing in this paragraph shall prevent Client from using (except not in a way that interferes with Service Provider's delivery of the Services during the term of this Agreement) or developing software with the same or similar functionality as the Software Products.

Section 6 — Obligations and Relationship

6.1 **Service Provider's Obligations.** Service Provider will provide, or cause to be provided, the Services in accordance with Service Provider's standard policies, procedures and practices in effect immediately prior to the date hereof, as the same may be changed from time to time, and the Exhibits. In providing the Services, Service Provider shall at all times exercise the same care and skill as it exercises in performing like services for itself and other third parties, if any. Except as provided in the preceding sentence, the Services are provided on an "AS IS" basis.

6.2 **Client's Obligations.** In addition to any Client obligations described in the Exhibits or in any other provision of this Agreement:

(a) Before such time as disbursements are required, Client shall be obligated to sufficiently fund its bank accounts on which Client payroll checks are drawn, from which direct deposits are made, from which payroll-related taxes are paid, and from which payments are made to creditors to fulfill wage attachments processed by Service Provider on behalf of Client employees.

(b) Client shall be solely responsible for all costs, expenses and liabilities caused by its failure to provide Service Provider with timely, complete and accurate information and funds for disbursement.

(c) Client shall be solely responsible for entering and verifying the accuracy, timeliness and completeness of any and all data transmitted to and produced by Service Provider as part of Services.

(d) Client shall be solely responsible for compliance with Service Provider's payroll processing procedures except to the extent doing so would be a violation of law.

(e) Client shall adopt reasonable measures to limit its exposure with respect to any potential losses and damages, including examination of relevant materials prior to use, provision for identification and correction of errors and omissions, preparation and storage of Client's own backup data sources, replacement of lost or mutilated documents, and reconstruction of data.

(f) Client shall notify Service Provider promptly of any error or omission, or unscheduled delay, interruption, or unavailability of the Services of which it becomes aware.

(g) Client shall be the guarantor and obligor of all costs, expenses and liabilities of Service Provider arising out of the acts or omissions of Client's locations receiving the Services, or any portion thereof, including any and all liabilities or obligations arising under Section 8.2 herein.

(h) Client shall pay its bank(s) directly for all bank account service fees and related bank account expenses related to the Services.

(i) Client shall authorize Service Provider to access bank account(s) designated and funded by Client to enable Service Provider to timely issue paychecks, make direct deposits and disburse payroll tax payments including but not limited to employee tax withholdings and employer tax contributions, as applicable (via checks and electronic funds transfer) and wage garnishment payments in accordance with its responsibilities under this Agreement.

(j) Client shall identify its employees who are authorized to coordinate security system management, and its employees who are to have Marrpay® Software or LMS access.

(k) Client shall not submit and Service Provider shall not accept paper submission of source documents unless expressly agreed to and identified by name or type in writing; provided, however, that Service Provider agrees to accept master correction forms (which do not create journal entries to Client's general ledger), Form W-2 correction documents, documentation to support requests for exemption from FICA (OASDI/Medicare) tax withholding, credit-to-wage requests, stop payment requests and rules-table source documents in paper format.

(l) Client shall comply, and ensure the compliance of any of its designated locations, with Service Provider's security procedures.

(m) Client shall develop (or purchase) and install, at Client's expense, any computer software necessary to establish connectivity to Marrpay® Software from its locations.

(n) Client shall be solely responsible for the proper identification of new payroll units, including the identification of the unit as a taxable entity and the identification of all payroll and other taxes which are imposed on payments made under the MARRPAY® system within the jurisdiction.

6.3 **Taxes.** Client will pay all applicable taxes (including, without limitation, sales, use, services, value-added, and other such transaction-based taxes), duties, and tariffs and all other taxes or charges imposed on the provision of the Services by Service Provider, except for taxes based on net income of Service Provider. If any such taxes are levied on Service Provider or deducted from amounts otherwise due to Service Provider hereunder, Client shall "gross up" the payments to Service Provider so that the net amount received by Service Provider is equal to the amount required to be paid to Service Provider hereunder.

6.4 **Access.** The parties acknowledge and agree that in the ordinary course of business, Client may, from time to time, require access to Client's payroll records for various reasons. Service Provider shall provide access to Client's payroll records upon request in accordance with the Marrpay Security Access Protocol.

6.5 **Subcontracting.** To the extent necessary or desirable to perform the Services, Service Provider may subcontract any part of such services; provided, however, Service Provider will continue to be responsible for its obligations under this agreement on behalf of itself and any subcontractors of Service Provider. Service Provider shall be responsible for all payments to such subcontractors (provided that such obligation of Service Provider to pay such subcontractors shall not alter the amount Service Provider is entitled to receive from Client for Services hereunder).

6.6 **Relationship of Parties.** In providing the Services, Service Provider shall act under this Agreement solely as an independent contractor and not as an agent or partner of Client. All employees and representatives providing the Services shall be under the direction, control and supervision of Service Provider (and not of Client) and Service Provider shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of Client. Except as specifically provided herein, neither party shall act or represent or hold itself out as having authority to act as an agent or partner of the other party, or in any way bind or commit the other party to any obligations. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, agency, trust or other association of any kind, each party being individually responsible only for its obligations as set forth in this Agreement. Without limiting the foregoing, no services provided under this Agreement shall be construed as legal, accounting or tax advice or shall create any fiduciary obligations on the part of Service Provider to Client, or to any plan trustee or any customer of any of them.

6.7 **Audit Rights.** Client shall have the right, upon at least thirty (30) days written notice to Service Provider, and in a manner to avoid interruption to Service Provider's business, to perform audit procedures over Service Provider's internal controls and procedures for the Services provided by Service Provider under this Agreement; provided that, such audit right shall exist solely to the extent required by Client's external auditors to ensure Client's compliance with the Sarbanes-Oxley Act of 2002, to determine if Client's financial statements conform to Generally Accepted Accounting Principles (GAAP) or to the extent required by governmental agencies. Service Provider shall provide Client and

Client's auditors with appropriate space, furnishings, and telephone, facsimile and photocopy equipment as Client or Client's auditors may reasonably require to perform such audit procedures. Service Provider shall consider in good faith, but shall not be obligated to make, changes to its controls and procedures to address any findings of such audits. Client shall pay or reimburse all of Service Provider's incremental costs arising from all such audit-related activities, provision of space, furnishings and equipment, and analysis and implementation, if any, of any potential changes in Service Provider's controls or procedures described in this Section 6.7.

Section 7 — Confidential Treatment of Information

7.1 **Confidentiality.** Each party agrees to treat, and to cause its employees and agents to treat, confidentially all records and other information with respect to the other party. Specifically, each party agrees that it will, and will cause its employees and agents to, during the term of this Agreement and thereafter (except where required by law or court order or administrative agency order or subpoena): (a) retain all such information of the other party in confidence; (b) not disclose any such information to any third party without the permission of the other party, except as required by Law; (c) not use any such information of the other party for any purposes other than performing its obligations under this Agreement; (d) limit access to the information of the other party to those employees and agents who have a need to know the information for the business purposes of this Agreement, and maintain reasonable arrangements to protect confidentiality satisfactory to the other party with such party's employees and agents having access to such information and with third parties having any access to such information; and (e) ensure that all tangible objects and copies thereof in such party's possession or under its control containing or imparting any such information of the other party shall be returned to the other party at any time upon the request of the other party or upon termination of this Agreement.

7.2 **Client Information.** Without limiting Section 7.1, for purposes of that section, any Client Information provided by Client to Service Provider for use in connection with the performance of the Services shall remain the exclusive and confidential property of Client. Client's employee database records and human resources and payroll information shall be deemed confidential information. Upon Client's request, Service Provider shall provide Client's information to third parties identified by Client as a recipient of such Client Information. Service Provider shall instruct its employees who have access to Client Information to keep the Client Information confidential by using the same care and discretion that Service Provider uses with respect to its own employee database records and human resources and payroll information.

7.3 **Retention of Client Information.** Without limiting Section 7.1, Service Provider shall, to the extent applicable, retain Client Information in accordance with Service Provider's records retention practices. Except as otherwise provided in Exhibit C, Service Provider shall, in conformity with its internal records retention practices and after advising Client of its intention at least 6 months in advance, dispose of Client Information in any manner deemed appropriate by Service Provider unless Client, prior to such disposal, furnishes written instructions for the disposition of such Client Information at Client's expense. Service Provider shall provide to Client, in a standard format, Client Information which Client may reasonably request.

Section 8 — Disclaimers; Indemnification; Limitations of Liability

8.1 Limited Warranty. EXCEPT AS SET FORTH IN SECTION 6.1, SERVICE PROVIDER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CUSTOM OR USAGE IN THE TRADE, IN CONNECTION WITH THE PROVISION OF THE SERVICES UNDER THIS AGREEMENT.

8.2 Limitations of Liability and Indemnification.

(a) With regard to any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any claim, default or assessment) (collectively, "Losses") arising out of a breach of Service Provider's obligations in connection with the provision of Services under this Agreement, other than Losses arising as a result of the fraud or willful misconduct of Service Provider, Service Provider's sole liability for such Losses shall be to use reasonable commercial efforts to re-perform such services. Service Provider agrees to indemnify, defend and hold harmless Client and its Affiliates and their respective directors, officers, employees and agents as a result of the fraud or willful misconduct of Service Provider. Client shall promptly advise Service Provider of any such breach of which it becomes aware.

(b) EXCEPT FOR ITS OBLIGATION TO COMPLY WITH SUBSECTION (a) ABOVE, SERVICE PROVIDER SHALL NOT BE LIABLE FOR ANY LOSSES IN CONNECTION WITH THIS AGREEMENT. CLIENT AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS SERVICE PROVIDER AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ("INDEMNIFIED PERSONS") FROM ANY CLAIMS ASSERTED, OR ASSOCIATED LOSSES, BY OR ON BEHALF OF THIRD PARTIES OR WHICH RESULT FROM GOVERNMENTAL ACTION. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT SHALL A PARTY OR ITS AFFILIATES OR AGENTS BE LIABLE TO ANY INDEMNIFIED PERSON FOR LOSS OF PROFITS, LOSS OF BUSINESS, OR LOSS OF DATA, OR FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR OTHER INDIRECT DAMAGES, IN CONNECTION WITH THIS AGREEMENT UNLESS SUCH DAMAGES ARE AWARDED AND REQUIRED TO BE PAID BY AN INDEMNIFIED PERSON TO A THIRD PARTY PURSUANT TO AN ORDER OF A GOVERNMENTAL AUTHORITY.

(c) The party required to indemnify pursuant to this Article (the "Indemnitor"), upon demand by a party ("Indemnitee"), at Indemnitor's sole cost and expense, shall resist or defend such Claim (in the Indemnitee's name, if necessary), using such attorneys as the Indemnitee shall approve, which approval shall not be unreasonably withheld. If, in the Indemnitee's reasonable opinion, there exists a conflict of interest which would make it inadvisable to be represented by counsel for the Indemnitor, the Indemnitor and the Indemnitee shall jointly select acceptable attorneys, and the Indemnitor shall pay the reasonable fees and disbursements of such attorneys.

8.3 Force Majeure. No party shall be liable for any interruption, delay or failure to perform any obligation under this Agreement when such interruption, delay or failure is due to causes beyond its reasonable control, including any strikes, lockouts, acts of any government, riot, insurrection or other hostilities, embargo, fuel or energy shortage, fire, flood, acts of God, or general inability (not specific to the claiming party) to obtain necessary labor, materials or utilities. In any such event, the claiming party's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof and the claiming party shall have no liability to the other party in connection therewith. The claiming party will promptly notify the other party, in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, the claiming party will use reasonable commercial efforts to resume its performance promptly.

8.4 Laws and Government Regulations. Notwithstanding the obligations of Service Provider to perform the Services under this Agreement, Client shall be solely responsible for compliance with all laws and government regulations affecting its business, including but not limited to payment of tax penalties and interest, garnishment payments and other compliance related expenses originating from the Services.

8.5 Exclusive Liability. The foregoing provisions of this Section 8 set forth the full extent of the parties' liability (monetary or otherwise) under this Agreement for any and all Losses.

Section 9 — Default

Either party shall be in "Default" under this Agreement if (i) it is in breach of its obligations under this Agreement, (ii) it receives notice of such breach, such notice to describe the nature of such breach in detail and (iii) such breach has not been cured within thirty (30) days of the date of receipt of such notice (in which event the day after the last date of said cure period shall be the Default Date), except that it shall be a Default by Client if Client fails to make any required payment when due, which failure is not remedied within five (5) days after receipt of written notice thereof, and either party shall be in Default on the date of its committing an act of liquidation or bankruptcy, including, without limitation, a filing under the Bankruptcy Act or under other similar bankruptcy laws, an assignment for the benefit of creditors, or otherwise ceasing to continue business operations as a result of insolvency. Without limiting the foregoing,

a payment or other breach by MVWC with respect to one or more Services shall give Service Provider the right to suspend such Services until such breach is cured. The failure of a party to exercise its rights hereunder with respect to a breach by the other party shall not be construed as a waiver of such rights no prevent such party from subsequently asserting such rights with regard to the same or similar defaults.

Service Provider shall not be liable or deemed to be in Default for any delay or failure to perform hereunder resulting, directly or indirectly, from any cause beyond Service Provider's reasonable control, including but not limited to limitations upon the availability of Client funds required to make timely disbursements, the temporary unavailability of communications and computing facilities or equipment, or the failure of Client to satisfy the time requirements established by Service Provider for the provision of information.

Section 10 — Miscellaneous

The following sections of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 10 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement unless otherwise indicated): Article VIII (Further Assurances); Article IX (Termination); Section 11.1 (Counterparts; Entire Agreement; Corporate Power); Section 11.2 (Governing Law); Section 11.3 (Jurisdiction); Section 11.4 (Waiver of Jury Trial); Section 11.5 (Assignment); Section 11.6 (Third Party Beneficiaries); Section 11.7 (Notices); Section 11.8 (Severability); Section 11.10 (Headings); Section 11.11 (Waivers of Default); Section 11.12 (Specific Performance); Section 11.13 (Amendments); and Section 11.16 (Interpretation).

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

MARRIOTT INTERNATIONAL, INC.

Date: _____ BY: _____

Carl T. Berquist
Executive Vice-President and Chief Financial Officer

MARRIOTT VACATIONS WORLDWIDE CORPORATION

Date: _____ BY: _____

John E. Geller, Jr.
Executive Vice-President and Chief Financial Officer

EXHIBIT A — SOFTWARE SERVICES

(1) Service Provider is the owner of, or the licensee of, certain Software Products. Service Provider agrees, pursuant to this Agreement, to license, sub-license or sub-sub-license to Client those portions of the Software Products delivered to Client as necessary to provide the Services to Client, and to grant Client access to the Services. Except as otherwise provided in this Exhibit A, Client acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor which are owned by Service Provider, as applicable, by reason of the provision of the Services provided hereunder.

(2) Subject to Section 6.1, as part of providing the Services, Service Provider shall provide Client with access to the Marrpay® Software through the Marrpay On-Line Service® (currently accessible via Host On Demand), and access to LMS.

(3) Subject to the applicable costs specified in section (2) of Exhibit D, Client may add or remove business locations upon giving Service Provider no less than 30 days notice; provided that, in the event of an acquisition, business combination or other transaction by Client involving the addition of more than 1000 employees or more than 20 locations, Service Provider will not be required to provide services with respect to such additional employees unless the parties shall mutually agree otherwise.

(4) With respect to any enhancements to the Software Products that Service Provider initiates and develops in its sole discretion, Client shall accept such enhancements as Service Provider will advise are appropriate to maintain compatibility with the latest version of the Software Products. Service Provider shall provide Client with reasonable notice of any such enhancements. Client also shall accept enhancements made by Service Provider for the purpose of legal compliance. Notwithstanding the foregoing, unless required by law, Service Provider shall not implement any substantial changes affecting Client unless Service Provider has furnished Client notice (the same notice Service Provider provides its own business) thereof.

Without limiting the foregoing, it is understood that Service Provider has approved a project plan to replace LMS with another labor management scheduling application during 2013. Client may elect upon reasonable notice to Service Provider to maintain its LMS access for the term of this Agreement, provided that in such event Client shall pay or reimburse all of Service Provider’s costs to provide such continued access to LMS. Commencing with the date hereof, Service Provider shall provide Client notice no less often than once each calendar quarter, and beginning January 1, 2013, no less often than once each calendar month, which notice shall be deemed sufficient for purposes of this paragraph (4), of Service Provider’s latest assessment of the expected schedule for implementing the replacement of LMS.

(5) Service Provider will provide Client with commercially reasonable programming support solely to establish and maintain the necessary interfaces between Client's third party benefit providers and Marrpay®. "Reasonable programming support" shall be deemed to be the level of support that would be required, utilizing existing personnel, to reprogram existing interfaces to accommodate outside parties if such parties accepted the current interface format. Nothing in this paragraph shall require Service Provider to provide support or develop functions for services that it is not currently providing to Client or to modify any systems that are currently being used to provide services to Client except to the extent described above as "Reasonable programming support."

EXHIBIT B — PAYROLL SERVICES

(1) Payroll Payment Production

- Provide for weekly and bi-weekly payroll-payment frequencies
- Provide for acceptance of time data inputs from applications to include LMS, Mosaic, and/or Marrpay® Online Services.
- Provide for edit and validation of time data and certain other controls for computing gross compensation, tax deductions, wage attachments, insurance deductions, receivables, deductions for savings plans, and others which facilitate computing net pay
- Produce payroll payments via check, direct deposit and/or pay card
- Manage 3rd party relationship with TALX for Employment Verification Services
- Manage ancillary processes to include: manual check production, check reversals, stop payments
- Manage garnishment/wage attachment process to include set up, withholdings, and payments to creditors
- Manage all tables required to ensure Marrpay® function, including, but not limited to, occupation code tables, unit header tables and deduction code tables
- Provide new hire reporting as required

(2) Payroll Accounting

- Provide payroll activity data for recording to general ledger
- Balance sheet account reconciliations
- Initiate payroll payments from Client bank accounts (Citibank for checks, JPMC for direct deposit and pay card)
- Bank account management for Citibank account via Drafts Reconciliation System (check issues/clears)
- Journal entry processing

(3) Payroll Tax

- Withholding for Federal, State, Local, Virgin Islands, and Unemployment taxes
- File Federal, State, Local, Unemployment, Bureau of Labor Statistics, and SSA returns and make appropriate tax deposits
- Calculating, depositing and reporting of certain miscellaneous employer payroll taxes and information returns (e.g., Nevada Business Tax)
- Social Security Number Verification
- Preparing, distributing, and filing of Forms W-2 and automated Forms W-2C; Forms 8027 (employees Annual Information Return of Tip Income and Allocated Tips)
- Manage 3rd party relationship with TALX for Unemployment services
- Manage tip and TEFRA sales reporting
- Partner with AonHewitt on F1/J1 associates, IRS Lock in Letters, and federal and state tax exempt withholding requests

- Tax research and compliance
- Reconciliations as needed for executive compensation schedules for proxy statements, divorce, etc.
- Maintain tax tables for rate changes and new unit set ups
- Support properties under examination for federal, state, local, and union audits

(4) Payroll User Support

- Provide Help Desk support to associates, HR Professionals, Paymasters, Payroll administrators, etc. for payroll-related inquiries
- Provide access that allows for entry and retrieval of payroll information

(5) Payroll Systems Support and Maintenance

- Provide support for system maintenance and required regulatory updates to include applicable federal, state, and local tax tables
- Provide configuration and on boarding support for new business units to Marrpay® and LMS

EXHIBIT C – TERMINATION SERVICES

(1) The Termination Services shall commence upon or before the expiration of the Non-Termination Services, as applicable, and each of such Termination Services shall cease upon expiration of the applicable periods of service set forth in paragraph 4 below, or such other period as mutually agreed between the parties. Nothing in this Exhibit C shall be deemed to constitute an extension of the period for which Non-Termination Services are provided under this Agreement.

(2) Notwithstanding paragraph (1) of this Exhibit C, Client must pay Service Provider all costs due Service Provider under the Agreement relating to already-performed Non-Termination Services before Service Provider shall perform the Termination Services.

(3) Client shall pay Service Provider all applicable costs set forth in Exhibit D for the Termination Services. If Client fails to pay such costs timely pursuant to Section 3 of the Agreement, Service Provider may terminate the provision of all Termination Services upon notice to Client regarding Client's Default, provided such Default is not cured within 5 days of such notice. This shall not relieve Client of its obligations to pay all costs or interest under Section 3 of the Agreement.

(4) Subject to the provisions of this Exhibit C, and to additional terms and conditions to be negotiated and mutually agreed upon by the parties in good faith, Service Provider shall provide commercially reasonable services and assistance to transition the Non-Termination services to Client or a third party provider, including but not limited to any of the following Termination Services as elected to be received by Client:

a) Change in Tax Filing Status: Service Provider shall notify federal, state and local taxing jurisdictions regarding cessation of common pay agent status effective following the pertinent tax quarter.

b) Tip-reporting data: Service Provider shall accumulate and report all Client tip-reporting data on Marrpay® to the appropriate taxing authorities for the final year of the Termination Services.

c) Garnishments: Service Provider shall provide Client with copies of all then-current garnishment orders pursuant to a mutually agreed upon schedule and term. Service Provider shall provide Client with new garnishment orders (that Service Provider reasonably believes are intended for Client) received by Service Provider during the six-month period following the earlier of June 30, 2014 or expiration or cancellation of Non-Termination Services in accordance with Section 4 of the Agreement.

d) Data: Service Provider shall provide Client with all necessary information to allow Client to transition to a new payroll vendor, as mutually agreed upon by the parties. This information may include payroll payment data for all Client employees, file layouts and data mapping, and OnDemand reports.

e) File of Draft Reconciliation Software (DRS) Data: Service Provider shall provide Client a file containing the information on outstanding payroll checks that have not cleared the banking system in DRS as of the expiration or cancellation of Non-Termination Services in accordance with Section 4 of the Agreement.

f) Escheatment: Service Provider will perform escheat-compliance services during the six-month period following the earlier of June 30, 2014 or the date that the Non-Termination Services expire or are cancelled in accordance with Section 4 of the Agreement.

g) Form W-2 Services: For the nine-month period following the end of the last tax year for which Non-Termination Services are provided, Service Provider shall file manual Forms W-2c and provide to Client re-issues of Forms W-2 and Forms W-2c relating to such tax year.

EXHIBIT D — COST SCHEDULE

The costs paid by Client to Service Provider shall include the sum of all of the costs specified below, as applicable.

(1) Base Services Fee. The Base Services Fee for 2011 shall be $2.04 per Weeks Reported for Pay. The Base Services Fee shall be adjusted for 2012 and 2013 in accordance with Section 3.1 with respect to allocated costs.

(2) LMS Fee. In addition to the Base Services Fee, Client shall be charged one or both of the following costs, as applicable, for access to, use of and/or changing of LMS as part of the Services:

a. LMS Application Support Fee. This fee is for ongoing support of LMS at each Client location as of the Closing. In 2011, such fee shall be based on the rate of $40 per manager per period. This fee shall be adjusted for 2012 and 2013 in accordance with Section 3.1 with respect to allocated costs.

b. LMS On-boarding Fee. This fee shall apply to each new Client location/unit to receive Services, and shall include:

i. One-time charge for configuration - Fee shall be $4,100 in 2011, which shall be adjusted for 2012 and 2013 in accordance with Section 3.1 with respect to allocated costs.

ii. One-time charge for training – Fee shall be $8,500 for training commenced in 2011, which shall be adjusted for 2012 and 2013 in accordance with Section 3.1 with respect to allocated costs.

iii. Systems changes – Fee shall be determined based on the specific services requested.

(3) Unemployment Services Fee. Client shall be charged a separate fee on a quarterly basis for Unemployment services described in Exhibit B, section (3). Such fee shall be at Service Provider's cost which shall be the amount invoiced by the third party vendor (currently, TALX) pertaining to services provided exclusively to Client, and Service Provider shall provide Client with invoice from such third party vendor.

(4) Termination Services Fee. Client shall reimburse Service Provider for (i) any out of pocket costs incurred by Service Provider in providing the Termination Services, (ii) any costs and expenses of employees of Service Provider that are allocated to a fund or specified payment source (for the avoidance of doubt, Client is not responsible for internal costs incurred by Service Provider, and not allocated to such a fund or specified payment source, that otherwise would have been incurred if the Termination Services were not provided), in providing Termination Services, and (iii) severance and other termination payments made by Service Provider for the termination of employment of employees of Service Provider (if any), it being understood that Client shall only be responsible for such severance and termination costs as are mutually agreed to by Service

Provider and Client with respect to employees of Service Provider who are primarily engaged in providing the Services (for the avoidance of doubt, Client is not responsible for severance and other termination payments made by Service Provider for the termination of employees of Service Provider who were not primarily engaged in providing the Services to Client).

Exhibit 10.9

HUMAN RESOURCES AND INTERNAL COMMUNICATIONS

TRANSITION SERVICES AGREEMENT

This HUMAN RESOURCES AND INTERNAL COMMUNICATIONS TRANSITION SERVICES AGREEMENT (this "Agreement"), dated as of [_____], 2011, by and between MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII"), and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC").

RECITALS

WHEREAS, pursuant to that certain Separation and Distribution Agreement, dated as of _____, 2011 (the "Separation Agreement"), between MII and MVWC, MII has agreed to distribute all of the issued and outstanding common shares of MVWC to the shareholders of MII on a pro rata basis, subject to the terms and conditions therein (the "Spinoff").

WHEREAS, in connection with the Spinoff, MII and MVWC have agreed that MII or its Affiliates shall provide MVWC and its Affiliates with certain services on a temporary basis after the Closing; and

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Separation Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MII and MVWC agree as follows:

1. Transition Services. For a period commencing on the Closing Date and continuing until the second anniversary of the Closing Date (the "Transition Period")(unless a different period is specified for a particular service on the applicable exhibit attached hereto (each, a "Services Exhibit"), MII shall provide, or cause its Affiliates to provide, to MVWC and its Affiliates the services described in the Services Exhibits hereto (the "Transition Services"). Such services shall be provided at the charges described in the Services Exhibits and in accordance with Section 3 below. MVWC may cancel any Transition Services upon not less than one hundred twenty (120) days' prior written notice of cancellation to MII, unless a different period is provided for in the Services Exhibits. The cancellation of one category of Transition Services shall not operate to cancel or otherwise affect the remaining Transition Services, it being understood that some services are bundled and cannot be cancelled separately. To the extent possible, the cancellation of a Transition Service shall be effected at the end of a MII Accounting Period. MVWC may use the Transition Services for its own internal business purposes for its business conducted under brands licensed from MII and its Affiliates, consistent with the terms of the underlying agreement between MII and the applicable product/service vendor, and may not resell the Transition Services or otherwise make them available for use by third parties (provided, that a property owner's association or similar entity for a project operated by MVWC or its Affiliates under brands licensed from MII and its Affiliates shall not be considered a third party for purposes of this Section 1).

2. Standard of Service. MII will provide, or cause to be provided, the Transition Services in accordance with MII's standard policies, procedures and practices in effect immediately prior to the date hereof, as the same may be changed from time to time, and the Services Exhibits. In providing the Transition Services, MII shall at all times exercise the same care and skill as it exercises in performing like services for itself and other third parties, including franchisees. Except as provided in the preceding sentence, the Transition Services are provided on an "AS IS" basis.

3. Billing and Payment.

A. Payments. MVWC will pay the costs set forth in the Services Exhibits for those Transition Services that have not otherwise been cancelled by MVWC and that are provided pursuant to Section 1 of this Agreement during the Transition Period. Such costs that are currently allocated are subject to change based on annual budgets, actual expenditures, or other metrics, whether or not such allocation is set forth or described in the Services Exhibits; provided, that all such allocations to MVWC shall be made on a fair and reasonable basis, and MVWC acknowledges that such allocation methodologies in place as of the Closing Date are fair and reasonable; and provided further, that if a portion of the costs for any Transition Services are attributable to the development of systems enhancements with a total cost of $5 million or more, (i) if such systems enhancements are not intended to become effective during the Transition Period, MVWC shall not be allocated any costs for such systems enhancements, and (ii) if such systems enhancements become effective before the end of the term during which the related Transition Services are provided under this Agreement, then MII and MVWC shall discuss and agree on a reasonable allocation of such costs to MVWC taking into consideration the remaining term of the provision of the related Transition Services hereunder. Such allocations shall be subject to periodic "true-ups" for actual allocated costs. MII or one of its Affiliates shall bill MVWC for the Transition Services at the times and in the manner as such billing is made immediately prior to the Closing Date, and MVWC shall pay MII at the times and in the manner as payment is customarily made as of the Closing Date, in each case unless otherwise specified in the Services Exhibits, but in no event shall any payments be made more than thirty (30) days after the invoice date. Notwithstanding the foregoing, payments made by MII to third parties (or MVWC employees) on behalf of MVWC or its Affiliates will be drawn by MII directly from MVWC bank accounts which MVWC shall keep funded with sufficient amounts to enable MII to make such payments, and MII shall not be required to advance or use any of its own funds to make any such payments. Any payments not made by MVWC to MII when due shall bear interest, computed daily, from the date due to the date of payment based on the annual percentage rate equal to the Prime Rate, plus three percentage points (3%). "Prime Rate" means the "rate" that Citibank, N.A. (or its successor entity) publishes from time to time as its prime lending rate in effect from time to time. MII shall be entitled to the costs of collecting any overdue amounts including reasonable attorneys' fees and expenses.

B. Termination-Related Services and Payments. In connection with the termination or cancellation of the provision of any Transition Services by MII hereunder, whether at the end of the term of this Agreement or earlier, MII shall provide commercially reasonable services and assistance to transition such services to MVWC and its Affiliates or a third party provider, including such termination services as may be described in the Services Exhibits (as described herein, the "Termination Services"). Except as otherwise provided in a

Services Exhibit, with respect to the Termination Services: (i) MII shall make available to MVWC such books and records (subject to MII's reasonable records retention policies) as will be needed by MVWC to prepare the accounting statements for the Transition Services for the accounting period of MVWC in which the termination or cancellation of the Transition Services or this Agreement, as the case may be, occurs and for any subsequent periods, (ii) MII shall use commercially reasonable efforts to facilitate the orderly transfer of all information contained within such books and records from MII's systems to MVWC's or a successor's systems, provided MII shall not be required to transfer any information that is confidential and/or proprietary to MII, (iii) MII acknowledges and agrees to provide MVWC all such data, books, and records, in such forms and electronic formats as agreed by MI and MVCW, and (iv) MII shall, within ninety (90) days after termination or cancellation of the Transition Services or of this Agreement, as the case may be, prepare and deliver to MVWC a final accounting statement with respect to the Transition Services. MVWC shall have no obligation to reimburse MII for any costs relating to data retention or storage by MII for legal, regulatory or other purposes.

MVWC shall reimburse MII for (i) any out of pocket costs incurred by MII or its Affiliates in providing the Termination Services, (ii) any costs and expenses of employees of MII or any Affiliate that are allocated to a fund or specified payment source (for the avoidance of doubt, MVWC is not responsible for internal costs incurred by MII, and not allocated to such a fund or specified payment source, that otherwise would have been incurred if the Termination Services were not provided), in providing Termination Services, and (iii) severance and other termination payments made by MII or its Affiliates for the termination of employment of employees of MII or its Affiliates (if any), it being understood that MVW shall only be responsible for such severance and termination costs as are mutually agreed to by MII and MVWC with respect to employees of MII or its Affiliates that are primarily engaged in providing Transition Services (for the avoidance of doubt, MVWC is not responsible for severance and other termination payments made by MII for the termination of employees of MII or its Affiliates that were not primarily engaged in providing Transition Services to MVWC).

4. Access. Each party shall make available on a timely basis to the other party and its Affiliates, as applicable, all information and materials reasonably requested by such Persons to enable them to provide or receive the Transition Services, as applicable, consistent with past practice. MVWC will give MI and its Affiliates, as applicable, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of MVWC and its Affiliates and their respective personnel for the purposes of providing the Transition Services.

5. Subcontracting. To the extent necessary or desirable to perform the Transition Services, MII or its Affiliates, as applicable, may subcontract any part of such services; provided, however, MII will continue to be responsible for its obligations under this Agreement on behalf of itself and any subcontractors of MII or its Affiliates. MII or its Affiliates, as applicable, shall be responsible for all payments to such subcontractors (provided, that such obligation of MII to pay such subcontractors shall not alter the amount MII is entitled to receive from MVWC for Transition Services hereunder).

6. Taxes. MVWC will pay all applicable taxes (including, without limitation, sales, use, services, value-added, and other such transaction-based taxes), duties, and tariffs and all other taxes or charges imposed on the provision of the Transition Services by MII or its Affiliates, as applicable, except for taxes based on net income of Parent or its Affiliates. If any such taxes are levied on MII or deducted from amounts otherwise due to MII hereunder, MVWC shall "gross up" the payments to MII so that the net amount received by MII is equal to the amount required to be paid to MII hereunder.

7. Firmware or Software. MVWC acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor which are owned by MII or its Affiliates, as applicable, by reason of the provision of the Transition Services provided hereunder, except to the extent that any such license rights or rights of use are provided for in a written agreement signed by MII and MVWC.

8. Relationship of Parties. In providing the Transition Services, MII and its Affiliates, as applicable, shall act under this Agreement solely as independent contractors and not as agents or partners of MVWC. All employees and representatives providing the Transition Services shall be under the direction, control and supervision of MII and its Affiliates, as applicable (and not of MVWC) and MII and its Affiliates, as applicable, shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of MVWC. Except as specifically provided herein, neither party shall act or represent or hold itself out as having authority to act as an agent or partner of the other party, or in any way bind or commit the other party to any obligations. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, agency, trust or other association of any kind, each party being individually responsible only for its obligations as set forth in this Agreement. Without limiting the foregoing, no services provided under this Agreement shall be construed as legal, accounting or tax advice or shall create any fiduciary obligations on the part of MII or any of its Affiliates to MVWC or any of its Affiliates, or to any plan trustee or any customer of any of them.

9. Force Majeure. No party shall be liable for any interruption, delay or failure to perform any obligation under this Agreement when such interruption, delay or failure is due to causes beyond its reasonable control, including any strikes, lockouts, acts of any government, riot, insurrection or other hostilities, embargo, fuel or energy shortage, fire, flood, acts of God, or general inability (not specific to the claiming party) to obtain necessary labor, materials or utilities. In any such event, the claiming party's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof and the claiming party shall have no liability to the other party in connection therewith. The claiming party will promptly notify the other party, in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, the claiming party will use reasonable commercial efforts to resume its performance promptly.

10. Termination. This Agreement shall terminate on the earliest to occur of (a) the latest date on which any Transition Service is to be provided as indicated on the Services Exhibits, (b) the date on which the provision of all Transition Services has terminated or been canceled pursuant to Section 1 and (c) the date on which this Agreement is terminated pursuant to Section 11. Sections 3, 6, 7, 8, 9, 12, 13 and 17 shall survive any termination of this Agreement or cancellation of any Transition Services hereunder.

11. Breach of Agreement. For purposes hereof, an "Event of Default" shall mean a party's failure to comply in all material respects with its obligations hereunder which failure remains uncured for a period of 10 Business Days following such party's receipt of written notice of such failure,. In the event of an Event of Default, the non-defaulting party may terminate this Agreement immediately by providing written notice of termination. Without limiting the foregoing, a non-payment or other breach by MVWC with respect to one or more Transition Services shall give MII the right to suspend such Transition Services until such breach is cured. The failure of a party to exercise its rights hereunder with respect to a breach by the other party shall not be construed as a waiver of such rights nor prevent such party from subsequently asserting such rights with regard to the same or similar defaults.

12. Disclaimers; Indemnification; Limitation of Liability.

(a) EXCEPT AS SET FORTH IN SECTION 2, MII DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CUSTOM OR USAGE IN THE TRADE, IN CONNECTION WITH THE PROVISION OF THE TRANSITION SERVICES UNDER THIS AGREEMENT.

(b) With regard to any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any claim, default or assessment) (collectively, "Losses") arising out of a breach of MII's obligations in connection with the provision of Transition Services under this Agreement, other than Losses arising as a result of the fraud or willful misconduct of MII, MII's sole liability for such Losses shall be to use reasonable commercial efforts to re-perform, or cause its Affiliates to re-perform, such services. MII agrees to indemnify, defend and hold harmless MVWC and its Affiliates and their respective directors, officers, employees and agents as a result of the fraud or willful misconduct of MII. MVWC shall promptly advise MII of any such breach of which it becomes aware.

(c) EXCEPT FOR ITS OBLIGATION TO COMPLY WITH SUBSECTION (b) ABOVE, MII SHALL NOT BE LIABLE FOR ANY LOSSES IN CONNECTION WITH THIS AGREEMENT. MVWC AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS MII AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ("INDEMNIFIED PERSONS") FROM ANY CLAIMS ASSERTED, OR ASSOCIATED LOSSES, BY OR ON BEHALF OF THIRD PARTIES OR WHICH RESULT FROM GOVERNMENTAL ACTION. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT SHALL A PARTY OR ITS AFFILIATES OR AGENTS BE LIABLE TO ANY INDEMNIFIED PERSON FOR LOSS OF PROFITS, LOSS OF BUSINESS, OR LOSS OF DATA, OR FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR OTHER INDIRECT DAMAGES, IN CONNECTION WITH THIS AGREEMENT UNLESS SUCH DAMAGES ARE AWARDED AND REQUIRED TO BE PAID BY AN INDEMNIFIED PERSON TO A THIRD PARTY PURSUANT TO AN ORDER OF A GOVERNMENTAL AUTHORITY.

(d) The party required to indemnify pursuant to this Article (the "Indemnitor"), upon demand by a party ("Indemnitee"), at Indemnitor's sole cost and expense, shall resist or defend such Claim (in the Indemnitee's name, if necessary), using such attorneys as the Indemnitee shall approve, which approval shall not be unreasonably withheld. If, in the Indemnitee's reasonable opinion, there exists a conflict of interest which would make it inadvisable to be represented by counsel for the Indemnitor, the Indemnitor and the Indemnitee shall jointly select acceptable attorneys, and the Indemnitor shall pay the reasonable fees and disbursements of such attorneys.

(e) The foregoing provisions of this Article set forth the full extent of the parties' liability (monetary or otherwise) under this Agreement for any and all Losses.

13. Confidentiality. Each party agrees to treat, and to cause its employees and agents to treat, confidentially all records and other information with respect to the other party. Specifically, each party agrees that it will, and will cause its employees and agents to, during the term of this Agreement and thereafter (except where required by law or court order or administrative agency order or subpoena): (a) retain all such information of the other party in confidence; (b) not disclose any such information to any third party without the permission of the other party, except as required by Law; (c) not use any such information of the other party for any purposes other than performing its obligations under this Agreement; (d) limit access to the information of the other party to those employees and agents who have a need to know the information for the business purposes of this Agreement, and maintain reasonable arrangements to protect confidentiality satisfactory to the other party with such party's employees and agents having access to such information and with third parties having any access to such information; and (e) ensure that all tangible objects and copies thereof in such party's possession or under its control containing or imparting any such information of the other party shall be returned to the other party at any time upon the request of the other party or upon termination of this Agreement.

14 Modification of Procedures. MII may make changes from time-to-time in its practices and procedures for performing the Transition Services. Notwithstanding the foregoing sentence, unless required by law, MII shall not implement any substantial changes affecting MVWC or its Affiliates unless:

(a) MII has furnished MVWC notice (the same notice MII provides its own business) thereof;

(b) MII changes such practices and procedures for its own business units at the same time; and

(c) MII gives MVWC a reasonable period of time for MVWC (i) to adapt its operations to accommodate such changes or (ii) reject such changes. In the event MVWC fails to accept or reject a proposed change on or before a reasonable date specified in such notice of change, such failure shall be deemed an acceptance of such change. In the event MVWC rejects a proposed change but does not terminate this Agreement, MVWC agrees to pay any reasonable expenses resulting from MII's need to maintain different versions of the same systems, procedures, technologies, or services or resulting from requirements of third party vendors.

15. Compliance Audits. Upon notice from MII, MVWC shall provide MII, its auditors (including internal audit staff and external auditors), inspectors, regulators and other reasonably designated representatives as MII may from time to time designate in writing (collectively, the "MII Auditors") with access to, at reasonable times, to any MVWC facility or part of a facility at which MVWC is using the Transition Services, to MVWC personnel, and to data and records relating to the Transition Services for purposes of verifying compliance with this Agreement. MII audits may include security reviews (including MVWC's completion of security related questionnaires) of the Transition Services and MVWC's systems, including reasonable use of automated scanning tools such as network scanners, port scanners, and web inspection tools. MVWC will provide any assistance that MII Auditors may reasonably require with respect to such audits.

16. Audit Rights. MVWC shall have the right, upon at least thirty (30) days written notice to MII, and in a manner to avoid interruption to MII's business, to perform audit procedures over MII's internal controls and procedures for the Transition Services provided by MII under this Agreement; provided that, such audit right shall exist solely to the extent required by MVWC's external auditors to ensure MVWC's compliance with the Sarbanes-Oxley Act of 2002, to determine if MVWC's financial statements conform to Generally Accepted Accounting Principles (GAAP) or to the extent required by governmental agencies. MII shall provide MVWC and MVWC's auditors with appropriate space, furnishings, and telephone, facsimile and photocopy equipment as MVWC or MVWC's auditors may reasonably require to perform such audit procedures. MII shall consider in good faith, but shall not be obligated to make, changes to its controls and procedures to address any findings of such audits. MVWC shall pay or reimburse all of MII's incremental costs arising from all such audit-related activities, provision of space, furnishings and equipment, and analysis and implementation, if any, of any potential changes in MII's controls or procedures described in this Section 16.

17. Miscellaneous. The following sections of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 17 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement): Article VIII (Further Assurances); Article IX (Termination); Section 11.1 (Counterparts; Entire Agreement; Corporate Power); Section 11.2 (Governing Law); Section 11.3 (Jurisdiction); Section 11.4 (Waiver of Jury Trial); Section 11.5 (Assignment); Section 11.6 (Third Party Beneficiaries); Section 11.7 (Notices); Section 11.8 (Severability); Section 11.10 (Headings); Section 11.11 (Waivers of Default); Section 11.12 (Specific Performance); Section 11.3 (Amendments); and Section 11.16 (Interpretation).

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date and year first set forth above.

MARRIOTT INTERNATIONAL, INC.

By: _____
Name:
Title:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name:
Title:

Human Resources Transition Services

Area	Description of Services	Current Charges	Term for Providing Services
	Transition Services to be provided by MII to MVWC and its Affiliates as applicable. MII will provide to MVWC all MII communications, change management and training plans and materials relating to the implementation, roll-out or change to systems or services covered in the Transition Services provided hereunder. All of the Transition Services include MII providing updated pages from Marriott Global Source (MGS) relating to all such services in cases where MVWC does not have access to such pages on MGS.	See Agreement Section 3 concerning changes to charges and termination or cancellation assistance charges.	Services to be provided by MII to MVWC until cancellation of a category of services or until termination under this Agreement. “Effective Date” has the meaning set forth in the Separation Agreement. If MVWC proposes the cancellation of a service but not all services under this Agreement, MII will analyze the impact on the provision of other services under this Agreement in a timely fashion in order to allow MVWC to make a decision about the cancellation.
Spirit to Serve	Award Spirit to Serve recognition certificates to associates of MVWC or its Affiliates upon request. MVWC’s or its Affiliates’ managers may request from MII a Spirit to Serve certificate/letter and/or seals to present to associates based on customer feedback. Program is currently offered to all managed and franchise locations.	$10.30 per certificate; $1.72 per letter; $2.52 per seal.	Perpetual

Club 25	Club 25 benefits (free hotel stays for weekends (Friday – Sunday nights) for associates with 25 or more years of service). MVWC will notify MII benefits or other third party of MVWC's or it's Affiliates' associates who have reached the 25 year (or more) milestone anniversary. On MII's behalf, Aon Hewitt will mail Club 25 benefits to impacted associates and will notify MII reservations of new members.	$6.09 per packet plus shipping	Perpetual
Quarter Century Club	Enroll and provide QCC cards to Associates of MVWC or its Affiliates who achieve combined 25 years of service with MII and MVWC or its Affiliates within 18 months after the Spinoff. MVWC will notify MII or MII's designated third party of MVWC's or its Affiliates' associates who satisfy the requirements based on additional MVWC service and MII or a third party will mail the QCC packet to the associates and will notify MII reservations of new members.	Cost per packet and shipping charged at then current rate.	Up to 18 months following the Spinoff (relative to services specified herein only; benefits to qualifying associates extend beyond this timeframe).
MII Executive Deferred Compensation Plan (EDC)	MVWC's and its Affiliates' associates will receive distributions from the EDC based upon the selected distribution schedule per plan year election. The MVWC benefits team administrator will notify the MII benefits department and/or the MII EDC recordkeeper of any terminations from MVWC or its Affiliates.	No charge for the service of making the distributions. See MVWC reimbursement obligation in Employee Benefits and Other Employment Matters Allocation Agreement between MII and MVWC.	Perpetual
International Compensation and Benefits	• International Assignment Policy (IAP) and Regional Transfer Policy (RTP) estimates and calculations for compensation packages.	Charges are not broken down by activity. Total charge for 2011 (payable in installments each period): $101,079.	Through 12/31/2012.

	• Administration of IAP, RTP and US Persons work abroad packages and compensation programs. • Provide update to housing ceilings for countries supported. • Assist in development of merit increase budgets. • Provide information on updates to IAP and RTP policies. • Advise on health and welfare plans and retirement schemes in non-US locations supported.	Estimated charge for 2012 (budget pending): $70,242	
	• Provide software tool to administer RTP packages.	Estimated at $450 per calculation based on number of calculations run by MVWC using AirInc tool. This cost is in addition to the annual charge noted above.	Through 12/31/2012.
	• Coordinate expatriate income tax preparation.	Charges by external tax consultant of MVWC under MVWC service contract. Charge by MI based on 2013 budget and anticipated activity and headcount.	Generally, through the end of first quarter 2013; provided, however, that coordination will be provided beyond that date in cases where the expatriates have submitted their organizers after February 28, 2013, but in no event will coordination be provided beyond 12/31/2013.
Middle East Medical Insurance Cover	MVWC will be provided access to MII's broker, Berkeley Burke, to purchase the same insurance coverage for MVWC associates who work in the covered Middle East countries of the same sort provided to MII associates in such countries, subject to satisfaction of all eligibility rules and administrative guidelines. Plan design is at MII's sole discretion; provided, however, that MII will inform MVWC of planned changes.	2011 charge: $175,400 per year, charged quarterly.	Through 12/31/2011.

UK Supplemental Medical Insurance Cover	MVWC subsidiaries MVCI Europe Limited, MGRC Management Limited and 47 Park Street Limited shall be entitled purchase the same supplemental medical insurance coverage for their eligible associates who work in the UK of the same sort provided to MII associates in the UK, subject to satisfaction of all eligibility rules and administrative guidelines. Plan design is at MII's sole discretion; proved, however, that MII will inform MVWC of planned changes.	Pass through costs based on MVWC associate enrollment and contract rates.	Through 12/31/2011.
UK Employee Assistance Programme	MVWC subsidiaries MVCI Europe Limited, MGRC Management Limited and 47 Park Street Limited shall be entitled purchase the same employee assistance programme services for their eligible associates who work in the UK of the same sort provided to MII associates in the UK, subject to satisfaction of all eligibility rules and administrative guidelines. Plan design is at MII's sole discretion; provided, however, that MII will inform MVWC of planned changes.	Pass through costs based on MVWC associate eligibility and contract rates.	Up to 24 months from the Effective Date.
UK Salary Survey	MVWC subsidiaries MVCI Europe Limited, MGRC Management Limited and 47 Park Street Limited shall be entitled purchase the same salary survey services of the same sort provided to MII in the UK, subject to satisfaction of all data requirements and administrative guidelines. Survey design is at MII's sole discretion; provided, however, that MII will inform MVWC of planned changes.	Pass through costs based on MVWC headcount and contract rates.	Through 12/312011.

New Learning Services	Design and Development Brand Learning: Build learning capability to in support of global brand and business priorities. Design & Development: Deliver curriculum and deployment solutions in support of global stakeholders. Delivery: Build global capability for instructor led deployment and train-the-trainer experiences.	MVWC to pay for services, as needed, based on hourly rates as noted below: Analyst/Manager $71; Sr. Manager $95; Director $114; Sr. Director $143; Vice President $200.	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tool, and interfaces.
Maintain/Add e-Courses	eLearning Course Implementation MII will perform the eLearning course implementation work necessary to place the MVWC eLearning programs on the myLearning system available to MVWC associates. MVWC provides the necessary information to complete the Learning Activity Request Form.	Range from $1500 to $2500 per course, including upload test and release. Price varies based on course complexity and length.	Up to 24 months from Effective Date.
	eLearning Annual Maintenance Sustainability enables content support and technical assistance with any content hosting or functional issues post-implementation to ensure eLearning programs are working properly. It also provides for implementation services to re-upload and perform User Acceptance Testing to replace or refresh existing content in the event of a content modification or technical challenge. MVWC will be required to participate in User Acceptance Testing.	$500 per course deployed.	Up to 24 months from Effective Date.
	Non-U.S. Core Administration, Instructor-led Training Delivery and Cadent material shipping. MVWC has the right to use any instructor-led courses created and owned by MII prior to the Spinoff, and to modify, reproduce, distribute or appropriate as its own such courses. MVWC may retain any such MVWC modified instructor-led courses after the Transition Period.	$750 per Manager per location per year.	Up to 24 months from Effective Date.

Gatekeeper and Learning Coordinator in myLearning Gatekeeper support for learning related activities and Learning Coordinator identification and certification support. myLearning curriculum repository, and the myLearning Reporting Tool.	2011 charge to MVWC: $37,702 per year.	Up to 24 months from Effective Date.
Courseware Courseware to be made available to MVWC and its Affiliates. Includes access to the programs through myLearning for course registration, eLearning activities, DVDs and other materials to enable MVWC to deliver and facilitate these programs. MVWC has the right to use any courseware created and owned by MII prior to the Spinoff, and to modify, reproduce, distribute or appropriate as its own such courseware. An exception to this is for any training provided by a third party which Marriott does not own and these cannot be modified, reproduced, or distributed by MVWC. MVWC may retain any MVWC modified courseware after the Transition Period. Courses that are listed in this document that are not available to franchisees will be available to MVWC only through the Transition Period. After the Spinoff enhancements to any of these programs will have a development cost to MVWC if MVWC desires to utilize such enhancements. Additionally, MII has the right to cancel any course that, in MII's sole discretion, no longer provides business value.	Ashridge: included in the "Non-U.S. Core Administration" fee described above. Element K: $0.39 per unit. Rosetta Stone: $49.00 per participant. Foundations of Cleaning: $750 tuition per participant. Food Safety: $70 per manager participant. OSHA Standards: $100 per DVD ordered. Armed Robbery: $100 per DVD ordered. Associate Safety Orientation: $100 per DVD ordered. Back Injury Prevention: $100 per DVD ordered. At no cost: Privacy Directions; Full Service Property Management Systems suite; Marriott Rewards; We Welcome Service Animals; Tips & Alcohol Service; Trainer Certification I; CPR, First Aid and AED; American Red Cross Standard First Aid; Housekeeping suite.	Up to 24 months from Effective Date.

eLearning Courseware – The listed eLearning courseware to be provided. MVWC has the rights to use any courseware owned by MII created prior to the Spinoff, and to modify, reproduce, distribute and appropriate as its own. An exception to this is for any training provided by a third party which Marriott does not own and these cannot be modified, reproduced, or distributed by MVWC. MVWC may retain any MVWC modified courseware after the Transition Period.	Change Management for Human Resource Professions: $500 per participant. Interviewer Certification: $105 per participant. Harassment Prevention: $15 per participant. At no cost: Supervisor Spirit I & II; myLearning Learning Coordinator certification course materials; Information and Security Protection Training; The Business We Do; Culture Wizard; Curriculum G; Living Our Core Values III; Engineering eCampus; US Patriot Act; Pool Safety; Foreign Corrupt Practices Act; Risk Management Curriculum available to franchisees, Surveillance Detection suite; Guestware curriculum suite; myHR Manager Self-Service suite.	Up to 24 months from Effective Date.
Passports to Success! - The primary objective of Passports to Success! is to provide basic, technical and soft skills training for non-management operations associates working in rooms operations and food and beverage. Passports has been expanded to include additional modules and training curriculums. In addition, certain modules are also offered to managers working in operations and other disciplines. Participating properties can track individual associates' progress online with a certification application.	2011 charge: $5.50 per sellable timeshare unit per year per participating property. Estimated 2012 charge: $5.75 per sellable timeshare unit per year per participating property.	Up to 24 months from Effective Date.

	MII hereby grants MVWC the right to modify, reproduce, distribute and appropriate as its own, any Risk Management eLearning materials created and owned by MII and not available to franchisees, and to use and distribute as its own any Risk Management eLearning materials created and owned by MII that are available to franchisees. MVWC may retain any such MVWC modified eLearning materials. MII affirms that it has obtained all consents and has all rights relative to such grant to MVWC.	At no cost: Risk Management Curriculum. In addition, MVWC has been, and will continue to be, provided with Risk Management courses not available to franchisees for use outside of MII's Learning systems. However, this should not be construed as training mandated, controlled or directed by MII.	For modifications to the materials, as long as MVWC uses these systems and MII maintains them. If the systems are no longer used by MVWC or maintained by MII, MVWC will have the perpetual right to use previous versions.
Finance and Accounting eLearning	Finance Courses (G/L, Marrpay, MBS courseware, etc.) although not owned, or managed by HR, will be made available to MVWC through myLearning for the duration of this Agreement. Once the TSA is over, MVWC will work with MII F&A to obtain training required to support F&A business process and systems that are provided as services by MII. After the end of the Transition Period, MII hereby grants MVWC the right to modify, reproduce, distribute and appropriate as its own, any eLearning materials created and owned by MII. MVWC may retain any such MVWC modified eLearning systems and/or materials after the Transition Period. MII affirms that it has obtained all consents and has all rights relative to such grant to MVWC.	At no cost: Finance Courses (G/L, Marrpay, MBS courseware, etc.)	As long as MVWC uses these systems and MII maintains them.

Global Learning Governance	Learning metrics and reporting – MVWC will have access to MII's best practices, templates and tools for standardized learning reports to include standardized questions for level 1, level 2 and level 3 measurement. Vendor management – MVWC will have access to MII preferred vendors that may be selected for learning content as appropriate to franchisees. Service includes analysis of learning vendors. Learning Management Standards and Systems – MII to provide MVWC with access to MII's best in class learning standards from external companies which MII subscribes to. MII to provide MVWC access for creating, publishing and deploying learning in the MVWC environment. If MII selects and implements a new learning system during the Transition Period, MVWC will be included in the transition to the new tool. MVWC will participate in User Acceptance Testing of the new system.	MVWC to pay to MII a fixed cost of $46,059 annually.	Up to 24 months from Effective Date.
Prior Years of Service Calculations	MII will calculate the prior years of service for periods before the Spinoff for associates who were employees of the MII group before the Spinoff at the request of MVWC human resources.	2011 charge: $13,250.	Perpetual

myHR Services and Systems	MII will provide system access for the system of record for HR transactional data, and all other tools interfacing with such system that gather or update relevant associate data throughout these various tools. In addition MII will allow MVWC continued access to MVWC data in the common data store which contains both current and historical data through interfaces with various HR systems. Enterprise web-enabled systems and services to support: <u>Employee Data Management</u> – Performance of all activities necessary to capture, track, modify and report employee-related electronic and physical data. Activities include: • Strategy and policy • Table maintenance • Date Integrity • Organizational structure maintenance • Employee records, files, and documents. • Reports <u>HR Information Technology/HR Information Services</u> – Information technology infrastructure, systems, equipment, software, local area network, common office environment, and wide area network facilities used to deliver the HR Function and includes: • IT Architecture • Connectivity • Infrastructure Operations and Management • Forecast and Capacity Planning • Storage Management • Record Retention and Record Retention Procedures • Data Security Practices • Physical Security • Systems Interfaces • Systems Production Support • Systems Scheduled Business Activity Support	2011 rates in effect for “myHR Services and Systems U.S. myHR Services and Systems: $122 per associate per year, billed per period; future rate expected to be $144 per associate per year, billed per period; U.S. $24 per associate per year, billed per period; Non-U.S. myHR Services and Systems: $69 per associate per year, billed per period; Non-U.S. PeopleSoft HRMS Profile: $9 per associate per year, billed per period. Rates are based on volume and may fluctuate. Annual inflation applies. If MVWC specific changes are required to any of the systems supported during the Transition Period, MVWC will pay for these changes at the ongoing rate.	Up to 24 months from Effective Date. Continued use of the systems is predicated on dependencies to other systems, tools, and interfaces.

- Systems Production
- Maintenance
- Supported Software Prevention Maintenance
- Enhancement Management
- Systems Ad Hoc Services
- Systems Training
- Problem Management
- Problem Management Services

Employee and Manager Self Service – Service delivery methods that can be used to deliver access to HR information and services via direct access vehicles (including Interactive Voice Response, web, kiosks, direct access) and includes specific services via web-based direct access.

- Associate and manager self-service strategy, policy and initiatives
- Participant self-service Tools to meet business goals and objectives
- Provide web-enabled solution that allows multiple options for network access (including intranet, extranet, internet and virtual private network) to the Systems
- Provide functionality that identifies and appropriately categorizes participants accessing the Systems and maintains brand identity through the uploading of specific content, as applicable
- Provide on-line instructions to participants on the use of self-service tools
- Integrate Aon-Hewitt’s self-service tools to company’s single sign-on solution

• Identify any potential network limitations that may degrade performance
• Provide participants with access and transaction capability for the self service tools including with respect to:
  • maintaining personal information
  • accessing and registering for education and training
  • accessing performance and career development information
  • viewing and applying for jobs
• Provide managers with access and transaction capability for the self-service tools including with respect to:
  • Associate indicative data including performance data
  • department budget and financial data required to provide compensation information and modeling capability
  • education and training programs
  • performance appraisals, development plans, and succession plans
  • recruiting and staffing information
  • statistical and ad-hoc report generation
  • management reporting	

• Update links and URLs specific to MVWC on-going releases (which includes, but is not limited to, any releases of new systems, programs or other initiatives) as long as the change does not require more than 20 hours of work.	Pass-through charges for updating links and URLs specific to MVWC requiring more than 20 hours of work.

Workforce Analytics Services – Provides timely, accurate, information on-demand for managers, HR professionals, and business leaders for assessing their unit's performance relative to key human capital metrics. Accessed through myHR, the workforce analytics information and reports are secured by role, organization and level.

Compensation Administration Services:

- Salary Surveys
- College Hire rates
- Market Analysis Process
- Job Evaluation
- Salary Administration and Monitoring—Base Pay (salary, zones, classifications), incentive pay, and bonus structures for U.S. and non-U.S. locations.
- Total Compensation Actions
- Site classification
- MRP Analysis
- Total Compensation Tools – An enterprise, web-enabled tool supporting compensation functions including technology to monitor and process merit increases and bonuses including my-Pay Discussion Guides.
- Access to wage planning tool developed by MII. Directors of Human Resources are provided the tool at the sole direction and implementation of MVWC Human Resources for the budgeting season.

Performance Management and Succession Planning – Technology available to management employees to conduct electronic performance management activities, for example, goal setting, performance feedback, performance reviews, development planning and workforce planning including succession management, human capital reviews. In addition, these are web tools accessible by all management employees that result in large efficiencies, are more accurate, assist in aligning individual goals with business goals. Also includes link to the existing Hourly Performance Process form.

Learning Management System – An enterprise, web-enabled tool that is available to all employees with an EID. Tools support training coordination, tracking and monitoring of enrollments, brand standard requirements, and associate development goals. Additionally the tools support logistics for delivery of programs and closeout of programs. This tool provides all associates with an Enterprise ID a place to enroll in classroom based learning such as core programs and eLearning curriculum. Learning reports are included as provided today.

Human Capital Services

- Contact Center - Provides employees with access to a single point of contact call center via a MVWC dedicated help line, including contact center services and case management.
- Supports Employees, Managers, and HR Professionals
- 24/7 Interactive Voice Response System

• 9:00am -8pm Eastern Standard Time • Bilingual Staff Fluent in English and Spanish • Real Time Interpreter Services in 150 Additional Languages • Secure email access to the Contact Center through HR portal • Appropriately identify caller type to route calls in accordance with specified criteria. • Customer Support Services – Services available via myHR portal access or through the myHR service center supporting all applicable services for MVWC. <u>Employee Communication</u> – Activities associated with the process of communicating HR-specific items. MII will provide to MVWC (1) advance notice when possible of any change in process, new policy, program, initiative or event relating to the services/systems provided by MII to MVWC under this Services Exhibit, as well as (2) relevant materials, plans, policies, program communications, specific event communications and all other related materials. MVWC is accountable to communicate to their workforce.	
Transition upon termination or cancellation of myHR Services and Systems services. Transition work includes separation of data for MVWC (and its Affiliates) and separation of access as applicable based on tool constraints.	Estimate of $200,000 to MII plus costs of third party vendor.

Sales Compensation	Transactional services (via AonHewitt database) for MVWC Sales Compensation process which provides for documentation, calculation and payment of (1) Sales Executive hours worked, commissions and bonuses, and (2) Marketing & Sales Management fixed incentives, quarterly incentives, annual true-ups and eligible earnings at MVWC's request and oversight. • Create, maintain, and update commission calculation spreadsheet requested by MVWC. • Perform weekly, period, quarterly, or annual calculations of commission bonuses, and Special Performance Incentive Funds, and other cash payments for MVWC as requested by MVWC. • Calculate commission due to commission eligible associates, commission true-ups, and report other cash payments for MVWC. • Submit weekly commission reports for verification and approval for MVWC. • Submit commission calculation results to MVWC or appropriate payroll provider. • Respond to queries from associates regarding commission, bonus and Sales Performance Incentive calculations for MVWC. • Escalate queries from associates regarding commission, bonus, and Sales Performance Incentive to appropriate MVWC department where such queries pertain to functions or responsibilities not performed by AonHewitt or that require interpretation or exception to policies.	Estimated to be $16,700 per period for 3rd party vendor services, based on the number of associates, which number will be updated by MII each period. Headcount to be confirmed by MVWC.	Up to 24 months from Effective Date. Continued use of the systems is predicated on dependencies to other systems, tools, and interfaces.

	• Draft, maintain, and process research memoranda to document inquiries and changes with respect to commission, bonus, and Sales Performance Incentive calculations. • Include chargeback information in commission reporting for MVWC. • Recalculation of regular rates of overtime pay. • Processing of time data and payroll for sales executives.		
Hourly e-Hiring System	Hourly applicant tracking system which provides an end-to-end solution that streamlines the staffing process. The tool includes functionality to enable applications to be submitted electronically, incorporates an assessment within the applications submission, enables manager self-service to track and screen applicants through a web interface, pre-populates new hire paperwork and interfaces data to and from Marriott's PeopleSoft HRMS system. It also provides the ability to launch to the selection tool and results. Kronos Hourly e-Hiring tool works with the AonHewitt myHR suite and provides an end-to-end solution that enables the hourly staffing process for U.S. Included are: • Service Center Services • Recruiting Services – sourcing activities, background and reference checks. • Link to Job boards, Job and Career Opportunity Tool	2011 pricing: <u>Global Posting and Talent Acquisition</u> • Global Posting US – Annual Rate of $225 per hourly associate. <u>Hourly eHiring and Applicant Tracking</u> • US Hourly e-Hiring – Annual Rate of $80.00 per hourly hire history for the immediately preceding year. • Non-USA Applicant Tracking (I-Grasp) - Current Annual Rate of $743.00 per location. <u>Other charges</u> • Other charges to MVWC from direct contracts with MVWC vendors, including	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.

	This service will be replaced by Taleo (executed by AonHewitt) in first quarter 2012, and MVWC and its Affiliates will continue to receive these Transition Services under the Taleo System unless otherwise cancelled by MVWC. I-Grasp is a stand-alone tool providing applicant tracking and on-line recruiting functionality for positions outside the U.S. • Posting of positions on regional specific job seeker sites and Marriott's career site • Job seekers apply on line • Administers assessment and allows human resources staff to track the progress of the applicant through the selection process. Provide e-Hiring Hourly Scorecard and Workforce Planning reports.	background checks, drug testing, and sex offender registry. Rates impacted by volume and may fluctuate. Annual inflation applies.	
	Transition upon termination or cancellation of Hourly e-Hiring System services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Costs estimated to be $50,000 to MII, plus costs billed by third party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.
Selection Assessment for Non-management Applicants	Provide selection assessment tool for non-management positions.	2011 rate: $15 per hourly hire. Rates impacted by volume and may fluctuate. Annual inflation applies.	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.

	Transition upon termination or cancellation of Selection Assessment for Non-management Applicants services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Costs estimated to be $50,000 to MII plus costs billed by third party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.
Management – Global Posting	The Deploy tool works with the AonHewitt myHR suite and provides an end-to-end solution that enables the management staffing process via an online functionality. The tool tracks candidate and requisition activity. Non-US requisitions can also be created and approved. Included are: • Service Center Services • Recruiting Services – intake with recruiter, sourcing activities, applicant screening, interview scheduling, assessment administration, offer distribution, reference and background checks, hiring administration. The tools will be replaced by Taleo (executed by AonHewitt) in 2012 and MVWC and its Affiliates will continue to receive the Transition Services under the Taleo System unless otherwise cancelled by MVWC.	Global Posting US (United States) – Current Annual Rate of $578.00 per management (Exempt) associate. Global Posting US (United States) – Current Annual Rate of $225.00 per management (Non-Exempt) associate. Global Posting Non-USA - Current Annual Rate of $14.00 per management associate. • Other charges Other charges to MVWC from direct contracts with vendors including background checks, drug testing, and sex offender registry. Rates impacted by volume and may fluctuate. Annual inflation applies.	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.
	Transition upon termination or cancellation of Management - Global Posting services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Costs estimated to be $50,000 to MII plus costs billed by third party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.

Management – Global Selection	The Global Management Selection Program is a suite of management selection assessments, new interview guides, and a new approach to interviewing and making hiring decisions. Transition upon termination or cancellation of Management - Global Posting services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Management Selection US and Non US: Annual Rate of $91.00 per management associate. Management Selection Interviewer Certification US and Non US Online certification required. $105.00 per enrollee. Rates impacted by volume and may fluctuate. Annual inflation applies. Costs billed by third party vendors.	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.
Human Resources Business Process Management	Managing issues and changes that are identified, monitoring key results, and the day-to-day relationship between Hewitt subject matter experts and the Marriott Center of Expertise in areas of Talent Acquisition and Selection, Talent Management, Data Governance and Self Service, Reporting, and Communication. Tools, Systems, Processes, and 3rd party vendor operational relationships required to support: Talent Acquisition & Selection. • Hourly & management Talent Acquisition Tools • Hourly & management Talent Acquisition Services • Hourly & Management Talent Selection Tools Talent Management	2011 charge: $47,257 per period. 2012 estimated charge: $25,961 per period.	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.

	• Compensation & Benefits • Learning • Performance Management • Workforce Planning • Associate Engagement & Survey Reporting and Testing • Compliance Reporting currently provided, within data segregation parameters. • MVWC Operational & Transactional Reporting currently provided, within data segregation parameters. • Ad Hoc Reporting • Testing Management Support Data Management, Self-Service, & Project Management • myHR website & Service Center • Employee, Manager & HR Self-Service • PeopleSoft HR Management System Data Management • HR Data, Job Data, & Security • Project Management for Large Initiatives • Project Management Guidance • Portfolio Management Reporting, Tools, & Services		
	Transition upon termination or cancellation of Human Resources Business Process Management services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints and knowledge transfer.	Costs estimated to be $95,000 to MII plus costs billed by third party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.
University Relations and Recruiting	Full life-cycle college recruiting support for property/site operations interns and management trainees (Management Development	2011 charge: $5713 per period.	Up to 24 months from Effective Date.

	Program) from Marriott Tier I, II & III colleges/universities, as deemed appropriate by the Recruiting team, e.g., relationship management, sourcing, screening, interviewing, tracking those who MVWC decides to extend an offer to, coordinating placements, tracking interns.		
Talent Management Analytics and Solutions	The Talent Management Analytics and Solutions (TMAS) department develops and manages programs supporting critical areas of the employee lifecycle (selection/onboarding, development, and job satisfaction and engagement). TMAS develops and manages human capital management tools and programs to promote the workforce productivity and supports the execution of business operations. Additionally, TMAS follows professional standards in the development of tools and programs to ensure employee-related practices are designed to mitigate legal risk to the company. The services include: 1) Human Resources strategic planning and research, 2) Employee Selection and Performance Management Tools, 3) Employee Succession Planning and Development Tools, 4) Employee Engagement Surveys and Research, 5) Job Analyses and Design, 6) Workforce Analytics and Human Resources Program Evaluation.	Current cost is $79,567 annual ($6,121.23 per period) for TMAS support Future cost after the Spinoff will be $14,650.00 per period.	Up to 24 months from Effective Date. Continued provision of these services is predicated on dependencies to other systems, tools, and services.
	Transition services to be provided by MII to MVWC upon termination or cancellation of Talent Management Analytics and Solutions services. Transition work includes separation of data for MVWC and separation of access as applicable based on tool constraints.	Separation costs estimated to be $50,000 to MII to cover the cost of time to transfer knowledge and records to MVWC or a third party provider.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.

These services are segmented into three areas: 1) Development Work, 2) Business as Usual Support, and 3) Transition/Hand-off Support

Development Work

MII TMAS will continue to develop new products and tools and support the MVWC organization during the implementation of those products and tools. Several key caveats are listed below to help clarify the nature of this support:

- Products and tools scheduled for implementation on a date after the end of the Transition Period will not be supported for MVWC. MII TMAS will keep MVWC informed about such projects and as practical, provide technical information about the projects to assist MVWC should they decide to implement a similar product or tool on their own.
- MII TMAS will consult with MVWC regarding new products and tools to determine the suitability and desirability of the new products and tools for MVWC.
- MII TMAS will ensure that any new product or tool that will be implemented for MVWC is designed in such a way as to meet the functional, technical, and brand needs of MVWC.
- MII TMAS will not support the development of products or tools that have singular applicability to MVWC.

Specific examples of currently scheduled development work are listed below

1. Inclusion of MVWC in the Taleo applicant tracking system development and implementation, including the integration of MVWC-specific job descriptions and ACE pre- screening items. MII TMAS will support post-launch stabilization efforts for MVWC. Scheduled for deployment in 1st quarter of 2012.

2. Inclusion of MVWC in ongoing LPP development and upgrade work. Phased deployments scheduled starting in Q3 of 2011 and continued updates through 2012. TMAS cannot support MVWC-specific customizations in content, platforms, or processes. TMAS can provide current-state and developed future-state materials to MVWC for consideration as they potentially plan for an MVWC-specific LPP model.

3. Inclusion of MVWC with regard to updates to the Human Capital Review updates currently underway within the Success Factors platform (e.g., change management, training, implementation support). Initial deployment scheduled for Q3 2011.

4. Inclusion of MVWC in planned validation and platform upgrade work associated with the DDI field management assessments. Scheduled to start in late Q2 of 2011, continuing into 2012 with platform updates scheduled for early 2013. This work will be completed on behalf of MVWC as long as TMAS is supporting Transition services at the time of the validation work.

Business As Usual Support

MII TMAS will provide continued business as usual support in such a way as to replicate current-state functionality. The degree to which MII TMAS can provide business as usual support will be partly dependent on the continued support provided by other MII Center of Expertise, namely Business Process Management (BPM). MII TMAS will provide business as usual support to MVWC following current protocols and procedures. In certain instances, MVWC may request a modification to the processes and procedures, but the extent to which MII TMAS will be able to accommodate such requests is dependent on the nature of the request and in some instances, changes to processes and procedures may not be feasible. Large-scale activities (e.g., ad hoc analysis of assessment results, revalidation of the Virtual Job Tryout) must be planned in advance with MII TMAS to ensure adequate resources are available to adequately cover MVWC support needs and in some instances, prioritization of projects may result in some projects not being supported. MII TMAS will provide business as usual support for the areas outlined below.

1. Continued support of research, analytics, and validation for existing management and non-management selection tools including: APT hourly

assessments, DDI Management Assessments, and Shaker VJT MVWC M&S assessments. This includes analyses of assessment performance and the Quality of Hire survey (so long as Quality of Hire is active for the overall Marriott Enterprise).

2. Assessment tool development/refinement support including planned and ad hoc assessment alterations designed to improve tool functioning or adapt tools to changing business requirements.

3. Continued Business as Usual support of the Hourly Performance Process ("HPP") tool including the addition of new key actions to support new job positions. Continued inclusion of MVWC in "open calls" to support the Phase I and Phase II launches of HPP. Inclusion of MVWC in any HPP tool updates/upgrades including change management/implementation support.

4. Implementation of the 2012 Engagement Survey to include MVWC in the administration of that survey. Continued analytical support for MVWC leadership.

5. Continued support of occupation code management and job description creation activities, ranging from processing as-needed requests for new codes/descriptions to designing and implementing occupation code and/or job description restructuring projects.

6. Starting in 2012, inclusion of MVWC with regard to Taleo's recruiting tool, ACE, pre- screening item functionality analyses.

7. Continued inclusion of MVWC in ongoing Quality of Hire surveys.

8. Continued consideration of MVWC in enterprise-wide selection tool adverse impact analysis efforts.

Transition/Hand-off Support

The overarching goal of this agreement is to provide continued TMAS support to MVWC to avoid a disruption in human capital management processes and tools, allow MVWC to focus on developing a long-term human resources strategy, and work with MVWC to smoothly transfer organizational knowledge to MVWC with an emphasis on transitioning MVWC from current state into the to-be-developed long- term vision for MVWC human resources.

1. MII TMAS will consult with MVWC on an ongoing basis with regard to HR strategic planning for MVWC with an emphasis on clarifying the philosophical and historical roots of various MII human resource management tools and processes.

2. MII TMAS will provide MVWC with the technical support needed to transition all functions to the MVWC team prior to the end of the transition period. This transitional support includes helping MVWC understand the implications of removing, adding, or modifying tools and processes.

	3. MII TMAS will train/educate MVWC persons with regard to the operation or functioning of any TMAS developed products and tools. 4. MII TMAS will make available to MVWC all product and tool documentation, specifically job analysis and assessment validation program results, so that MVWC can adequately evaluate the rigor of these cornerstone projects and support the continued use of the existing job descriptions and assessment tools.		
Talent Acquisition Center of Expertise– 3rd Party Recruiting Services	Oversee the execution of recruiting services for MVWC and working with the 3rd party vendor. This includes: Management and Hourly Recruiting Services on-going oversight, including monitoring the service level agreements metrics, reporting, implementing any necessary process changes due to new employment laws or process effectiveness efforts in partnership with MVWC Talent Acquisition function, escalating issues to the MVWC talent acquisition team as needed for resolution, etc.; launch of the enhanced hourly recruiting services model (2012 Q1) as part of MII's overall launch plan and in partnership with the MVWC human resources team.	2011 charges: $3,645 per period. Upon termination or cancellation, (i) a fee to MII estimated to be equal to a one-period transition fee to cover administrative and logistics costs resulting from extracting MVWC data, adjusting processes and realigning internal resources at the time of separation; and (ii) charges by third party vendors.	Up to 24 months from Effective Date.
Talent Acquisition Center of Expertise– Talent Acquisition systems oversight	Oversee the performance of the talent acquisitions systems and manage the relationship with the 3rd party vendors as part of MII's agreements with the vendors. This includes: (i) On-going oversight of the global talent acquisition system performance and functionality; (ii)	2011 charges: $3,040 per period. Upon termination or cancellation, (i) a fee to MII estimated to be equal to a one-period transition fee to cover	Up to 24 months from Effective Date.

	On-going oversight of the existing non-US non-management talent acquisition system performance and functionality; (iii) Support of future enhancements.	administrative and logistics costs resulting from adjusting processes and realigning internal resources at the time of separation and (ii) charges by third party vendors. Note: Any MII Talent Acquisition costs to support the launch of the new talent acquisition system (Taleo) in January of 2012 will be charged separately as part of the overall project allocation; and additional charges to support the replacement of the non-U.S. non-management system (iGRasp) for non- management positions across non U.S. locations (2012-2013) are not included and will apply.	
Associate Engagement Survey Software Tool	Engagement Survey provides associates with a confidential means to give feedback on the work environment and indicate their level of engagement. It also provides a reporting mechanism for managers to review the results of their organization's results. Current Systems and tools will be retained as is during the current contract with AonHewitt. Survey tool is a standalone tool. Service Center – provides call center support.	2011 charge: $7.75 per participant/registrant per survey. Rate is impacted by volume and may fluctuate.	Up to 24 months from Effective Date. Continued provision of these services is predicated on other systems, tools, and interfaces.
	Transition upon termination or cancellation of Talent Management Analytics and Solutions services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Estimated costs of $15,000 to MII plus costs from 3rd party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.

Awards of Excellence	If MII maintains the Awards of Excellence program for a given year, MVWC and its Affiliates will, collectively, have the option to have one guaranteed spot for a MVWC associate (or an associate of a MVWC Affiliate) to receive an Award of Excellence and to attend the Awards of Excellence ceremony, held in Bethesda Maryland annually. The Award of Excellence winner, a guest and the person nominating the winner will receive the following for four full days, plus a farewell breakfast on the fifth day, all at no cost to the award winner, guest or the nominator: • Food & Beverage (includes breakfast, lunch and dinner each day) • Lodging • Ground Transportation (limos from the airport; any travel into DC or Corporate HQ) • Photography • Videography • Expenses (any meals they had to pay for while away from the group) MII will continue to provide MVWC (and its Affiliates) with access to and timely information regarding the Marriott Awards of Excellence processes, including, but	Actual costs will be charged. Estimated cost is $36,000 annually, which includes: travel for the award winner, a guest and the nominator of the winner to Bethesda, Maryland; hotel accommodations for award winner, guest and nominator; and program costs. The estimated cost of $36,000 annually is based on the following cost components: • Hotel and Program Costs - $19,680 (set cost) • Flight/Travel to Bethesda, Maryland – This will fluctuate depending on where the honoree lives. MVWC will only pay the costs listed above if it exercises its option (to be exercised in MVWC’s sole discretion) to elect to have a guaranteed spot for a MVWC associate (or an associate of a MVWC Affiliate) to receive an Award of Excellence and to attend the Awards of	Perpetual

	not limited to, communications, the nominations period, selection and celebration, so that MVWC (and its Affiliates) can continue to leverage these processes. MII will continue to provide MVWC (and its Affiliates) with access to the TeamShare site after the Effective Date. MII reserves the right to modify or cancel the Awards of Excellence program in light of business needs, on a year by year basis.	Excellence ceremony, held in Bethesda Maryland annually. This option can be exercised by MVWC on an annual basis by notifying MII of such election at the time that MVWC's top selects are to be provided to MII. Any election in one year will not impact MVWC's election option in a future year. The deadline for MVWC to elect to have a guaranteed spot is 30 days prior to the launch of the nomination campaign which is typically on or around September 1 preceding the Award year.	
Associate Appreciation Week Communications	MII agrees to share and provide to MVWC any digital communications that MII produces relative to Associate Appreciation Week so that MVWC can leverage such communications. MII shall ensure any licenses needed in order to allow MVWC to leverage such communications have been obtained.	No charges to MVWC.	Perpetual
MII Internal Communications (infrastructure and content) relating to MII's key internal communications vehicles	MVWC (and its Affiliates) to leverage the infrastructure and content provided by MII Internal Communications around MII's key internal communications vehicles. • Franchisee Weekly Update – MII will provide MVWC with one copy of the "final" Franchise Weekly Update and related resources by 2:00 pm each Friday.	No charges to MVWC.	Perpetual

	• MGS – MII MGS team to provide MVWC with the Franchisee – Americas (East – West – South – US) view of MGS. • Headline News – Associates of MVWC and its Affiliates will no longer receive email copies of Headline News following the Spinoff.		
MII Internal Communications (infrastructure and content) relating to MII's key internal communications vehicles	MII Weekly Update – MII to provide support of and coordination with MVWC of content to MVWC for the Weekly Update. The MII Weekly Update editor will provide the MVWC Weekly Update editor with one copy of the "final" MII Weekly Update on Friday afternoons of each week by 2:00 pm Eastern time. The MVWC Weekly Update editor can then determine if the content is appropriate for MVWC's audience.	No charges to MVWC.	Up to 24 months from Effective Date.
MII Internal Communications (infrastructure, writing and content) relating to specific initiatives affecting MVWC and its Affiliates.	MVWC (and its Affiliates) to leverage the infrastructure, writing and content provided by MII Internal Communications relating to specific initiatives affecting MVWC and its Affiliates. MII's Internal Communications team will timely provide to MVWC's Internal Communications team all materials, communications, plans and related items relating to MII initiatives that apply to MVWC or where MVWC decides to participate in such initiatives. • As initiatives are raised, MII will make the determination as to how to communicate the initiative to MVWC in a timely manner ensuring MVWC has all information necessary relative to the initiative.	No charges to MVWC.	Perpetual

- MII and MVWC to work together, as needed, to coordinate a communications plan for the specific MII initiatives to ensure MVWC has all information and related materials that it needs in order to successfully roll-out and manage the initiative.
- To the extent information around MII initiatives is shared by MII with franchisees today, MII will provide such information to MVWC. MII will work with MVWC to address as needed.

Exhibit 10.10

INFORMATION RESOURCES
TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (this "Agreement"), dated as of November __, 2011 (this "Agreement"), by and between MARRIOTT INTERNATIONAL, INC., a Delaware corporation, on behalf of itself and its Affiliates (as defined herein) ("MII"), and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation, on behalf of itself and its Affiliates (as defined herein) ("MVWC").

RECITALS

WHEREAS, pursuant to that certain Separation and Distribution Agreement, dated as of _____, 2011 (the "Separation Agreement"), between MII and MVWC, MII has agreed to distribute all of the issued and outstanding common shares of MVWC to the shareholders of MII on a pro rata basis, subject to the terms and conditions therein (the "Spinoff").

WHEREAS, in connection with the Spinoff, MII and MVWC have agreed that MII or its Affiliates shall provide MVWC and its Affiliates with certain services on a temporary basis after the Closing; and

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Separation Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MII and MVWC agree as follows:

1. Transition Services. For a period commencing as of 12:01 AM on November 5, 2011 ("Service Commencement Date") and continuing until the second anniversary of the Service Commencement Date (the "Transition Period") (unless (a) an expiration date is specified for a particular service on the applicable Services Exhibit, effected in accordance with the terms hereof, (b) MVWC requests an extension for a Transition Service through the end of calendar year 2013, provided that such extension is not prohibited by the terms of a third party agreement, (c) MII is prohibited by the terms of a third party contract from providing a Transition Service or Transition Services to MVWC for the Transition Period, in which case MII shall provide notice to MVWC of the shortened transition period, if any, or (d) otherwise agreed to by the parties), MII shall provide, or cause its Affiliates to provide, to MVWC and its Affiliates the services described the services exhibits ("Services Exhibits") hereto (collectively, the "Transition Services"). Unless otherwise agreed, such Services shall be provided at the charges set forth in the Services Exhibits. The cancellation of one category of Transition Services shall not operate to cancel or otherwise affect the remaining Transition Services, it being understood that some Services are bundled and cannot be cancelled separately. To the extent possible, the cancellation of a Transition Service shall be effected at the end of a MII Accounting Period. MVWC may use the Transition Services for its own internal business purposes, consistent with the terms of the underlying agreement between MII and the applicable product/service vendor, and may not resell the Transition Services or otherwise make them available for use by third parties.

2. Standard of Service. MII will provide, or cause to be provided, the Transition Services in accordance with MII's standard policies, procedures and practices in effect immediately prior to the date hereof, as the same may be changed from time to time, and the Services Exhibits. In providing the Transition Services, MII shall at all times exercise the same care and skill it exercises in performing like services for itself and other third parties, including franchisees. Except as provided in the preceding sentence, the Transition Services are provided on an "AS IS" basis.

3. Termination of Service(s). MVWC may cancel any Transition Service(s) upon not less than one hundred twenty (120) days' prior written notice, unless a different period is provided for in the Services Exhibits. In order to terminate a Transition Service prior to the end of the Transition Period or the date set forth in the Services Exhibits, MVWC shall submit to MII a completed Service Termination Form, in the form attached hereto in the Services Exhibits. The completed Service Termination Forms shall be submitted to Gregory Miller, SVP, Finance, Global Information Resources at Gregory.Miller@marriott.com, or such other individual as MII may designate in writing. The parties agree to coordinate termination of any Transition Services in order to minimize any fees associated with termination. In the event that MVWC's early termination of a Transition Service causes a termination fee to be due to a third party vendor, MVWC agrees to be responsible for such fee, provided that MVWC was advised of such termination fee at least fifteen (15) business days prior to effectiveness of such termination and did not withdraw its request for termination. In the event MVWC's revocation of a Service termination is rejected by a third party vendor, MVWC shall be responsible for any applicable termination fees.

4. Billing and Payment.

(a) MVWC will pay the costs set forth in the Services Exhibits for the Transition Services provided pursuant to Section 1 of this Agreement during the Transition Period. Where no fees are set forth in *Exhibit A*, MII or one of its Affiliates shall bill MVWC for the Transition Services at the times and in the manner as such billing is made immediately prior to the Closing Date and using the cost methodology in place prior to the Closing Date (but not necessarily at the same cost), which may change from time to time for all users of the Transition Service, but in all cases allocated to MVWC on a fair and reasonable basis, and MVWC shall pay MII at the times and in the manner as payment is customarily made prior to the Closing Date, in each case unless otherwise specified in the Services Exhibits, but in no event shall any payments be made more than thirty (30) days after the invoice date; provided further, that if a portion of the costs for any Transition Services are attributable to the development of systems enhancements with a total cost of $5 million or more, (i) if such systems enhancements are not intended to become effective during the Transition Period, MVWC shall not be allocated any costs for such systems enhancements, and (ii) if such systems enhancements become effective before the end of the term during which the related Transition Services are provided under this Agreement, then MII and MVWC shall discuss and agree on a reasonable allocation of such costs to MVWC taking into consideration the remaining term of the provision of the related

Transition Services hereunder. Notwithstanding the foregoing, payments made by MII to third parties (or MVWC employees) on behalf of MVWC or its Affiliates will be drawn by MII directly from MVWC bank accounts which MVWC shall keep funded with sufficient amounts to enable MII to make such payments. If MVWC fails to make any such payments of fees or expenses which MII was to use for payment to third parties (or MVWC employees), MII shall not be required to advance or use any of its own funds to make any such payments. Any payments not made by MVWC to MII when due shall bear interest, computed daily, from the date due to the date of payment based on the annual percentage rate equal to the Prime Rate, plus three percentage points (3%). "Prime Rate" means the "rate" that Citibank, N.A. (or its successor entity) publishes from time to time as its prime lending rate in effect from time to time. MII shall be entitled to the costs of collecting any overdue amounts including reasonable attorneys' fees and expenses.

(b) Termination-Related Services and Payments. In connection with the termination of the provision of any Transition Services by MII hereunder, whether at the end of the term of this Agreement or earlier, MII shall provide commercially reasonable services and assistance to transition such services to MVWC or a third party provider, including such termination services as may be described in the Services Exhibits (as described herein, the "Termination Services"). Except as otherwise provided in a Services Exhibit, with respect to the Termination Services: (i) MII shall make available to MVWC such books and records (subject to MII's reasonable records retention policies) as will be needed by MVWC to prepare the accounting statements for the Transition Services for the accounting period of MVWC in which the termination of the Agreement occurs and for any subsequent periods, (ii) MII shall use commercially reasonable efforts to facilitate the orderly transfer of all information contained within such books and records from MII's systems to MVWC's or a successor's systems, provided MII shall not be required to transfer any information that is confidential and/or proprietary to MII, (iii) MII acknowledges and agrees to provide MVWC all such data, books, and records, in such forms and electronic formats as agreed by MI and MVCW, and (iv) MII shall, within ninety (90) days after termination of this Agreement, prepare and deliver to MVWC a final accounting statement with respect to the Transition Services. MVWC shall have no obligation to reimburse MII for any costs relating to data retention or storage by MII for legal, regulatory or other purposes.

MVWC shall reimburse MII for (i) any out of pocket costs incurred by MII or its Affiliates in providing the Termination Services, (ii) any costs and expenses of employees of MII or any Affiliate that are allocated to a fund or specified payment source (for the avoidance of doubt, MVWC is not responsible for internal costs incurred by MII, and not allocated to such a fund or specified payment source, that otherwise would have been incurred if the Termination Services were not provided), in providing Termination Services, and (iii) severance and other termination payments made by MII or its Affiliates for the termination of employment of employees of MII or its Affiliates (if any), it being understood that MVWC shall only be responsible for such severance and termination costs as are mutually agreed to by MII and MVWC with respect to employees of MII or its Affiliates that are primarily engaged in providing Transition Services (for the avoidance of doubt, MVWC is not responsible for severance and other termination payments made by MII for the termination of employees of MII or its Affiliates that were not primarily engaged in providing Transition Services to MVWC).

5. Access. Each party shall make available on a timely basis to the other party and its Affiliates, as applicable, all information and materials reasonably requested by such Persons to enable them to provide or receive the Transition Services. Each party shall give the other party and its Affiliates, as applicable, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of such party and its Subsidiaries and their respective personnel for the purposes of providing or receiving the Transition Services.

6. Subcontracting. To the extent necessary or desirable to perform the Transition Services, MII or its Affiliates, as applicable, may subcontract any part of such services; provided, however, MII will continue to be responsible for its obligations under this Agreement on behalf of itself and any subcontractors of MII or its Affiliates. MII or its Affiliates, as applicable, shall be responsible for all payments to such subcontractors.

7. Taxes. MVWC will pay all applicable taxes (including, without limitation, sales, use, services, value-added, and other such transaction-based taxes), duties, and tariffs and all other taxes or charges imposed on the provision of the Transition Services by MII or its Affiliates, as applicable, except for taxes based on net income of MII or its Affiliates. If any such taxes are levied on MII or deducted from amounts otherwise due to MII hereunder, MVWC shall "gross up" the payments to MII so that the net amount received by MII is equal to the amount required to be paid to MII hereunder.

8. Firmware or Software. MVWC acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor which are held by MII or its Affiliates, as applicable, by reason of the provision of the Transition Services provided hereunder, except to the extent that any such license rights or rights of use are provided for in a written agreement signed by MII and MVWC.

9. Security. Each party shall maintain reasonable, current security measures to prevent unauthorized access to its systems. Such measures shall in no event be less stringent than those used to safeguard such party's own property, or industry standard security measures used by companies of a similar size. Such measures shall include, where appropriate, use of updated firewalls, virus screening software, logon identification and passwords, encryption, intrusion detection systems, logging of incidents, periodic reporting, and prompt application of current security patches, virus definitions and other updates. Each reserves the right to terminate the Agreement, in its sole discretion and without limitation or termination liability, if the other party remains in breach of this section five (5) business days after receipt of notice of such breach. Each party acknowledges that the security measures used by the other party as of the effective date of this Agreement are in compliance with this Section.

10. "Personally Identifiable Information," includes any information that can be associated with or traced to any individual, including an individual's name, address, telephone number, e-mail address, credit card information, social security number, or other similar specific factual information, regardless of the media on which such information is stored (e.g., on paper or electronically) and includes such information that is generated, collected, stored or obtained as part of this Agreement, including transactional and other data pertaining to users. MVW will

comply with all applicable privacy and other laws and regulations relating to protection, collection, use, and distribution of Personally Identifiable Information. In no event may MVW sell or transfer Personally Identifiable Information to third parties, or otherwise provide third parties with access thereto. If there is a suspected or actual breach of security involving Personally Identifiable Information, MVW will notify MII's Information Protection and Privacy Department at privacy@marriott.com within two (2) hours of a management-level associate becoming aware of such occurrence.

11. Relationship of Parties. In providing the Transition Services, MII and its Affiliates, as applicable, shall act under this Agreement solely as independent contractors and not as agents or partners of MVWC. All employees and representatives providing the Transition Services shall be under the direction, control and supervision of MII and its Affiliates, as applicable (and not of MVWC) and MII and its Affiliates, as applicable, shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of MVWC. Except as specifically provided herein, neither party shall act or represent or hold itself out as having authority to act as an agent or partner of the other party, or in any way bind or commit the other party to any obligations. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, agency, trust or other association of any kind, each party being individually responsible only for its obligations as set forth in this Agreement. Without limiting the foregoing, no services provided under this Agreement shall be construed as legal, accounting or tax advice or shall create any fiduciary obligations on the part of MII or any of its Affiliates to MVWC or any of its Affiliates, or to any plan trustee or any customer of any of them.

12. Force Majeure. No party shall be liable for any interruption, delay or failure to perform any obligation under this Agreement when such interruption, delay or failure is due to causes beyond its reasonable control, including any strikes, lockouts, acts of any government, riot, insurrection or other hostilities, embargo, fuel or energy shortage, fire, flood, acts of God, or general inability (not specific to the claiming party) to obtain necessary labor, materials or utilities. In any such event, the claiming party's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof and the claiming party shall have no liability to the other party in connection therewith. The claiming party will promptly notify the other party, in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, the claiming party will use reasonable commercial efforts to resume its performance promptly. The other party shall have no monetary liability to the claiming party for Services impacted as a result of such event that would otherwise be attributable to the period during which such Services are impacted. Any costs associated with the claiming party's re-establishment of Services shall be the sole responsibility of the claiming party.

13. Termination. This Agreement shall terminate on the earliest to occur of (a) the latest date on which any Transition Service is to be provided as indicated in the Services Exhibits, (b) the date on which the provision of all Transition Services has terminated or been canceled pursuant to Section 3, (c) the date on which this Agreement is terminated pursuant to Section 14, and (d) the date on which the Termination Period expires. Sections 4, 7, 8, 10, 11, 15, 16 and 21 shall survive any termination of this Agreement.

14. Breach of Agreement. In the event a party receives a notice under this Section alleging a breach of this Agreement, such party shall use commercially reasonable efforts for the following ten (10) Business Days to cure such breach or respond that it is not in breach. For purposes hereof, an "Event of Default" shall mean a party's failure to comply in all material respects with its obligations hereunder which failure remains uncured for a period of ten (10) Business Days following such party's receipt of written notice of such failure. In the event of an Event of Default, the non-defaulting party may terminate this Agreement immediately by providing written notice of termination. The failure of a party to exercise its rights hereunder with respect to a breach by the other party shall not be construed as a waiver of such rights nor prevent such party from subsequently asserting such rights with regard to the same or similar defaults.

15. Disclaimers; Indemnification; Limitation of Liability.

(a) EXCEPT AS SET FORTH IN SECTION 2, MII DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CUSTOM OR USAGE IN THE TRADE, IN CONNECTION WITH THE PROVISION OF THE TRANSITION SERVICES UNDER THIS AGREEMENT.

(b) With regard to any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any claim, default or assessment) (collectively, "Losses") arising out of a breach of MII's obligations in connection with the provision of Transition Services under this Agreement, other than Losses arising as a result of the fraud or willful misconduct of MII or covered under a MII indemnity under Section 15(d), MII's sole liability for such Losses shall be to use reasonable commercial efforts to re-perform, or cause its Affiliates to re-perform, such services. MVWC shall promptly advise MII of any such breach of which it becomes aware.

(c) MVW Indemnity. MVWC agrees to indemnify, defend and hold harmless MII and its respective officers, directors, employees, agents, successors, and assigns, from any Losses resulting from Third Party Claims arising hereunder from (i) MVWC's breach of its obligations with respect to Confidential Information, Personally Identifiable Information or security under this Agreement, (ii) MVWC's violation of applicable laws, rules, regulations, ordinances, orders, and directions of federal, state, provincial, county, and municipal governments, all as they may be amended from time to time, (iii) MVWC's failure to comply with comply with the Payment Card Industry Data Security Standard and any other credit card company specific security requirements (collectively, "Credit Card Company Regulations") (iv) the infringement by MVWC of a third party's intellectual property rights, or (v) MVWC's fraud or willful misconduct. In addition, in the event of MVWC's breach of its obligations with respect to Personally Identifiable Information under this Agreement, MVWC shall indemnify, defend and hold harmless MII for any and all costs and expenses related to notification of affected individuals and procurement of credit protection services for such individuals for a defined period.

(d) MII Indemnity. MII agrees to indemnify, defend and hold harmless MVWC and its respective officers, directors, employees, agents, successors, and assigns, from any Losses resulting from Third Party Claims arising hereunder from (i) MII's breach of its obligations with respect to Confidential Information or security under this Agreement, (ii) MII's violation of applicable laws, rules, regulations, ordinances, orders, and directions of federal, state, provincial, county, and municipal governments, all as they may be amended from time to time, (iii) MII's failure to comply with comply with any Credit Card Company Regulations, (iv) the infringement by MII of a third party's intellectual property rights, or (v) MII's fraud or willful misconduct. For purposes of subsection (c) above and this subsection (d), "Third Party Claims" shall mean all claims or threatened claims, civil, criminal, administrative, or investigative action or proceeding, demand, charge, action, cause of action or other proceeding asserted against a party hereto and brought by a third party.

(e) EXCEPT FOR ITS OBLIGATION TO COMPLY WITH SUBSECTION (d) ABOVE, MII SHALL NOT BE LIABLE FOR ANY LOSSES IN CONNECTION WITH THIS AGREEMENT. IN ADDITION TO ITS OBLIGATIONS ABOVE, MVWC AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS MII AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ("INDEMNIFIED PERSONS") FROM ANY CLAIMS ASSERTED, OR ASSOCIATED LOSSES, BY OR ON BEHALF OF THIRD PARTIES OR WHICH RESULT FROM GOVERNMENTAL ACTION. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT SHALL A PARTY OR ITS AFFILIATES OR AGENTS BE LIABLE TO ANY INDEMNIFIED PERSON FOR LOSS OF PROFITS, LOSS OF BUSINESS, OR LOSS OF DATA, OR FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR OTHER INDIRECT DAMAGES, IN CONNECTION WITH THIS AGREEMENT UNLESS SUCH DAMAGES ARE AWARDED AND REQUIRED TO BE PAID BY AN INDEMNIFIED PERSON TO A THIRD PARTY PURSUANT TO AN ORDER OF A GOVERNMENTAL AUTHORITY.

(f) The party required to indemnify pursuant to this Article (the "Indemnitor"), upon demand by a party ("Indemnitee"), at Indemnitor's sole cost and expense, shall resist or defend such Claim (in the Indemnitee's name, if necessary), using such attorneys as the Indemnitee shall approve, which approval shall not be unreasonably withheld. If, in the Indemnitee's reasonable opinion, there exists a conflict of interest which would make it inadvisable to be represented by counsel for the Indemnitor, the Indemnitor and the Indemnitee shall jointly select acceptable attorneys, and the Indemnitor shall pay the reasonable fees and disbursements of such attorneys.

(g) The foregoing provisions of this Article set forth the full extent of the parties' liability (monetary or otherwise) under this Agreement for any and all Losses.

16. Confidentiality. Each party agrees to treat, and to cause its employees and agents to treat, confidentially all non-public records and other information received hereunder with respect to the other party that the receiving Party knew or reasonably should have known was confidential because it derives independent value from not being generally known to the public (collectively, "Confidential Information"). Specifically, each party agrees that it will, and will cause its employees and agents to, during the term of this Agreement and thereafter (except

where required by law or court order or administrative agency order or subpoena): (a) retain all Confidential Information of the other party in confidence; (b) not disclose any Confidential Information to any third party without the permission of the other party, except as required by Law; (c) not use any Confidential Information of the other party for any purposes other than performing its obligations under this Agreement or any other agreement signed between the parties; (d) limit access to the Confidential Information of the other party to those employees, subcontractors and agents who have a need to know such information for the business purposes of this Agreement, and maintain reasonable arrangements to protect confidentiality satisfactory to the other party with such party's employees and agents having access to such Confidential Information and with third parties having any access to such Confidential Information; and (e) ensure that all tangible objects and copies thereof in such party's possession or under its control containing or imparting any Confidential Information of the other party shall be returned to the other party at any time upon the request of the other party or upon termination of this Agreement.

17. Audits.

(a) Compliance Audits by MII. Upon notice from MII, MVWC shall provide MII, its auditors (including internal audit staff and external auditors), inspectors, regulators and other reasonably designated representatives as MII may from time to time designate in writing (collectively, the "MII Auditors") with access to, at reasonable times, to any MVWC facility or part of a facility at which MVWC is using the Services, to MVWC personnel, and to data and records relating to the Transition Services for purposes of verifying compliance with this Agreement. MII audits may include security reviews (including MVWC's completion of security related questionnaires) of the Transition Services and MVWC's systems, including reasonable use of automated scanning tools such as network scanners, port scanners, and web inspection tools. MVWC will provide any assistance that MII Auditors may reasonably require with respect to such audits. Upon notice from MVWC, MII shall provide MVWC and its auditors with access to, at reasonable times, books and records relating to the Transition Services or this Agreement in order for MVWC to comply with applicable laws or regulations.

(b) Audits by MVWC. MVWC shall have the right, upon at least thirty (30) days written notice to MII, and in a manner to avoid interruption to MII's business, to perform audit procedures over MII's internal controls and procedures for payroll processing and other Services provided by MII under this Agreement; provided that, such audit right shall exist solely to the extent required by MVWC's external auditors to ensure MVWC's compliance with the Sarbanes-Oxley Act of 2002, to determine if MVWC's financial statements conform to Generally Accepted Accounting Principles (GAAP) or to the extent required by governmental agencies. MII shall provide MVWC and MVWC's auditors with appropriate space, furnishings, and telephone, facsimile and photocopy equipment as MVWC or MVWC's auditors may reasonably require to perform such audit procedures. MII shall consider in good faith, but shall not be obligated to make, changes to its controls and procedures to address any findings of such audits. MVWC shall pay or reimburse all of MII's incremental costs arising from all such audit-related activities, provision of space, furnishings and equipment, and analysis and implementation, if any, of any potential changes in MII's controls or procedures described in this Section 17(b).

(c) Audit Reports. MVWC shall be entitled to request, upon reasonable notice to MII, and MII shall provide a copy of its most recent SSAE 16 audit report, if any, performed by Marriott, or Marriott's auditors, at the same cost as MII charges its hotel franchisees.

18. Resolution of Disputes. The Parties shall resolve any disputes with respect to the Transition Services on an informal basis in accordance with this Section.

(a) The Party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by written notice to the other Party. The Parties shall use their best efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between negotiators for the Parties at the successive management levels set forth below:

Level	MII	MVWC
Level 1	Vice President, Information Resources	Senior Director, Vendor Management
Level 2	Senior Vice President, Finance, Global Information Resources	Vice President, Infrastructure Services
Level 3	Chief Information Officer	Chief Information Officer

(b) The negotiators at each management level shall have a period of ten (10) business days in which to attempt to resolve the dispute, unless otherwise agreed to by the Parties. The allotted time for the first-level negotiation shall begin on the date of receipt of the Invoking Party's notice. If a resolution is not achieved by negotiators at the first level at the end of the allotted time, then the allotted time for the negotiations at the next management level shall begin immediately. In the event the dispute remains unresolved after completion of this escalation process, the Invoking Party may require reperformance of any Transition Service alleged not to be provided in compliance with this Agreement or may terminate the Transition Service in dispute pursuant to the termination provisions of this Agreement.

19. Modification of Procedures.

(a) Modification by MII. MII may make changes from time-to-time in its practices and procedures for performing the Transition Services. Notwithstanding the foregoing sentence, unless required by law, MII shall not implement any substantial changes affecting MVWC or its Affiliates unless:

(i) MII has furnished MVWC notice (the same notice MII provides its own business) thereof;

(ii) MII changes such practices and procedures for its own business units at the same time; and

(iii) MII gives MVWC a reasonable period of time for MVWC (i) to adapt its operations to accommodate such changes or (ii) reject such changes. In the event MVWC fails to accept or reject a proposed change on or before a reasonable date specified in such notice of change, such failure shall be deemed to be acceptance of such change. In the

event MVWC rejects a proposed change but does not terminate this Agreement, MVWC agrees to pay any reasonable expenses resulting from MII's need to maintain different or multiple versions of the same systems, procedures, technologies, or services or resulting from requirements of their third party vendors.

(b) Modification by MVWC. In the event MVWC makes a change to its technology environment, software or hardware that renders MII incapable of providing the Transition Services or MVWC incapable of using the Services, MII's performance with respect to such affected Transition Service(s) shall be excused until MVWC has modified its technology to correct the problem.

20. Definitions. The following terms shall have the following definitions for all purposes of this Agreement:

(a) "Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power: (i) to vote fifty percent (50%) or more of the voting stock or equity interests of such Person; or (ii) to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting stock or equity interests, by contract or otherwise.

(b) "Person" shall mean any individual, partnership, corporation, limited liability company, association, trust, trustee, joint venture, government entity or department or agency thereof, business entity, or other entity of any kind or nature.

21. Miscellaneous. The following sections of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 21 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement): Articles XIII (Further Assurances), X, XI, and XII. In the event of a conflict between such incorporated sections and the terms of this Agreement, the terms of this Agreement shall govern.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date and year first set forth above.

MARRIOTT INTERNATIONAL, INC.

By: _____
Name:
Title:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name:
Title:

Exhibit A
Transition Services

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7650	RMA 23, RMA 43	S:Windows Server Processing	Direct charge to users, primarily IR and MVCI, based on server configuration.	Support cost for the Windows Domain Controller servers at the hotel. The servers provide local authentication and Domain Name Service (DNS) and Windows Internet Name Service (WINS) to translate IP addresses and internet addresses to help locate and connect computers. Costs include hardware and software support and maintenance for the Windows Domain Controller servers located at the property.	T
7652	IR 7	S:UNIX & LINUX Processing	Direct charge to users, primarily IR and MVCI, based on server type and configuration.	This service includes the hardware, software, maintenance and support costs for the Windows servers. Applications utilizing this service benefit from the maintenance & support of the Windows environment provided by Information Resources Shared Services as well as the functionality of the NT environment itself, network connectivity of the server and Operating System & core software upgrades.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7626	MI LIST 146	S:Business Recovery Services	Allocates primarily to IR and MVCI based on number of servers. Allocation to Marriott.com, MBS Financials, ExecuStay and Blackberry is based on specific circuit, lease and software costs.	This Service includes the cost of providing disaster recovery capabilities for key systems infrastructure. Applications such as MARSHA (Marriott Automated Reservations System for Hotel Accommodations), Mainframe MVS (Multiple Virtual Storage), MBS (Marriott Business Services), and other business critical processes have contracts for a recovery infrastructure environment including network, processing and storage components should services from the Marriott Computing & Network Center (MCNC) be interrupted for a period expected to exceed 24 to 48 hours. Services are provided at Marriott's Recovery and Disaster Center (RDC).	T
7771	MI LIST 174	B:Enterprise Architecture Standards and Governance	Allocates 21% to MVCI and 79% to IR Division Admin based on expected services provided.	Architecture Review Services manages a formal governance process to create alignment between specific projects and the established Enterprise Architecture Framework in order to improve the quality and agility of Marriott’s overall Information Resources systems and align with Marriott’s business goals and objectives for Marriott Vacation Club International (MVCI). The reviews identify architecture concerns early, reducing the cost and risk of later changes. Over time, the reviews will focus on increased reuse of Marriott International approved technologies and standard processes resulting in more efficient customer focused processes and lower technology costs for MVCI.	T
2115	MBS 23, MI LIST 27	B:Mosaic Support	Allocates to MVCI, IR, and A&C based on the number of users.	Mosaic is used to manage costs throughout project lifecycles. Mosaic is used by MVCI and IR departments for: Weekly time entry by associates; Tracking approved projects; Building project teams and defining project activities; Viewing detailed reports that include financial, accounting, Capex, and KPI data.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7697	MI LIST 143	S:Enterprise Storage	Direct Charge to numerous users - tiered rate structure based on 12 storage types.	The costs associated with the hardware, software, maintenance and support required for storing data on the mainframe. The data is backed up nightly with copies of the data stored offsite. The service includes database administration support for the data.	T
7315	IR 36	S:Cognos Reporting	Allocates to 8 Applications defined as Large or Small based on usage, primarily to MRDW, MVCI/RC - Mystique, MVCI - Solar Prophecy, PCDW, Sales Decision Support & SRW (CI)	This service includes the hardware, software, maintenance and support required for the Cognos Reporting tool. This product is an Enterprise web-based reporting application which stores various types of reports and allow users to access reports through online reporting.	T
7609	RMA 44, IR 160, RMA 24, RMA 46	S:MCN II	Allocates $650K to 2 IR depts (Marriott.com and HQ DNS). Direct Charge of remainder to users based on 25 cost components and several tiered rates based on actual throughput measurements.	MVCI (Marriott Vacation Club International) properties and sites that require MPLS (Multi Protocol Label Switching) MIS (Managed Internet Service) Circuits to connect and access Marriott applications at MCNC (Marriott's Computing and Network Center).	T
7732	IR 15	S:Secure Distributed Proxy	Allocates to applications classified as Heavy or Light based on usage, primarily to MVCI, IR and MBS	This Service includes the cost of providing enterprise level security capabilities for key systems both at the Marriott Network and Computing Center as well as the systems located at the properties.	T
7331	MI LIST 28, IR 44	B:Remap Support	Allocates to MVCI and A&C based on the number of users, storage, and module usage.	Support for Supply Chain PeopleSoft and Project Costing Data Warehouse (PCDW).	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7655	IR 10, RMA 10	S:Corporate eMail	Direct Charge of $3 per mailbox for e-mail gateway services.	This service applies to any remote/field location that maintains an email server on-site that is connected to the Marriott email system for Marriott Vacation Club International (MVCI). This service provides the connection of the email server located at an MVCI property and the Marriott email system located at the Marriott Computing and Network Center (MCNC). Included with this connection is the Marriott Global Address Listing which can in turn be accessed by field users on their own MVCI Managed Email server located at an MVCI property. Includes Gateway Services, Spam Filtering, and MessageOne. This service does not apply to the day-to-day support of any email servers housed at MVWC locations.	T
2195	IR 11	F:Access & Authentication Fund	Direct Charge to users. Rate: $2,000 per period per user.	The systems that provide protection and allow a restricted set of users to authenticate to and access your website are Tivoli Access Management (TAM) and Enterprise Directory Services (EDS). This charge represents the usage of these services.	T
7751	RMA 32, RMA 34, RMA 50, OS 40	S:PC Engineering and Software	Per-PC rate charged to 9 different user groups, each with a different rate per PC based on which services each user group uses (e.g., Help Desk component is charged to FOSSE for CFRST hotels, Chain Services for MHRS hotels and is included in this direct charge for International and Ritz Carlton locations).	Cost of personal computer (PC) engineering and maintenance for MVCI properties for the use of desktop or laptop computers. This cost includes: standard Marriott desktop software (licenses, maintenance), hardware, labor, and shared information resources usage costs for standard imaging of desktop and laptop computers. The software protects the users' computer from viruses, maintains the PC's hardware and allows Information Resource associates to assist in trouble shooting issues with the computer. Costs are distributed to hotels based on the number of PCs at the property.	T
7344	IR 13	S:SOA Data Power	Data Power allocates to 12 applications based on type of service: Service Provider or Consumer.	The Service Orientated Architecture (SOA) infrastructure will allow for consistent deployment, management and interfaces among services within the Marriott service portfolio.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
2130	IR 9	S:MI Connector	Direct charge to users with MI Connector accounts: - $8 per user/period.	MI Connector maintenance costs provide secure remote access to Marriott's network from remote locations (examples include airports, wireless internet spots, home). MI Connector allows users to connect to Marriott via Dial up, ISDN (Integrated Services Digital Network), Broadband (Cable, DSL), WiFi (Wireless Internet Connection), and laptops with Cellular PCMCIA (Personal Computer Memory Card Int'l Assoc) cards. Costs are distributed to hotels each period based on users with MI Connector accounts.	T
PMCR	IR 21	MICROS Maintenance		Cost for MICROS point of sale maintenance support agreement (MSA), which covers hardware maintenance services, PC software recovery services, and telephone support. Cost is based on the vendor invoice amount.	T
1971	RMA 31	S:Internet Content Filtering	Direct charge to Websense-licensed properties ($1.19 per license per period) and a portion allocates to 2 IR depts: Thin Client ≈$103K and HQ Desktop and Network Services ≈$59K.	Cost for a Websense license, which is an internet content filtering application. Websense supports Marriott security standards and appropriate use of the company's internet as well as block access to any site that is not permitted in accordance with Marriott International Policy, Electronic Communications and Information Security Manual, and Internet Access Policy. The internet filters are used to block criminal activity on the internet, eliminate offensive content being displayed on associates' personal computers (PC) and workstations, and conserve bandwidth. Websense will identify and block web sites containing virus and spyware infected files that may be harmful to PCs and the network should they be downloaded. The cost to the hotel is based on the number of licenses requested.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
1863	IR 21	B:Micros 9700	Direct Charge to participating Domestic and International hotels based on a rate of $240/period.	Period cost for management and support of the vendor supplied MICROS 8700/9700 Point of Sale (POS) hotel application used for processing food and beverage orders and retail sales. Support costs include labor, software, hardware and computing costs. Costs are distributed based on hotel participation.	T
1954	MI LIST 150	R:POS Installations	Direct charge to property based on time and material.	Installation costs of Micros Point of Sale system (POS). Micros POS hotel application is used for processing food and beverage orders and retail sales. Installation costs include labor, software, hardware and computing related costs. The cost is based on the actual installation cost incurred per hotel.	T
7769	OS 35, IR 75	S:BPA Connector	Direct charge to users with BPA (Business Partner Access) accounts - $42 per user/period.	Cost for a Business Partner Access (BPA-Connector) account, which provides MI's Business Partners (vendors and franchisees) with real-time access to above-property and property-based systems and applications. The BPA connection point is accessible via the Internet (web browser) and allows for real-time high-speed access to property management systems and applications. Cost is based on the number of users at the hotel.	T
2114	RMA 45	B:eTrack Support	Direct Charge to numerous applications based on a Power user ($160) or Casual user ($62) designation.	The application eTrack is the Call Center and System Change (MCCSC) application which provides an enterprise wide contact management and call tracking tool to record end user calls to the Help Desk. A Power User is defined as someone who uses the system as a primary work tool. All other users are defined as Casual Users. Support costs include labor, software, hardware and computing related costs. Costs are distributed to the hotel based on the user type.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7325	IR 45	S:OnDemand Reporting	Direct Charge to users of 2 components: $1,475 per application and $16 per folder rate.	OnDemand infrastructure is an Enterprise web-based reporting application which stores various types of reports and allows users access to these reports at any time. Hotels benefit from ease of online reporting, with functionality including reading, printing and downloading reports to Microsoft Excel. Hotels request folders to store their frequently used reports or batch reports. Costs are distributed on a per folder basis and include server storage, security services and application support.	T
7664	IR 28, MI LIST 147, MI LIST 148	S:Property Distr System Support	Allocates primarily to FOSSE and FS PMS and Direct Charge of 3 components based on server counts.	This service provides proactive monitoring of field server hardware and operating systems which run critical business applications. Support cost includes software licenses, labor, and company-wide basic infrastructure and security. Costs are distributed based on the number of participating hotels.	T
7686	MI LIST 151	R:FSPMS AIX 7.x Upgrade	Direct Charge to participating hotels at time of installation based on estimated total project costs.	This is a security deployment to upgrade to a vendor supported level of AIX (Advanced Interactive eXecutive) of the full service property management operating system, upgrading from version 5 to version 7.	T
2094	RMA 27, IR 52, MI LIST 149	I:International PCI	Direct charge to International hotels based on available room count.	Payment Card Industry (PCI) data security standard implementation managed by Marriott's Program Management Office (PMO). Review and coordination of technology and business processes used to manage the hotels credit card information and their compliance with the Visa standards.	T
IBMM	IR 15	IBM Hardware Maintenance		Maintenance cost for hardware provided by the vendor, International Business Machines (IBM). Cost includes coverage of hotel personal computers and laptops against breakage or failure. Cost is based on the vendor invoice.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
2056	IR 38, MI List 26	B:Oceans Shared Infra costs	Allocated to IR and MVCI based on infrastructure storage and usage.	Collects shared costs for FIN, BAR (Billing and Accounts Receivable), EPM (Enterprise Performance Management), EPB, Mosaic, LMS (Labor Management and Scheduling), RCSL (Revenue Capture Subsidiary Ledger), MVCI (Marriott Vacation Club International), Supply Chain and Incentive Sales.	T
7352	MI LIST 153, MI LIST 154	S:PST PMS Training	Tuition charged per associate based on the cost of the training event.	Provide Property Management System (PMS) training to associates at managed and franchised full service brand hotels. Services include basic and advanced training in the use of full service PMS systems, related customer service training, and live monitoring of hotel staff after the system implementation date. The amount includes wages and benefits for the on site trainers, as well as their travel, lodging, meals and other related expenses while the training, implementation and observation takes place.	T
7606	MI LIST 140, MI LIST 141, MI LIST 142, MI LIST 176, IR 2	S:HQ Voice Services	$159K fixed allocation to A&C. Remainder direct charged to users. 6 components and rates including a long-term funding component for Omaha related to Unity voice mail.	This service includes the cost of local calls charged to Marriott by Verizon. This cost is passed on to the end users who benefit from easy communication via the telephone external to Marriott.	T
7711	MI LIST 152	R:ScerIS 9 Upgrade	Direct Charge to participating hotels at time of installation based on estimated total project costs.	All full service hotels with ScerIS that are supported by an Information Resource Field Associate. Project management services including project planning, communications, scheduling and tracking progress. Facilitate remote upgrades to existing servers or procurement of replacement servers.	T
7361	MI LIST 153, MI LIST 154	S:LMS Training	Tuition charged per associate based on the costs of the training event.	Cost of attending Mercury training. Associates receive Mercury training to help perform their job functions using the Mercury applications.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
1904	RMA 25	S:Password Reset	Direct Charge to users. Rate: $17.50 per call	Support cost for an associate to receive assistance when resetting their password. Marriott associates use their passwords to access secure systems within the Marriott infrastructure. An on-line interactive tool is available for associates to update their passwords according to pre-defined timeframes. Costs are distributed on a per call basis.	T
INFW	IR 17	ScerIS Annual Maintenance - Additional Host		Annual cost of maintenance of ScerIS system (formerly known as InfoWiz) which is used as a reporting archive for storing reports from key hotel systems, such as the Property Management System (PMS). Cost is per-hotel based on the vendor invoice amount.	T
2131	IR 26, IR 55, F&A 29	B:TeamShare	Direct Charge to numerous users based on the number of TeamShare sites. Rate is $300 per site, calculated as total cost/number of sites.	Cost of support and infrastructure for the Team Share application. Team Share is the application that enables workgroups to securely organize, update and access team assets in a central location. Period costs are distributed per hotel based on participating hotels. Support costs may include labor, software, hardware and computing costs. While no new MVWC-sponsored sites will be offered, MII will continue to host the following sites through the Transition Period: MVCI London Regional Office, MVCI Note Sales Rating Agency Access, and MVCI Security and Compliance	T
7733	RMA 26, RMA 47	S:Remote Attended Network Access	Direct charge to licensed users of the service at a rate of $11/period.	Cost for an outsourced service that enables hotel associates to engage third party application support vendors and grant the vendors access to the property based applications/systems to resolve issues in an efficient manner. Designated hotel associates are provided with an account on the Marriott WebEx service, which enables them to engage the vendor to resolve hotel application issues via a secure internet connection. Costs are distributed based on the number of user accounts at the hotel.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7665	IR 8, MI LIST 177, IR 50	S:Enterprise Security	Recovered via the IR Service Allocation, charged to applications at a rate of 11.5% of Direct Costs	The enhancement of the security system and compliance with Payment Card Industry (PCI) Data Security Standards. Host Intrusion Detection Software (HIDS) software monitors activities on systems and provides real time alarming on malicious activity.	T
7779	MI LIST 138, MI LIST 139	S:WebSurveyor Shared Services	Direct charge to licensed users of the service at a rate of $1,500 per user per survey request.	Vovici Survey is a Marriott approved web-based survey tool, which alows hotels the ability to create simple to complex surveys and provides enhanced analytical and reporting functionality. A Vovici license provides a professional, multi-faceted survey functionality including advanced features such as advanced question routing based on answer, full reporting funstionality, and management of invitations or reminders. Annual license costs are distributed to each user.	T
2026	IR 27	B:OpenTable	Direct Charge to participating Domestic and International hotels at a rate of $50/period.	Period cost for management and support of the vendor-supplied Open Table food and beverage (F&B) application. OpenTable is an on-line restaurant reservation and table management system that allows diners to make and confirm restaurant reservations in real-time and communicates the reservations directly to the hotel via the ScerIS system. Support costs include labor, software, hardware and computing costs. Costs are per-hotel and based on total participating hotels.	T
7357	MI LIST 144, MI LIST 145	Print & Distribution	Direct Charge to users based on per foot of paper used at $0.64/ft. 2 Components: Check Processing and Laser Printer - Excluding Checks	Cost of express shipping for the mailing of Enterprise Accounts Payable (EAP) checks, Owner and Franchise (OFB) bills, Dunning letters, and Direct Deposit statements, based on the invoice amounts.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7747	MI 175	Enterprise Architecture Ad Hoc	Direct Charge based on time and material.	Architecture Review Services manages a formal governance process to create alignment between specific projects and the established Enterprise Architecture Framework in order to improve the quality and agility of Marriott's overall Information Resources systems and align with Marriott's business goals and objectives for Marriott Vacation Club International (MVCI). The reviews identify architecture concerns early, reducing the cost and risk of later changes. Over time, the reviews will focus on increased reuse of Marriott International approved technologies and standard processes resulting in more efficient customer focused processes and lower technology costs for MVCI.	T
Law Dept - 52/923.20		Law Department Systems Support Services	$37,000 per year, to be paid quarterly, prorated for any shorter period. If MVWC elects a partial termination of these services, the MII and MVWC Law Departments will discuss an appropriate reduction to the fee above. MVWC may terminate any or all of these services upon provision of not less than sixty days written notice.	MII's Law Department Systems and Support Group ("SOS") will provide the following remote services to the MVWC Law Department: (1) hosting and support for the MVWC-specific instances of the Law Manager and iManage databases separated from the MII Law Department databases (MVWC acknowledges and agrees that SOS will have access to those databases subject to the confidentiality provisions of the Agreement); (2) help desk support for Workshare, Westlaw, Adobe and the MII Law Department's litigation hold survey tool.	T

Exhibit B

Service Termination Form

This Service Termination Form ("Termination Form", dated _____ __, 2011, is governed by and made a part of that certain Transition Services Agreement, made by and between MARRIOTT INTERNATIONAL, INC. ("MII") and MARRIOTT VACATIONS WORLDWIDE CORPORATION ("MVWC"), dated as of _____ __, 2011 (the "Agreement").

MVWC is hereby providing the required notice of its intent to terminate the following Transition Service(s) as of the dates set forth below:

Description of Transition Service	Effective Date of Termination

MII shall terminate providing the Transition Services listed above as of the dates set forth above ("Termination Date"). After the Termination Date, MII shall have no further liability to provide the terminated Transition Service(s).

Any terms used in this Termination Form without definition shall have their respective meanings as set forth in the Agreement.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____

Name:
Title:

Exhibit 10.12

Execution Copy

MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1,
as Issuer

MARRIOTT OWNERSHIP RESORTS, INC.,
as Servicer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Indenture Trustee and Back-Up Servicer

AMENDED AND RESTATED INDENTURE AND SERVICING AGREEMENT

Dated as of September 1, 2011

TABLE OF CONTENTS

AMENDED AND RESTATED INDENTURE AND SERVICING AGREEMENT

This Amended and Restated Indenture and Servicing Agreement, dated as of September 1, 2011 (this "**Indenture and Servicing Agreement**"), is among MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1, a statutory trust organized under the laws of the State of Delaware, as issuer (the "**Issuer**"), Marriott Ownership Resorts, Inc. ("**MORI**"), a Delaware corporation, as servicer (the "**Servicer**"), and Wells Fargo Bank, National Association, a national banking association, as indenture trustee (the "**Indenture Trustee**") and as back-up servicer (in such capacity, the "**Back-Up Servicer**") and hereby amends and restates in its entirety that certain indenture, dated as of September 1, 2011 (the "**Closing Date Indenture and Servicing Agreement**"), by and among the parties hereto.

RECITALS OF THE ISSUER

WHEREAS, the parties hereto desire to amend and restate in its entirety the Closing Date Indenture and Servicing Agreement and the Standard Definitions as provided herein, and all actions required to do so under the Closing Date Indenture and Servicing Agreement have been taken;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture and Servicing Agreement to provide for the issuance of its Timeshare Loan-Backed Variable Funding Notes, Series 2011-1 (the "**Notes**"); and

WHEREAS, all things necessary to make the Notes, when executed by the Issuer and authenticated and delivered by the Indenture Trustee hereunder, the valid recourse obligations of the Issuer, and to make this Indenture and Servicing Agreement a valid agreement of the Issuer, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE AND SERVICING AGREEMENT WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the holders thereof, it is mutually covenanted and agreed, for the benefit of the Noteholders, as follows:

GRANTING CLAUSE

To secure the payment of the principal of and interest on the Notes in accordance with their terms, the payment of all of the sums payable under this Indenture and Servicing Agreement and the performance of the covenants contained in this Indenture and Servicing Agreement, the Issuer hereby Grants to the Indenture Trustee, for the benefit of the Noteholders and the Hedge Counterparty, all of the Issuer's right, title and interest in and to the following whether now owned or hereafter acquired and any and all benefits accruing to the Issuer from, (i) all Timeshare Loans and Conveyed Timeshare Loan Assets acquired by the Issuer, (ii) the Qualified Substitute Timeshare Loans, if any, (iii) the Receivables in respect of such Timeshare Loans due on and after the related Cut-Off Date, (iv) the related Timeshare Loan Files, (v) all Related Security in respect of each such Timeshare Loan, (vi) all rights and remedies under the Sale Agreement, (vii) all rights and remedies under the Custodial Agreement, (viii) all rights and

remedies under the Hedge Agreements, (ix) all rights and remedies under the Performance Guaranty, (x) all amounts in or to be deposited to each Trust Account, and (xi) proceeds of the foregoing (including, without limitation, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind, and other forms of obligations and receivables which at any time constitute all or part or are included in the proceeds of any of the foregoing) (collectively, the "**Trust Estate**"). Notwithstanding the foregoing, the Trust Estate shall not include any Miscellaneous Payments and Processing Charges made by an Obligor.

Such Grant is made in trust to secure (i) the payment of all amounts due on the Notes in accordance with their terms, equally and ratably except as otherwise may be provided in this Indenture and Servicing Agreement, without prejudice, priority, or distinction between any Note by reason of differences in time of issuance or otherwise, (ii) the payment of all amounts due to the Hedge Counterparty under the Hedge Agreement and (iii) the payment of all other sums payable under the Notes and this Indenture and Servicing Agreement.

The Indenture Trustee acknowledges such Grant, accepts the trusts hereunder in accordance with the provisions hereof, and agrees to perform the duties herein required to the best of its ability and to the end that the interests of the Noteholders may be adequately and effectively protected as hereinafter provided.

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

Section 1.01 General Definitions.

In addition to the terms defined elsewhere in this Indenture and Servicing Agreement, capitalized terms shall have the meanings given them in the "Standard Definitions" attached hereto as Annex A.

Section 1.02 Compliance Certificates and Opinions.

Upon any written application or request (or oral application with prompt written or electronic confirmation) by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture and Servicing Agreement, other than any request that (a) the Indenture Trustee authenticate the Notes specified in such request, (b) the Indenture Trustee invest moneys in any of the Trust Accounts pursuant to the written directions specified in such request, or (c) the Indenture Trustee pay moneys due and payable to the Issuer hereunder to the Issuer's assignee specified in such request, the Indenture Trustee shall require the Issuer to furnish to the Indenture Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture and Servicing Agreement relating to the proposed action have been complied with and that the request otherwise is in accordance with the terms of this Indenture and Servicing Agreement, and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that, in the case of any such requested action as to which other evidence of satisfaction of the conditions precedent thereto is specifically required by any provision of this Indenture and Servicing Agreement, no additional certificate or opinion need be furnished.

Section 1.03 Form of Documents Delivered to Indenture Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Issuer delivered to the Indenture Trustee may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such officer knows that such Opinion of Counsel with respect to the matters upon which his certificate or opinion is based are erroneous. Any such officer's certificate or opinion and any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer as to such factual matters unless such officer or counsel knows that the certificate or opinion or representations with respect to such matters are erroneous. Any Opinion of Counsel may be based on the written opinion of other counsel, in which event such Opinion of Counsel shall be accompanied by a copy of such other counsel's opinion which shall contain appropriate language permitting reliance on such other counsel's opinion.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture and Servicing Agreement, they may, but need not, be consolidated and form one instrument.

Wherever in this Indenture and Servicing Agreement, in connection with any application or certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Section 7.01(b) hereof.

Whenever in this Indenture and Servicing Agreement it is provided that the absence of the occurrence and continuation of a Potential Event of Default, Event of Default, Potential Servicer Event of Default, Servicer Event of Default, Potential Amortization Event or Amortization Event is a condition precedent to the taking of any action by the Indenture Trustee at the request or direction of the Issuer, then, notwithstanding that the satisfaction of such condition is a condition precedent to the Issuer's right to make such request or direction, the Indenture Trustee shall be protected in acting in accordance with such request or direction if it does not have knowledge of the occurrence and continuation of such event. For all purposes of

this Indenture and Servicing Agreement, the Indenture Trustee shall not be deemed to have knowledge of any Default, Event of Default, Servicer Event of Default or Amortization Event nor shall the Indenture Trustee have any duty to monitor or investigate to determine whether a Default, an Event of Default (other than an Event of Default of the kind described in Section 6.01(a) hereof), a Servicer Event of Default or an Amortization Event has occurred unless a Responsible Officer of the Indenture Trustee shall have actual knowledge thereof or shall have been notified in writing thereof by the Issuer, the Servicer or any Noteholder.

Section 1.04 Acts of Noteholders, etc.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture and Servicing Agreement to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents duly appointed in writing, including but not limited to trust agents and administrative agents; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "**Act**" of the Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and Servicing Agreement and (subject to Section 7.01 hereof) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section 1.04.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him or her the execution thereof. Where such execution is by a signer acting in a capacity other than his or her individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Indenture Trustee, in its reasonable discretion, deems sufficient.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the holder of any Note shall bind every future holder of the same Note and the holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

(d) By accepting the Notes issued pursuant to this Indenture and Servicing Agreement, each Noteholder irrevocably appoints the Indenture Trustee hereunder as the special attorney-in-fact for such Noteholder vested with full power on behalf of such Noteholder to effect and enforce the rights of such Noteholder for the benefit of such Noteholder; provided that nothing contained in this Section 1.04(d) shall be deemed to confer upon the Indenture Trustee any duty or power to vote on behalf of the Noteholders with respect to any matter on which the Noteholders have a right to vote pursuant to the terms of this Indenture and Servicing Agreement.

Section 1.05 Notice to Noteholders; Waiver.

(a) Where this Indenture and Servicing Agreement provides for notice to Noteholders of any event, or the mailing of any report to Noteholders, such notice or report shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, certified mail return receipt requested, or sent by private courier or confirmed electronically to each Noteholder affected by such event or to whom such report is required to be mailed, at its address as it appears in the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice or the mailing of such report. In any case where a notice or report to Noteholders is mailed, neither the failure to mail such notice or report, nor any defect in any notice or report so mailed, to any particular Noteholder shall affect the sufficiency of such notice or report with respect to other Noteholders. Where this Indenture and Servicing Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Indenture Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(b) In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to mail or send notice to Noteholders, in accordance with Section 1.05(a) hereof, of any event or any report to Noteholders when such notice or report is required to be delivered pursuant to any provision of this Indenture and Servicing Agreement, then such notification or delivery as shall be made with the approval of the Indenture Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 1.06 Effect of Headings and Table of Contents.

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.07 Successors and Assigns.

All covenants and agreements in this Indenture and Servicing Agreement by each of the parties hereto shall bind its respective successors and permitted assigns, whether so expressed or not.

Section 1.08 GOVERNING LAW.

THIS INDENTURE AND SERVICING AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK. UNLESS MADE APPLICABLE IN A SUPPLEMENT HERETO, THIS INDENTURE AND SERVICING AGREEMENT IS NOT SUBJECT TO THE TRUST INDENTURE ACT OF 1939, AS AMENDED, AND SHALL NOT BE GOVERNED THEREBY AND CONSTRUED IN ACCORDANCE THEREWITH.

Section 1.09 Legal Holidays.

In any case where any Payment Date or the Stated Maturity or any other date on which principal of or interest on any Note is proposed to be paid shall not be a Business Day, then (notwithstanding any other provision of this Indenture and Servicing Agreement or of the Notes) such payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Payment Date, Stated Maturity, or other date on which principal of or interest on any Note is proposed to be paid, provided that no penalty interest shall accrue for the period from and after such Payment Date, Stated Maturity, or any other date on which principal of or interest on any Note is proposed to be paid, as the case may be, until such next succeeding Business Day.

Section 1.10 Execution in Counterparts.

This Indenture and Servicing Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Indenture and Servicing Agreement by facsimile or other electronic transmission (i.e., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart hereof and deemed an original.

Section 1.11 Inspection.

The Issuer agrees that it will permit the Indenture Trustee, the Administrative Agent, each Funding Agent and each Purchaser or their agents or representatives inspection rights in accordance with Section 3.1(l) of the Note Purchase Agreement.

Section 1.12 Survival of Representations and Warranties.

The representations, warranties and certifications of the Issuer made in this Indenture and Servicing Agreement or in any certificate or other writing delivered by the Issuer pursuant hereto shall survive the authentication and delivery of the Notes hereunder.

ARTICLE II

THE NOTES

Section 2.01 General Provisions.

(a) Form of Notes. The Notes shall be designated as the Marriott Vacations Worldwide Owner Trust 2011-1, Timeshare Loan Backed Variable Funding Notes, Series 2011-1. The Notes, together with their certificates of authentication, shall be in substantially the form set forth in Exhibit A hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or are permitted by this Indenture and Servicing Agreement, and may

have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may consistently herewith be determined by the officer executing such Notes, as evidenced by such officer's execution of such Notes.

(b) Denominations. The Outstanding Note Balance of Notes which may be authenticated and delivered under this Indenture and Servicing Agreement shall not exceed the Facility Limit and the outstanding principal amount of a Note held by any single Purchaser Group or any single Non-Conduit Committed Purchaser shall not exceed the then-effective Purchaser Commitment Amount for such Purchaser Group or Non-Conduit Committed Purchaser. The Notes shall be issuable only as registered Notes without interest coupons in the denominations of at least $1,000,000 and in integral multiples of $1,000; provided, however, that the foregoing shall not restrict or prevent the transfer in accordance with Section 2.03 hereof of any Note with a remaining Outstanding Note Balance of less than $1,000,000.

(c) Execution, Authentication, Delivery and Dating. The Notes shall be issued and delivered to the Noteholders on the Closing Date upon satisfaction of the requirements of the Note Purchase Agreement and this Indenture and Servicing Agreement. The Notes shall be manually executed on behalf of the Issuer by an Authorized Officer of the Owner Trustee. Any Note bearing the signature of an individual who was at the time of execution thereof an Authorized Officer of the Owner Trustee shall bind the Issuer, notwithstanding that such individual ceases to hold such office prior to the authentication and delivery of such Note or did not hold such office at the date of such Note. No Note shall be entitled to any benefit under this Indenture and Servicing Agreement or be valid or obligatory for any purpose unless there appears on such Note a certificate of authentication substantially in the form set forth in Exhibit A hereto, executed by the Indenture Trustee by manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder. Each Note shall be dated the date of its authentication. The Notes may from time to time be executed by the Issuer and delivered to the Indenture Trustee for authentication together with an Issuer Order to the Indenture Trustee directing the authentication and delivery of such Notes and thereupon the same shall be authenticated and delivered by the Indenture Trustee in accordance with such Issuer Order.

Section 2.02 Definitive Notes. The Notes shall be issued in definitive form only. One Note shall initially be issued for each Purchaser Group and be registered in the name of the related Funding Agent. One Note shall be issued for each Non-Conduit Committed Purchaser, if any, and be registered in the name of the Non-Conduit Committed Purchaser itself.

Section 2.03 Registration, Transfer and Exchange of Notes.

(a) Note Register. At all times during the term of this Indenture and Servicing Agreement, the Issuer shall cause to be kept at the Corporate Trust Office a register (the "**Note Register**") for the registration, transfer and exchange of Notes. The Indenture Trustee is hereby appointed "**Note Registrar**" for purposes of registering Notes and transfers of Notes as herein provided. The names and addresses of all Noteholders and the names and addresses of the transferees of any Notes shall be registered in the Note Register. The Person in whose name any Note is so registered shall be deemed and treated as the sole owner and Noteholder thereof for all purposes of this Indenture and Servicing Agreement and the Note Registrar, the Issuer, the

Indenture Trustee, the Servicer and any agent of any of them shall not be affected by any notice or knowledge to the contrary. The Notes are transferable or exchangeable only upon the surrender of such Note to the Note Registrar at the Corporate Trust Office together with an assignment and transfer (executed by the Holder or his duly authorized attorney), subject to the applicable requirements of this Section 2.03. Upon request of the Indenture Trustee, the Note Registrar shall provide the Indenture Trustee with the names and addresses of Noteholders.

(b) Surrender. Upon surrender for registration of transfer of any Note, subject to the applicable requirements of this Section 2.03, the Issuer shall execute and the Indenture Trustee shall duly authenticate in the name of the designated transferee or transferees, one or more new Notes in denominations of a like aggregate denomination as the Note being surrendered. Each Note surrendered for registration of transfer shall be canceled and subsequently destroyed by the Note Registrar. Each new Note issued pursuant to this Section 2.03 shall be registered in the name of any Person as the transferring Holder may request, subject to the applicable provisions of this Section 2.03. All Notes issued upon any registration of transfer or exchange of Notes shall be entitled to the same benefits under this Indenture and Servicing Agreement as the Notes surrendered upon such registration of transfer or exchange.

(c) Securities Laws and other Transfer Restrictions. The issuance of the Notes will not be registered or qualified under the Securities Act or the securities laws of any state. No resale or transfer of any Note may be made unless such resale or transfer is made pursuant to an effective registration statement under the Securities Act and an effective registration or a qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification because such resale or transfer is in compliance with Rule 144A under the Securities Act, to a person who the transferor reasonably believes is a Qualified Institutional Buyer (as defined in Rule 144A) that is purchasing for its own account or for the account of a Qualified Institutional Buyer and to whom notice is given that such resale or transfer is being made in reliance upon Rule 144A under the Securities Act as certified by such transferee (unless such transferee is already a Purchaser) in a letter in the form of Exhibit B hereto and in accordance with any applicable securities laws of any state of the United States and any applicable jurisdiction. None of the Issuer, the Servicer or the Indenture Trustee is obligated to register or qualify the Notes under the Securities Act or any other securities law or to take any action not otherwise required under this Indenture and Servicing Agreement to permit the transfer of any Note without registration.

Except during the occurrence and continuance of an Event of Default, no resale or transfer of any Note may be made to a Direct Competitor without the prior written consent of the Issuer and the Servicer. Neither the Indenture Trustee nor the Note Registrar shall have any obligation to monitor the compliance with the immediately preceding sentence.

(d) ERISA Considerations. No resale or other transfer of any Note or any interest therein may be made to any purchaser or transferee unless (i) such purchaser or transferee is not, and will not acquire such Note or any interest therein on behalf of or with the assets of, any Benefit Plan or (ii) no “prohibited transaction” under ERISA or Section 4975 of the Code that is not subject to a statutory, regulatory or administrative exemption and no violation of any substantially similar provision of federal, state or local law will occur in connection with such purchaser’s or such transferee’s acquisition, holding or disposition of such

Note or any interest therein. In addition, neither the Notes nor any interest therein may be purchased by or transferred to any Benefit Plan, or person acting on behalf of or with assets of any Benefit Plan, unless it represents that it is not sponsored (within the meaning of Section 3(16)(B) of ERISA) by the Issuer, MORI, the Seller, the Servicer, the Indenture Trustee or the Noteholders, or by any Affiliate of any such Person.

(e) Transfer Fees, Charges and Taxes. No fee or service charge shall be imposed by the Note Registrar for its services in respect of any registration of transfer or exchange referred to in this Section 2.03. The Note Registrar may require payment by each transferor of a sum sufficient to cover any tax, expense or other governmental charge payable in connection with any such transfer.

(f) No Obligation to Register. None of the Issuer, the Indenture Trustee, the Servicer or the Note Registrar is obligated to register or qualify the Notes under the Securities Act or any other securities law or to take any action not otherwise required under this Indenture and Servicing Agreement to permit the transfer of such Notes without registration or qualification. Any such Noteholder desiring to effect such transfer shall, and does hereby agree to, indemnify the Issuer, the Indenture Trustee, the Servicer and the Note Registrar against any loss, liability or expense that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

(g) Rule 144A Information. The Servicer agrees to cause the Issuer and the Issuer agrees to provide such information as required under Rule 144A(d)(4) under the Securities Act so as to allow resales of Notes to Qualified Institutional Buyers in accordance herewith.

(h) Sole Obligation. The Notes represent the sole obligation of the Issuer payable from the Trust Estate and do not represent the obligations of the Originator, the Servicer, the Seller, the Back-Up Servicer, the Indenture Trustee, the Noteholders or the Custodian.

(i) Liquidity Providers. Notwithstanding anything to the contrary herein, each Conduit under the terms of its Liquidity Agreement or the Note Purchase Agreement may at any time sell or grant to one or more Liquidity Providers party to the Liquidity Agreement or one or more Alternate Purchasers party to the Note Purchase Agreement, participating interests or security interest, as applicable, in the Notes provided that each Liquidity Provider or Alternate Purchaser shall, by any such purchase, be deemed to have acknowledged and agreed to the provisions of this Indenture and Servicing Agreement.

Section 2.04 Mutilated, Destroyed, Lost and Stolen Notes.

(a) If any mutilated Note is surrendered to the Indenture Trustee, the Issuer shall execute and the Indenture Trustee shall authenticate and deliver in exchange therefor a replacement Note of like tenor and principal amount and bearing a number not contemporaneously outstanding.

(b) If there shall be delivered to the Issuer and the Indenture Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Note and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them

harmless then, in the absence of actual notice to the Issuer or the Indenture Trustee that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Indenture Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Note, a replacement Note of like tenor and principal amount and bearing a number not contemporaneously outstanding.

(c) In case the final installment of principal on any such mutilated, destroyed, lost or stolen Note has become or will at the next Payment Date become due and payable, the Issuer in its discretion may, instead of issuing a replacement Note, pay such Note.

(d) Upon the issuance of any replacement Note under this Section 2.04, the Issuer or the Indenture Trustee may require the payment by the Noteholder of a sum sufficient to cover any tax or other governmental charge that may be imposed as a result of the issuance of such replacement Note.

(e) Every replacement Note issued pursuant to this Section 2.04 in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture and Servicing Agreement equally and proportionately with any and all other Notes duly issued hereunder.

(f) The provisions of this Section 2.04 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.05 Payment of Interest and Principal; Rights Preserved.

(a) Any installment of interest or principal, payable on any Note that is punctually paid or duly provided for by or on behalf of the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Note was registered at the close of business on the Record Date for such Payment Date by wire transfer of federal funds to the account and number specified in the Note Register, in each case on such Record Date for such Person (which shall be, as to each original Noteholder, the account and number specified in the Note Purchase Agreement) or, if no wire transfer information is available, by check mailed to the address specified in the Note Register.

(b) All reductions in the principal amount of a Note effected by payments of installments of principal made on any Payment Date shall be binding upon all Holders of such Note and of any Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, whether or not such payment is noted on such Note. All payments on the Notes shall be paid without any requirement of presentment, except that each Holder of any Note shall be deemed to agree, by its acceptance of the same, to surrender such Note at the Corporate Trust Office prior to receipt of payment of the final installment of principal of such Note.

Section 2.06 Persons Deemed Owners.

Prior to due presentment of a Note for registration of transfer, the Issuer, the Indenture Trustee, and any agent of the Issuer or the Indenture Trustee may treat the registered Noteholder as the owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not payment on such Note is overdue, and neither the Issuer, the Indenture Trustee, nor any agent of the Issuer or the Indenture Trustee shall be affected by notice to the contrary.

Section 2.07 Cancellation.

All Notes surrendered for registration of transfer or exchange or following final payment shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly canceled by it. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Indenture Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section 2.07, except as expressly permitted by this Indenture and Servicing Agreement. All canceled Notes held by the Indenture Trustee may be disposed of in the normal course of its business or as directed by an Issuer Order.

Section 2.08 Noteholder Lists.

The Indenture Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Noteholders. In the event the Indenture Trustee no longer serves as the Note Registrar, the Issuer shall furnish to the Indenture Trustee at least five Business Days before each Payment Date (and in all events in intervals of not more than six months) and at such other times as the Indenture Trustee may request in writing a list in such form and as of such date as the Indenture Trustee may reasonably require of the names and addresses of Noteholders. For so long as Wells Fargo Bank, National Association is acting in the capacity of Indenture Trustee, it shall also be the Note Registrar hereunder.

Section 2.09 Treasury Notes.

In determining whether the Noteholders of the requisite percentage of the Outstanding Note Balance have concurred in any direction, waiver or consent, Notes held or redeemed by the Issuer or held by an Affiliate of the Issuer shall be considered as though not Outstanding, except that for the purposes of determining whether the Indenture Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which a Responsible Officer of the Indenture Trustee knows are so owned shall be so disregarded.

Section 2.10 Principal, Interest and NPA Costs.

(a) Stated Maturity. The Notes shall mature and be fully due and payable at Stated Maturity.

(b) Optional Redemption and Mandatory Redemption Date. The Notes are subject to optional and mandatory redemption as provided in Article X hereto.

(c) Interest. Interest Distribution Amounts on each Note shall be due and payable on each Payment Date. No later than 3:00 P.M. (New York City time), four Business Days prior to each Payment Date, the Administrative Agent shall provide notice to the Issuer, the Servicer and the Indenture Trustee of the aggregate amount of Interest Distribution Amounts and Unused Fees to be paid on such Payment Date.

(d) NPA Costs. NPA Costs shall be due and payable to each Funding Agent and each Non-Conduit Committed Purchaser on each Payment Date. No later than 3:00 P.M. (New York City time), four Business Days prior to each Payment Date, the Administrative Agent shall provide notice to the Issuer, the Servicer and the Indenture Trustee of the aggregate amount of NPA Costs to be paid on such Payment Date.

Section 2.11 Increases in Outstanding Note Balance.

The Noteholders agree by acceptance of the Notes that, the Issuer may, from time to time by irrevocable written Borrowing Notice given to the Administrative Agent, the Indenture Trustee and the Servicer and subject to the terms and conditions with respect to an Increase set forth in Section 2.2 of the Note Purchase Agreement, request that the Noteholders fund an Increase in the aggregate amount and on the date specified in the Borrowing Notice. If the terms and conditions to the Increase set forth in the Note Purchase Agreement are satisfied or waived, then such Increase shall be funded in accordance with the Note Purchase Agreement.

Section 2.12 Reduction of the Facility Limit.

In accordance with the Note Purchase Agreement, the Issuer may, upon at least five Business Days' written notice to the Administrative Agent, each Funding Agent and each Non-Conduit Committed Purchaser, reduce, in part, the Facility Limit to (but not below) the Outstanding Note Balance. Any such reduction in the Facility Limit shall not be less than $1,000,000 and in increments of $1,000,000 in excess thereof and shall be applied to reduce the Purchaser Commitment Amount of each Purchaser Group and each Non-Conduit Committed Purchaser on a pro rata basis pursuant to the terms of the Note Purchase Agreement.

Section 2.13 Facility Termination Date.

(a) If a Facility Termination Date occurs with respect to less than all Noteholders, then the Issuer, the Servicer and the Indenture Trustee shall enter into an indenture and servicing agreement substantially in the form of this Indenture and Servicing Agreement, together with any changes mutually acceptable to such parties and the Extending Noteholders (each such indenture and servicing agreement, an "Exchange Notes Indenture"). The Issuer shall issue to each Extending Noteholder on the Payment Date immediately following such Facility Termination Date, an Exchange Note in a principal amount equal to the principal amount of such Extending Noteholder's Note (or, in the case of any Extending Noteholder which is extending its Facility Termination Date for an amount less than its entire Purchaser Commitment Amount, the Extended Portion with respect to such Extending Noteholder); provided, however, that if, upon

the issuance of the Exchange Notes, the initial aggregate outstanding note balance of the Exchange Notes would not be at least $1,000,000, then the Issuer shall not issue any Exchange Notes and no Facility Termination Date with respect to any Noteholder shall be extended; provided, further, however, that if, upon the issuance of the Exchange Notes, the Outstanding Note Balance for the Notes would be less than $1,000,000, then the Issuer shall prepay the entire Outstanding Note Balance pursuant to Section 10.01 immediately following the issuance of the Exchange Notes.

(b) Each Noteholder, by its acceptance of a Note, hereby agrees that if it becomes an Extending Noteholder and the Facility Termination Date occurs with respect to any Noteholder, it will surrender its Note to the Issuer in exchange for an Exchange Note in an equal principal amount (or, in the case of any Extending Noteholder which is extending its Facility Termination Date for an amount less than its entire Purchaser Commitment Amount, the Extended Portion with respect to such Extending Noteholder) on the Payment Date immediately following the Facility Termination Date with respect to the other Non-Extending Noteholders. Upon such exchange, the Notes surrendered shall be deemed to be fully paid and the Indenture Trustee shall cancel such Notes.

(c) In connection with the execution by the Issuer of an Exchange Notes Indenture on the Payment Date immediately succeeding any Facility Termination Date, Timeshare Loans with aggregate Loan Balances not less than the product of (i) the Extending Noteholders' Percentage on such Facility Termination Date and (ii) the Aggregate Loan Balance on such Payment Date shall be released from the Lien of this Indenture and Servicing Agreement and pledged as security for the Exchange Notes issued pursuant to such Exchange Notes Indenture.

(d) In connection with the issuance of any Exchange Notes on the Payment Date following a Facility Termination Date, the Issuer, the Servicer, the Seller, the Performance Guarantor, each Extending Purchaser with respect to such Facility Termination Date and the Administrative Agent shall enter into a note purchase agreement with respect to the Exchange Notes, substantially in the form of the Note Purchase Agreement, together with any changes mutually acceptable to such parties.

ARTICLE III

ACCOUNTS; COLLECTION AND
APPLICATION OF MONEYS; REPORTS

Section 3.01 Trust Accounts; Investments by Indenture Trustee.

(a) On or before the Closing Date, the Indenture Trustee has established and shall maintain in the name of the Indenture Trustee for the benefit of the Noteholders as provided in this Indenture and Servicing Agreement, the Trust Accounts, which accounts shall be Eligible Bank Accounts maintained at the Corporate Trust Office. From time to time, the Indenture Trustee shall establish, to the extent required under this Indenture and Servicing Agreement, accounts in the name of the Indenture Trustee for the benefit of the Noteholders, which accounts shall be Eligible Bank Accounts.

Subject to the further provisions of this Section 3.01, the Indenture Trustee shall, upon receipt or upon transfer from another account, as the case may be, deposit into such Trust Accounts all amounts received by it which are required to be deposited therein in accordance with the provisions of this Indenture and Servicing Agreement. All such amounts and all investments made with such amounts, including all income and other gain from such investments, shall be held by the Indenture Trustee in such accounts as part of the Trust Estate as herein provided, subject to withdrawal by the Indenture Trustee in accordance with, and for the purposes specified in the provisions of, this Indenture and Servicing Agreement.

(b) The Indenture Trustee shall assume that any amount remitted to it in respect of the Trust Estate is to be deposited into the Collection Account pursuant to Section 3.02(a) hereof.

(c) None of the parties hereto shall have any right of set-off with respect to any Trust Account, or any investment therein.

(d) So long as no Event of Default shall have occurred and be continuing, all or a portion of the amounts in any Trust Account shall be invested and reinvested by the Indenture Trustee pursuant to an Issuer Order in one or more Eligible Investments. Subject to the restrictions on the maturity of investments set forth in Section 3.01(f) hereof, each such Issuer Order may authorize the Indenture Trustee to make the specific Eligible Investments set forth therein, to make Eligible Investments from time to time consistent with the general instructions set forth therein, or to make specific Eligible Investments pursuant to instructions received in writing or by electronic or facsimile transmission from the employees or agents of the Issuer, as the case may be, identified therein, in each case in such amounts as such Issuer Order shall specify.

(e) In the event that either (i) the Issuer shall have failed to give investment directions to the Indenture Trustee by 9:30 A.M., New York City time on any Business Day on which there may be uninvested cash or (ii) an Event of Default shall be continuing, the Indenture Trustee shall promptly invest and reinvest the funds then in the designated Trust Account to the fullest extent practicable in those obligations or securities described in clause 5 of the definition of “Eligible Investments”. All investments made by the Indenture Trustee shall mature no later than the maturity date therefor permitted by Section 3.01(f) hereof.

(f) No investment of any amount held in any Trust Account shall mature later than the Business Day immediately preceding the Payment Date which is scheduled to occur immediately following the date of investment. All income or other gains (net of losses) from the investment of moneys deposited in any Trust Account shall be deposited by the Indenture Trustee in such account immediately upon receipt.

(g) Any investment of any funds in any Trust Account and any sale of any investment held in such accounts, shall be made under the following terms and conditions:

(i) each such investment shall be made in the name of the Indenture Trustee, in each case in such manner as shall be necessary to maintain the identity of such investments as assets of the Trust Estate;

(ii) any certificate or other instrument evidencing such investment shall be delivered directly to the Indenture Trustee and the Indenture Trustee shall have sole possession of such instrument, and all income on such investment;

(iii) the proceeds of any sale of an investment shall be remitted by the purchaser thereof directly to the Indenture Trustee for deposit in the account in which such investment was held; provided that no such sale may occur on any day other than the Business Day immediately preceding a Payment Date (for the avoidance of doubt, any full or partial liquidation of an investment in a money market fund is not subject to the foregoing date restriction); and

(iv) during the continuance of a Potential Event of Default, Event of Default, Potential Amortization Event, Amortization Event, Potential Servicer Event of Default or Servicer Event of Default, neither the Issuer nor any of its Affiliates may exercise any voting rights with respect to an investment.

(h) If any amounts are needed for disbursement from any Trust Account and sufficient uninvested funds are not collected and available therein to make such disbursement, in the absence of an Issuer Order for the liquidation of investments held therein in an amount sufficient to provide the required funds, the Indenture Trustee shall select and cause to be sold or otherwise converted to cash a sufficient amount of the investments in such account.

(i) The Indenture Trustee shall not in any way be held liable by reason of any insufficiency in any Trust Account resulting from losses on investments made in accordance with the provisions of this Section 3.01 including, but not limited to, losses resulting from the sale or depreciation in the market value of such investments (but the institution serving as Indenture Trustee shall at all times remain liable for its own obligations, if any, constituting part of such investments). The Indenture Trustee shall not be liable for any investment made by it in accordance with this Section 3.01 on the grounds that it could have made a more favorable investment or a more favorable selection for sale of an investment.

(j) Each party hereto agrees that each of the Trust Accounts constitutes a “securities account” within the meaning of Article 8 of the UCC and in such capacity Wells Fargo Bank, National Association shall be acting as a “securities intermediary” within the meaning of 8-102 of the UCC and that, regardless of any provision in any other agreement, for purposes of the UCC, the State of New York shall be deemed to be the “securities intermediary’s jurisdiction” under Section 8-110 of the UCC. The Indenture Trustee shall be the “entitlement holder” within the meaning of Section 8-102(a)(7) of the UCC with respect to the Trust Accounts. In furtherance of the foregoing, Wells Fargo Bank, National Association, acting as a “securities intermediary,” shall comply with “entitlement orders” within the meaning of Section 8-102(a)(8) of the UCC originated by the Indenture Trustee with respect to the Trust Accounts, without further consent by the Issuer. Each item of property (whether investment property, financial asset, security, instrument or cash) credited to each Trust Account shall be treated as a

"financial asset" within the meaning of Section 8-102(a)(9) of the UCC. All securities or other property underlying any financial assets credited to each Trust Account shall be registered in the name of the Indenture Trustee or indorsed to the Indenture Trustee or in blank and in no case will any financial asset credited to any Trust Account be registered in the name of the Issuer, payable to the order of the Issuer or specially indorsed to the Issuer. The Trust Accounts shall be under the sole dominion and control (as defined in Section 8-106 of the UCC) of the Indenture Trustee and the Issuer shall have no right to close, make withdrawals from, or give disbursement directions with respect to, or receive distributions from, the Collection Account except in accordance with Section 3.04 hereof.

(k) In the event that Wells Fargo Bank, National Association, as securities intermediary, has or subsequently obtains by agreement, by operation of law or otherwise a security interest in the Trust Accounts or any security entitlement credited thereto, it hereby agrees that such security interest shall be subordinate to the security interest created by this Indenture and Servicing Agreement and that the Indenture Trustee's rights to the funds on deposit therein shall be subject to Section 3.04 hereof. The financial assets credited to, and other items deposited to the Trust Accounts will not be subject to deduction, set-off, banker's lien, or any other right in favor of any Person other than as created pursuant to this Indenture and Servicing Agreement.

Section 3.02 Establishment and Administration of the Trust Accounts.

(a) Collection Account. The Indenture Trustee has caused to be established and shall cause to be maintained an account (the "**Collection Account**") for the benefit of the Noteholders. The Collection Account shall be an Eligible Bank Account initially established at the Corporate Trust Office of the Indenture Trustee, bearing the following designation "Marriott Vacations Worldwide Owner Trust 2011-1 — Collection Account, Wells Fargo Bank, National Association, as Indenture Trustee for the benefit of the Noteholders". The Indenture Trustee on behalf of the Noteholders shall possess all right, title and interest in all funds on deposit from time to time in the Collection Account and in all proceeds thereof. The Collection Account shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Noteholders as their interests appear in the Trust Estate. If, at any time, the Collection Account ceases to be an Eligible Bank Account, the Indenture Trustee shall within two Business Days establish a new Collection Account which shall be an Eligible Bank Account, transfer any cash and/or any investments to such new Collection Account and from the date such new Collection Account is established, it shall be the "Collection Account". The Indenture Trustee agrees to immediately deposit any amounts received by it into the Collection Account. Amounts on deposit in the Collection Account shall be invested in accordance with Section 3.01 hereof. Withdrawals and payments from the Collection Account will be made on each Payment Date as provided in Section 3.04 hereof. All investment earnings on the Collection Account shall be distributed to the Owner Trustee for distribution to the owners of the beneficial interests in the Issuer on each Payment Date.

(b) Reserve Account. The Indenture Trustee shall cause to be established and maintained an account (the "**Reserve Account**") for the benefit of the Noteholders. The Reserve Account shall be an Eligible Bank Account initially established at the Corporate Trust Office of the Indenture Trustee, bearing the following designation "Marriott Vacations

Worldwide Owner Trust 2011-1 — Reserve Account, Wells Fargo Bank, National Association, as Indenture Trustee for the benefit of the Noteholders". The Indenture Trustee on behalf of the Noteholders shall possess all right, title and interest in all funds on deposit from time to time in the Reserve Account and in all proceeds thereof. The Reserve Account shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Noteholders as their interests appear in the Trust Estate. If, at any time, the Reserve Account ceases to be an Eligible Bank Account, the Indenture Trustee shall within two Business Days establish a new Reserve Account which shall be an Eligible Bank Account, transfer any cash and/or any investments to such new Reserve Account and from the date such new Reserve Account is established, it shall be the "Reserve Account." Amounts on deposit in the Reserve Account shall be invested in accordance with Section 3.01 hereof. Deposits to the Reserve Account shall be made in accordance with Section 3.04(a) hereof. Funding, withdrawals and payments from the Reserve Account shall be made in the following manner:

(i) Funding. On each Funding Date, the Issuer shall deposit or shall cause to be deposited into the Reserve Account an amount equal to the Reserve Account Required Funding Date Deposit (after giving effect to the addition of Additional Timeshare Loans on such date) and thereafter, on each Payment Date if the amount on deposit in the Reserve Account (after giving effect to any deposit of the applicable portion of the proceeds of any Increase on such Payment Date) is less than the Reserve Account Required Balance, a deposit shall be made to the Reserve Account, to the extent of Available Funds as provided in Section 3.04 hereof.

(ii) Withdrawals. If, on any Determination Date, the amounts on deposit in the Collection Account (after giving effect to all deposits thereto required hereunder) are insufficient to pay the Required Payments for the related Payment Date, on such Payment Date, the Indenture Trustee shall, based on the Monthly Servicer Report and to the extent of funds available in the Reserve Account, withdraw from the Reserve Account and deposit into the Collection Account an amount equal to the lesser of such insufficiency and the amount on deposit in such Reserve Account (the amount withdrawn, the "**Reserve Account Draw Amount**").

(iii) Mandatory Redemption Date, Stated Maturity or Payment in Full. On the earliest to occur of a Mandatory Redemption Date, the Stated Maturity and the Payment Date on which the Outstanding Note Balance will be reduced to zero, the Indenture Trustee shall withdraw all amounts on deposit in the Reserve Account and shall deposit such amounts into the Collection Account.

(iv) Amortization Event and Acceleration Event. Upon the occurrence of an Amortization Event, the Indenture Trustee shall withdraw all amounts on deposit in the Reserve Account and shall deposit such amounts to the Collection Account to be used as Available Funds on the next Payment Date. Upon the occurrence of an Acceleration Event, the Indenture Trustee shall withdraw all amounts on deposit in the Reserve Account and shall deposit such amounts to the Collection Account for distribution in accordance with Section 6.06 hereof.

(v) Amounts in Excess of Reserve Account Required Balance. If, on any Payment Date, amounts on deposit in the Reserve Account are greater than the Reserve Account Required Balance (after giving effect to all other distributions and disbursements on such Payment Date), the Indenture Trustee shall, based on the Monthly Servicer Report, withdraw funds in excess of the Reserve Account Required Balance from the Reserve Account and deposit such funds into the Collection Account as Available Funds on such Payment Date for application in accordance with Section 3.04 hereof.

(vi) Facility Termination Date. On the Payment Date immediately following each Facility Termination Date on which Exchange Notes are being issued by the Issuer pursuant to Section 2.13, the Indenture Trustee acting at the direction of the Servicer, shall withdraw from the Reserve Account an amount equal to the excess of (i) the amount of cash or other immediately available funds on deposit in the Reserve Account on such Payment Date (after giving effect to any withdrawals pursuant to Section 3.02(b)(ii)) over (ii) the Reserve Account Required Balance as of such Payment Date (after giving effect to the release of any Timeshare Loans on such date pursuant to Section 4.07) and pay such amount, free and clear of the Lien of this Indenture and Servicing Agreement, to the indenture trustee under the related Exchange Notes Indenture, for deposit into the reserve account for such Exchange Notes.

(c) Control Account. The Issuer has established or has caused to be established and shall maintain or cause to be maintained a system of operations, accounts and instructions with respect to the Obligors and a Control Account at the Control Account Bank as described herein. Pursuant to the Control Agreement to which the Issuer (or its agent) is party, the Control Account Bank shall be instructed that prior to the occurrence of an Event of Default or Servicer Event of Default, the Servicer is authorized to effect or direct deposits and withdrawals into and out of the Control Account. The Servicer is authorized to, and the Servicer hereby agrees to, segregate collections therein and direct the Control Account Bank to initiate electronic transfer of all funds therein that relate to the Timeshare Loans owned by the Issuer to the Collection Account within two Business Days of receipt (or, if initially there is insufficient information to determine to which timeshare loan any funds relate, within two Business Days of obtaining sufficient information). Upon the occurrence of an Event of Default or Servicer Event of Default, the Indenture Trustee may, or upon the direction of the Administrative Agent or Majority Facility Investors, shall, deliver a notice of an Event of Default or Servicer Event of Default to the Agent (as defined in the Control Account Intercreditor Agreement) and request that the Agent deliver a shifting control notice to the Control Account Bank whereupon the Servicer shall no longer be authorized to give any direction to the Control Account Bank or have access of any kind to the Control Account. The Indenture Trustee is hereby irrevocably authorized and empowered following the occurrence and during the continuance of an Event of Default or Servicer Event of Default, as the Issuer’s attorney-in-fact, to endorse any item deposited in the Control Account, or presented for deposit in the Control Account or the Collection Account, requiring the endorsement of the Issuer, which authorization is coupled with an interest and is irrevocable.

(d) Hedge Collateral Account. In the event a Hedge Agreement contemplates the posting of collateral, the Indenture Trustee shall cause to be established and shall maintain an account (the "**Hedge Collateral Account**") for the benefit of the Noteholders. The Hedge Collateral Account shall be an Eligible Bank Account initially established at the Corporate Trust Office of the Indenture Trustee, bearing the following designation "Marriott Vacations Worldwide Owner Trust 2011-1 – Hedge Collateral Account, Wells Fargo Bank, National Association, as Indenture Trustee for the benefit of the Noteholders". The Indenture Trustee on behalf of the Noteholders shall possess all right, title and interest in all funds on deposit from time to time in the Hedge Collateral Account and in all proceeds thereof. The Hedge Collateral Account shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Noteholders as their interests appear in the Trust Estate. If, at any time, the Hedge Collateral Account ceases to be an Eligible Bank Account, the Indenture Trustee shall within two Business Days establish a new Hedge Collateral Account which shall be an Eligible Bank Account, transfer any cash and/or any investments to such new Hedge Collateral Account and from the date such new Hedge Collateral Account is established, it shall be the "Hedge Collateral Account." Amounts on deposit in the Hedge Collateral Account shall be invested in accordance with Section 3.01 hereof and in accordance with the terms of the related Hedge Agreement and in the event of any conflict regarding eligible investments, the provisions of the related Hedge Agreement shall prevail. Deposits and withdrawals to and from the Hedge Collateral Account shall be made in accordance with the Hedge Agreements.

Section 3.03 Hedge Agreement.

(a) The Issuer shall, at all times, so long as the Notes remain unpaid, provide Hedge Agreements in accordance with the terms described below in this Section 3.03. The Hedge Agreements shall meet the following requirements (the "**Hedge Requirements**"):

(i) each Hedge Agreement shall either be in the form of an interest rate cap or an interest rate swap, or a combination thereof, in each case between the Issuer and a Qualified Hedge Counterparty, with an effective date on or prior to a Funding Date;

(ii) the Hedge Agreements shall provide for a notional amount at least equal to, in the aggregate, 90% of the Outstanding Note Balance as of the Initial Funding Date and such notional amount shall amortize on a monthly basis in accordance with the Hedge Amortization Schedule;

(iii) the Issuer shall, as of each Funding Date, cause the notional amount of the Hedge Agreements to be adjusted or enter into new Hedge Agreements to reflect any increase in the Outstanding Note Balance as of such Funding Date so that the adjusted notional amount of the Hedge Agreements shall on such Funding Date (after giving effect to the Increase on such date) be an amount at least equal to 90% of the Outstanding Note Balance and such notional amount shall amortize on a monthly basis in accordance with the Hedge Amortization Schedule;

(iv) the Issuer shall, on the date of any addition of Borrowing Base Loans, adjust (A) the Hedge Agreements to reflect the Required Cap Rate (in the case of

a Hedge Agreement in the form of an interest rate cap) and (B) the termination date of the Hedge Agreements in accordance with the Hedge Amortization Schedule following such addition of Borrowing Base Loans;

(v) any additional premium due for the adjustments to the Hedge Agreements on any Funding Date shall be paid by the Issuer from the proceeds of the related Increase;

(vi) in the case of an interest rate swap, the Hedge Agreement shall provide for the payment on each Payment Date to the related Hedge Counterparty of interest on the notional amount thereof at a fixed rate per annum and the payment to the Indenture Trustee for deposit into the Collection Account of a floating rate per annum equal to the LIBOR Rate for each Interest Accrual Period; provided that the Issuer and the Hedge Counterparties may, subject to the related Hedge Agreements, make payments on a net basis; provided, further, that the fixed rate per annum paid to a Hedge Counterparty under an interest rate swap shall not exceed the weighted average coupon for the Borrowing Base Loans as of the last day of the related Due Period, less 8.50%;

(vii) in the case of an interest rate cap, the Hedge Agreement shall provide for the payment by the Hedge Counterparty to the Indenture Trustee for deposit into the Collection Account on each Payment Date if the LIBOR Rate is greater than the Required Cap Rate for the related Interest Accrual Period, if any;

(viii) the Hedge Agreements shall terminate on the last day that the Notes are assumed to be Outstanding based on the Hedge Amortization Schedules; and

(ix) each Hedge Agreement may permit, if the related Hedge Counterparty fails to meet the rating requirements in clause (a) of the definition of Qualified Hedge Counterparty, such related Hedge Counterparty to post collateral to secure its obligations under the related Hedge Agreement. To the extent such Hedge Agreement permits the posting of collateral, such Hedge Agreement shall require the following terms (the "**Hedge Agreement Collateral Posting Requirements**"):

(A) the Hedge Counterparty shall, within 5 Business Days' of failing to meet such rating requirement, secure its obligations under the related Hedge Agreement, by posting collateral to the Indenture Trustee for deposit into the Hedge Collateral Account in an amount equal to the Hedge Collateral Amount;

(B) the Hedge Counterparty shall, at least on a weekly basis, mark-to-market the related Hedge Agreement (pursuant to the terms thereof) and post additional collateral, as necessary such that the amount on deposit in the Hedge Collateral Account is at least equal to the Hedge Collateral Amount; and;

(C) “Hedge Collateral Amount” shall be calculated using the following formula:

Max[0, MtM + Min[25 * DV01, 4% * notional amount of Hedge Agreement]

Where,

“MtM” = Mid-market value of the Hedge Agreement and

“DV01” = with respect to a Hedge Agreement and a date of determination, the estimated absolute change in the mid-market value of the Hedge Agreement that would result from a one basis point change in the relevant swap curve on such date of determination, as determined by the related Hedge Counterparty in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by such Hedge Counterparty.

(b) Immediately upon receipt, the Indenture Trustee shall deposit all amounts received in respect of the Hedge Agreements into the Collection Account (other than amounts in respect of the Hedge Agreement Collateral Posting Requirements, which shall be deposited into the Hedge Collateral Account). Other than amendments or modifications to effect the adjustments to the notional amount of the Hedge Agreements required by this Section 3.03, any consents, directions or approvals of amendments or modifications to a Hedge Agreement required to be given by the Indenture Trustee under the Hedge Agreement will require the direction of the Required Facility Investors.

(c) Upon notice or knowledge of any Hedge Event of Default or Termination Event, any party hereto shall provide notice to the other parties hereto and the Hedge Counterparty.

(d) The Issuer agrees that if any Hedge Counterparty ceases to be a Qualified Hedge Counterparty, unless 100% of the Purchasers agree that such Hedge Counterparty shall continue, the Issuer shall have five (5) Business Days (x) to cause such Hedge Counterparty to assign its obligations under the related Hedge Agreement to a new Qualified Hedge Counterparty (or such Hedge Counterparty shall have five (5) Business Days to again become a Qualified Hedge Counterparty) or (y) to obtain a substitute Hedge Agreement, together with the related Qualified Hedge Counterparty’s acknowledgement of the pledge by the Issuer to the Indenture Trustee of the Issuer’s rights under such Hedge Agreement.

(e) Three Business Days prior to each Funding Date and Payment Date, the Servicer, on behalf of the Issuer shall, provide to the Administrative Agent a timeshare loan data file with sufficient information so that the Administrative Agent may prepare the Hedge Amortization Schedule. The Administrative Agent shall provide the Issuer and the Servicer with the Hedge Amortization Schedule within 2 Business Days of its receipt of the data file from the Issuer.

(f) Notwithstanding anything herein to the contrary, without affecting the Issuer’s obligations under Section 3.03(d), the parties hereto agree that the Hedge Requirements do not obligate the Issuer to cause the Hedge Counterparty to terminate, assign or collateralize its Hedge Agreement as a result of such Hedge Counterparty no longer satisfying the definition of Qualified Hedge Counterparty, and, consequently, the Issuer may be party to multiple Hedge

Agreements and/or interest rate swaps or interest rate caps with counterparties which are Qualified Hedge Counterparties as well as counterparties that are not Qualified Hedge Counterparties, all collectively having an aggregate notional amount in excess of 100% of the Outstanding Note Balance.

Section 3.04 Distributions.

(a) Priority of Distributions. So long as no Acceleration Event has occurred and is continuing, to the extent of Available Funds on deposit in the Collection Account (including any Reserve Account Draw Amount deposited therein), on each Payment Date the Indenture Trustee shall, based on the Monthly Servicer Report, make the following disbursements and distributions to the following parties no later than 11:00 A.M. (New York City time), in the following order of priority:

(i) to the Indenture Trustee, the Indenture Trustee Fee, plus any accrued and unpaid Indenture Trustee Fees with respect to prior Payment Dates, and Indenture Trustee Expenses and Custodial Fees incurred and charged by the Indenture Trustee during the related Due Period; provided that payments to the Indenture Trustee as reimbursement for any expenses will be limited to $25,000 per calendar year (up to a cumulative total of $250,000) as long as no Event of Default has occurred, and the Notes have not been accelerated, or the Trust Estate sold, pursuant to this Indenture and Servicing Agreement;

(ii) to the Back-Up Servicer, the Back-Up Servicing Fee, plus any accrued and unpaid Back-Up Servicing Fees with respect to prior Payment Dates and any Transition Expenses incurred during the related Due Period (up to an aggregate cumulative total of $340,000);

(iii) on the Payment Date occurring in January of each year only, to the Owner Trustee, the Owner Trustee Fee, and on each Payment Date, expenses incurred by the Owner Trustee; provided that payments to the Owner Trustee as reimbursement for any expenses will be limited to $10,000 per calendar year (up to a cumulative total of $100,000) as long as no Event of Default has occurred, and the Notes have not been accelerated, or the Trust Estate sold, pursuant to this Indenture and Servicing Agreement;

(iv) on the Payment Date occurring in January of each year only, to the Administrator, the Administrator Fee, and on each Payment Date, expenses incurred by the Administrator; provided that payments to the Administrator as reimbursement for any expenses will be limited to $5,000 per calendar year (up to a cumulative total of $30,000 as long as no Event of Default has occurred, and the Notes have not been accelerated, or the Trust Estate sold, pursuant to this Indenture and Servicing Agreement;

(v) to the Servicer, the Servicing Fee, plus any accrued and unpaid Servicing Fees with respect to prior Payment Dates;

(vi) to each Hedge Counterparty, its Net Hedge Payment, if any;

(vii) to the Administrative Agent, the Administrative Agent Fee, plus any accrued and unpaid Administrative Agent Fees with respect to prior Payment Dates;

(viii) to the Noteholders, the Interest Distribution Amount and any unpaid Interest Distribution Amounts from prior Payment Dates;

(ix) to the Noteholders, the related Unused Fees and any NPA Costs (other than the portion thereof related to clause (iii) of the definition of Breakage and Other Costs), plus any accrued and unpaid Unused Fees and/or NPA Costs (other than the portion thereof related to clause (iii) of the definition of Breakage and Other Costs) from prior Payment Dates;

(x) on a pari passu basis (A) to the Noteholders, the Principal Distribution Amount and (B) other than if the Hedge Counterparty is the "Defaulting Party" or the sole "Affected Party" (as such terms are defined in the Hedge Agreement), to the Hedge Counterparty, the Hedge Termination Payment, if any;

(xi) to the Noteholders, any NPA Costs not paid in accordance with (ix) above;

(xii) after the occurrence and continuance of an Amortization Event, or on and after the Facility Termination Date, to the Noteholders, all remaining Available Funds until the Outstanding Note Balance is reduced to zero;

(xiii) to the Reserve Account, all remaining amounts until the amounts on deposit in the Reserve Account shall equal the Reserve Account Required Balance;

(xiv) to the Hedge Counterparty, any Hedge Termination Payment required under the Hedge Agreement and not paid in clause (x) above;

(xv) to the Indenture Trustee, Custodian and Back-Up Servicer any expenses not paid in accordance with (i) and (ii) above;

(xvi) to the Owner Trustee, any expenses not paid in accordance with (iii) above;

(xvii) to the Administrator, any expenses not paid in accordance with (iv) above; and

(xviii) to the Owner Trustee for distribution to the owners of the beneficial interests in the Issuer, any remaining Available Funds on deposit in the Collection Account.

(b) Acceleration Event. If an Acceleration Event shall have occurred and be continuing, distributions shall be made in the manner and priority set forth in Section 6.06 hereof.

Section 3.05 Reports to Noteholders.

On each Payment Date the Indenture Trustee shall account to each Noteholder (i) the portion of payments then being made which represents principal and the amount which represents interest, and shall contemporaneously advise the Issuer of all such payments, and (ii) the amounts on deposit in each Trust Account and identifying the investments included therein. The Indenture Trustee may satisfy its obligations under this Section 3.05 by making available electronically the Monthly Servicer Report to the Noteholders and the Issuer; provided, however, the Indenture Trustee shall have no obligation to provide such information described in this Section 3.05 until it has received the requisite information from the Issuer or the Servicer. On or before the 5th day prior to the final Payment Date of the Notes, the Indenture Trustee shall send notice of such Payment Date to the Noteholders. Such notice shall include a statement that if such Notes are paid in full on the final Payment Date, interest shall cease to accrue as of the day immediately preceding such final Payment Date.

The Indenture Trustee may make available to the Noteholders, via the Indenture Trustee's Internet Website, the Monthly Servicer Report available each month and, with the consent or at the direction of the Issuer, such other information regarding the Notes and/or the Timeshare Loans as the Indenture Trustee may have in its possession, but only with the use of a password provided by the Indenture Trustee. The Indenture Trustee will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

The Indenture Trustee's Internet Website shall be initially located at "www.CTSLink.com" or at such other address as shall be specified by the Indenture Trustee from time to time in writing to the Issuer, the Servicer and the Noteholders. In connection with providing access to the Indenture Trustee's Internet Website, the Indenture Trustee may require registration and the acceptance of a disclaimer. The Indenture Trustee shall not be liable for the dissemination of information in accordance with this Indenture and Servicing Agreement.

The Indenture Trustee shall have the right to change the way Monthly Servicer Reports are distributed in order to make such distribution more convenient and/or more accessible to the above parties and the Indenture Trustee shall provide timely and adequate notification to all above parties regarding any such changes.

Annually (and more often if required by applicable law), the Indenture Trustee shall distribute to Noteholders any Form 1099 or similar information returns required by applicable tax law to be distributed to the Noteholders. The Servicer shall prepare or cause to be prepared all such information for distribution by the Indenture Trustee to the Noteholders.

Section 3.06 Withholding Taxes. The Indenture Trustee, on behalf of the Issuer, shall comply with all requirements of the Code and applicable Treasury Regulations and applicable state and local law with respect to the withholding from any distributions made by it to any Noteholder of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

ARTICLE IV

THE TRUST ESTATE

Section 4.01 Conveyance of Trust Estate/ Acceptance by Indenture Trustee.

(a) The Indenture Trustee does hereby acknowledge and accept the conveyance by the Issuer of the assets constituting the Trust Estate. The Indenture Trustee shall hold the Trust Estate in trust for the benefit of the Noteholders, subject to the terms and provisions hereof. In connection with any transfer of Timeshare Loans to the Issuer, the Issuer has delivered or has caused the Seller to deliver, or will deliver or will cause the Seller to deliver, (i) to the Custodian, the Timeshare Loan Files, and (ii) to the Servicer, the Timeshare Loan Servicing Files.

(b) The Indenture Trustee shall perform its duties under this Section 4.01 and hereunder on behalf of the Trust Estate and for the benefit of the Noteholders in accordance with the terms of this Indenture and Servicing Agreement and applicable law and, in each case, taking into account its other obligations hereunder, but without regard to:

(i) any relationship that the Indenture Trustee or any Affiliate of the Indenture Trustee may have with an Obligor;

(ii) the ownership of any Note by the Indenture Trustee or any Affiliate of the Indenture Trustee;

(iii) the Indenture Trustee's right to receive compensation for its services hereunder or with respect to any particular transaction; or

(iv) the ownership, or holding in trust for others, by the Indenture Trustee of any other assets or property.

Section 4.02 Acquisition of Timeshare Loans.

The Issuer covenants that, except as provided in Section 4.03 hereof, it shall only acquire Timeshare Loans in accordance with the provisions of the Sale Agreement and, without limiting the generality of the Granting Clause set forth herein, upon any such acquisition, such Timeshare Loans shall be deemed to be a part of the Trust Estate.

Section 4.03 Additional Timeshare Loans.

(a) Subject to the limitations and conditions specified in this Section 4.03, the Issuer may from time to time identify Additional Timeshare Loans that are Eligible Timeshare Loans to be acquired by or Granted to the Issuer on a Funding Date or Transfer Date, as applicable. Such Additional Timeshare Loans and the related assets shall be included in the Trust Estate as provided herein.

(b) The acquisition or Grant of the Additional Timeshare Loans shall be subject to the satisfaction of the following conditions:

(i) all conditions precedent in Section 2.2 of the Note Purchase Agreement related to an Increase in the Outstanding Note Balance shall have been satisfied;

(ii) the Issuer and the Servicer shall execute a Supplemental Grant substantially in the form of Exhibit C hereto;

(iii) the Purchaser Termination Date has not occurred and no Amortization Event, Potential Amortization Event, Servicer Event of Default, Potential Servicer Event of Default, Event of Default, or Potential Event of Default shall have occurred and be continuing on such Funding Date, and no Amortization Event, Potential Amortization Event, Servicer Event of Default, Potential Servicer Event of Default, Event of Default, or Potential Event of Default would occur after giving effect to the addition of the Timeshare Loans; it being understood and agreed that, provided there is no Borrowing Base Shortfall at such time and after giving effect to a Securitization Take-Out Transaction, the occurrence of any Amortization Event, Potential Amortization Event, Servicer Event of Default, Potential Servicer Event of Default, Event of Default or Potential Event of Default solely as a result of the release of Timeshare Loans hereunder in connection with a Securitization Take-Out Transaction shall not be deemed an Amortization Event, Potential Amortization Event, Servicer Event of Default, Potential Servicer Event of Default, Event of Default or Potential Event of Default for purposes of this Indenture and Servicing Agreement or any other Facility Document for a period of 3 months following such Securitization Take-Out Transaction;

(iv) on or prior to the Funding Date or Transfer Date, the Custodian shall have possession of the related Timeshare Loan Files and shall have delivered a receipt therefor in accordance with the provisions of the Custodial Agreement;

(v) the Issuer shall have taken any actions necessary or advisable to maintain the Indenture Trustee's perfected security interest in the Trust Estate (including in such Additional Timeshare Loans) for the benefit of the Noteholders;

(vi) each Additional Timeshare Loan shall be an Eligible Timeshare Loan; and

(vii) the Issuer shall execute a Funding Date Certificate in the form of Exhibit D hereto.

Section 4.04 Grant of Security Interest; Tax Treatment.

(a) The provisions of this Indenture and Servicing Agreement shall be construed in furtherance of the Intended Tax Characterization. The conveyance by the Issuer of the Timeshare Loans to the Indenture Trustee shall not constitute and are not intended to result in an assumption by the Indenture Trustee or any Noteholder of any obligation of the Issuer or the Servicer to the Obligors, the insurers under any insurance policies, or any other Person in connection with the Timeshare Loans.

(b) It is the intention of the parties hereto that, with respect to all taxes, the Notes will be treated as indebtedness of the Issuer to the Noteholders secured by the Timeshare Loans (the "**Intended Tax Characterization**"). The Issuer, the Servicer, the Back-Up Servicer and the Indenture Trustee, by entering into this Indenture and Servicing Agreement, and each Noteholder by the purchase of a Note, agree to report such transactions for purposes of all taxes in a manner consistent with the Intended Tax Characterization, unless otherwise required by applicable law. If the Notes are not properly treated as indebtedness with respect to all taxes, then the parties intend (as provided in the Trust Agreement) that they shall constitute interests in a partnership for such purposes and, in that regard, agree that no election to treat the Issuer in any part as a corporation under Treasury Regulation section 301.7701-3 shall be made by any Person.

(c) The Issuer, the Servicer and the Back-Up Servicer shall take no action inconsistent with the Indenture Trustee's interest in the Timeshare Loans and shall indicate or shall cause to be indicated in its books and records held on its behalf that each Timeshare Loan constituting the Trust Estate has been pledged to the Indenture Trustee on behalf of the Noteholders.

Section 4.05 Further Action Evidencing Grant of Security Interest.

(a) The Issuer and the Servicer each agrees that, from time to time, at its respective expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or appropriate, or that the Servicer or the Indenture Trustee or the Majority Facility Investors may reasonably request, in order to perfect, protect or more fully evidence the security interest in the Timeshare Loans or to enable the Indenture Trustee to exercise or enforce any of its rights hereunder. Without limiting the generality of the foregoing, the Issuer will, without the necessity of a request and upon the request of the Servicer or the Indenture Trustee, authorize or execute, as applicable, and file (or cause to be filed) such assignments of Mortgage, financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate to create and maintain in the Indenture Trustee a first priority perfected security interest, at all times, in the Trust Estate, including, without limitation, recording and filing UCC-1 financing statements, amendments or continuation statements prior to the effective date of any change of the name, identity or structure or relocation of its chief executive office or its jurisdiction of formation or any change that would or could affect the perfection pursuant to any financing statement or continuation statement or assignment previously filed or make any UCC-1 or continuation statement previously filed pursuant to this Indenture and Servicing Agreement seriously misleading within the meaning of applicable provisions of the UCC (and the Issuer shall give the Indenture Trustee at least 30 Business Days prior notice of the expected occurrence of any such circumstance). The Issuer shall promptly deliver to the Indenture Trustee file-stamped copies of any such filing.

(b)(i) The Issuer hereby grants to each of the Servicer and the Indenture Trustee a power of attorney to execute and file all documents including, but not limited to assignments of Mortgage, UCC financing statements, amendments or continuation statements, on behalf of the Issuer as may be necessary or desirable to effectuate the foregoing and (ii) the Servicer hereby grants to the Indenture Trustee a power of attorney to execute and file all documents on behalf of the Servicer as may be necessary or desirable to effectuate the foregoing;

provided, however, that such grant shall not create a duty on the Indenture Trustee or the Servicer to file, prepare, record or monitor, or any responsibility for the contents or adequacy of, any such documents.

Section 4.06 Substitution and Repurchase of Timeshare Loans.

(a) Mandatory Substitution and Repurchase of Timeshare Loans for Breach of Representation or Warranty. If at any time, any party hereto obtains knowledge, discovers, or is notified by any other party hereto, that any representation or warranty of the Seller in the Sale Agreement was incorrect at the time such representation or warranty was made, then the party discovering such defect, omission, or circumstance shall promptly notify the other parties to this Indenture and Servicing Agreement, the Seller, and the Performance Guarantor. In the event any such representation or warranty of the Seller is incorrect and materially and adversely affects the value of a Timeshare Loan or the interests of the Noteholders therein, then the Issuer and the Indenture Trustee shall require the Seller, within 60 days after the date it is first notified of, or otherwise discovers such breach, to eliminate or otherwise cure in all material respects the circumstance or condition which has caused such representation or warranty to be incorrect or if the breach relates to a particular Timeshare Loan and is not cured in all material respects (such Timeshare Loan, a "**Defective Timeshare Loan**"), either (a) repurchase such Defective Timeshare Loan at the Repurchase Price or (b) provide one or more Qualified Substitute Timeshare Loans and pay the related Substitution Shortfall Amount, if any. The Indenture Trustee is hereby appointed attorney-in-fact, which appointment is coupled with an interest and is therefore irrevocable, to act on behalf and in the name of the Issuer to enforce the Seller's repurchase or substitution obligations if the Seller has not complied with its repurchase or substitution obligations under the Sale Agreement within 60 days of the end of the aforementioned 60 day period.

Notwithstanding the foregoing, (A) the failure to deliver a policy of lender's title insurance in respect of a Timeshare Loan shall not constitute a breach of representation or warranty in respect of such Timeshare Loan if (i) the Timeshare Loan File contains a commitment to issue a policy of lender's title insurance, and (ii) if such actual policy is delivered to the Custodian not later than the 90th day following the Funding Date or the Transfer Date, as the case may be, and (B) the failure to provide evidence that a Mortgage or certificate of title has been recorded and/or stamped, as the case may be, in the appropriate recording office shall not constitute a breach of representation or warranty in respect of such Timeshare Loan if such evidence is provided not later than the 90th day following the Funding Date or the Transfer Date, as the case may be; provided, however, that if such policy of lender's title insurance was delayed because the related original Mortgage (or a copy thereof) had not been received from the appropriate recording office by the Custodian prior to the 80th day following the Funding Date or the Transfer Date, as the case may be, then such 90-day periods in (A)(ii) and (B) shall be extended to a date 30 days after such receipt.

(b) Optional Repurchase and Substitution of Timeshare Loans. On any date, pursuant to the Sale Agreement, the Seller shall have the option, but not the obligation, to either (i) repurchase a Defaulted Timeshare Loan from the Issuer for a price equal to the Repurchase Price therefor, or (ii) substitute one or more Qualified Substitute Timeshare Loans for a Defaulted Timeshare Loan and pay the related Substitution Shortfall Amount, if any; provided,

however, the aggregate Cut-Off Date Loan Balance of Defaulted Timeshare Loans that may be repurchased and of Defaulted Timeshare Loans that may be substituted pursuant to this Section 4.06(b) shall be limited on any date to 20% of the highest aggregate Loan Balance of all Timeshare Loans owned by the Issuer since the Closing Date or, if a Securitization Take-Out Transaction shall have occurred, the related Securitization Take-Out Date, less the aggregate Cut-Off Date Loan Balance of all Defaulted Timeshare Loans previously repurchased or substituted pursuant to this Section 4.06(b).

(c) Repurchase Prices and Substitution Shortfall Amounts. The Issuer and the Indenture Trustee shall direct that the Seller remit all amounts in respect of Repurchase Prices and Substitution Shortfall Amounts to the Indenture Trustee for deposit in the Collection Account. In the event that more than one Timeshare Loan is substituted pursuant to Section 4.06(a) or Section 4.06(b) hereof on any Transfer Date, the Substitution Shortfall Amounts and the Loan Balances of Qualified Substitute Timeshare Loans shall be calculated on an aggregate basis for all substitutions made on such Transfer Date.

(d) Schedule of Timeshare Loans. The Issuer shall cause the Seller to provide the Indenture Trustee on any date on which a Timeshare Loan is repurchased or substituted, with a revised Schedule of Timeshare Loans to the Sale Agreement reflecting the removal of Timeshare Loans and subjecting any Qualified Substitute Timeshare Loans to the provisions thereof.

(e) Officer's Certificate. No substitution of a Timeshare Loan shall be effective unless the Issuer and the Indenture Trustee shall have received an Officer's Certificate from the Seller indicating that (i) the new Timeshare Loan meets all the criteria of the definition of "Qualified Substitute Timeshare Loan", (ii) the Timeshare Loan Files for such Qualified Substitute Timeshare Loan have been delivered to the Custodian, and (iii) the Timeshare Loan Servicing Files for such Qualified Substitute Timeshare Loan have been delivered to the Servicer.

(f) Qualified Substitute Timeshare Loans. On or prior to the related Transfer Date, the Issuer shall direct the Seller to deliver or cause the delivery of the Timeshare Loan Files of the related Qualified Substitute Timeshare Loans to the Custodian on or prior to the related Transfer Date in accordance with the provisions of this Indenture and Servicing Agreement and the Custodial Agreement.

Section 4.07 Release of Lien.

(a) Repurchase and Substitutions and Paid–in-Full Timeshare Loans. The Issuer shall be entitled to obtain a release from the Lien of this Indenture and Servicing Agreement for any Timeshare Loan repurchased or substituted pursuant to Section 4.06 hereof, (i) in the case of any repurchase, after payment of the Repurchase Price of the Timeshare Loan, or (ii) in the case of any substitution, after payment of any applicable Substitution Shortfall Amount and the delivery of the Timeshare Loan Files for the related Qualified Substitute Timeshare Loan to the Custodian. The Issuer shall be entitled to obtain a release from the Lien of the Indenture and Servicing Agreement for any Timeshare Loan which has been paid in full. In connection with this Section 4.07(a), the Indenture Trustee will execute and deliver such

endorsements and assignments as are provided to it by the Seller, in each case without recourse, representation or warranty, as shall be necessary to vest in the Seller, the legal and beneficial ownership of each repurchased or substituted Timeshare Loan being released pursuant to this Section 4.07(a). The Servicer shall direct the Custodian to release the related Timeshare Loan Files upon receipt of a Request for Release from the Servicer, as provided for in the Custodial Agreement.

(b) Release Upon Optional Prepayments. If the Issuer exercises its right to prepay the Notes in whole or in part as provided in Section 10.01 of this Indenture and Servicing Agreement, the Issuer and the Administrative Agent shall notify the Indenture Trustee in writing of the prepayment date and the principal amount of the Notes to be prepaid on the prepayment date and the amount of interest and other amounts due and payable on such date in accordance with this Indenture and Servicing Agreement and the Note Purchase Agreement. On the prepayment date, upon receipt by the Indenture Trustee of all amounts to be paid to the Noteholders in accordance with this Indenture and Servicing Agreement and the Note Purchase Agreement as a result of such prepayment and the satisfaction of the conditions set forth in the following paragraphs, then, the Indenture Trustee shall release from the Lien of this Indenture those Timeshare Loans, all monies due or to become due with respect thereto and all collections with respect thereto from and including the last day of the Due Period immediately preceding such date of release which the Indenture Trustee is directed to release as described in the following paragraph.

The Issuer shall provide to the Indenture Trustee a list of the Timeshare Loans which are to be released, shall direct the Indenture Trustee to release such Timeshare Loans, and shall direct the Servicer to delete such Timeshare Loans from the Schedule of Timeshare Loans.

In addition to receipt by the Indenture Trustee of the principal amount of the Notes to be prepaid, the interest thereon and other amounts due and payable in connection with such prepayment and the list of the Timeshare Loans to be released, the following conditions shall be met before the Lien is released under this Section 4.07(b): (i) after giving effect to such release, no Borrowing Base Shortfall shall exist and no Amortization Event or Event of Default shall have occurred; and (ii) each of the Issuer and the Servicer shall have delivered to the Administrative Agent a certificate to the effect that the Timeshare Loans to be released from the Lien of this Indenture and Servicing Agreement were not selected in a manner involving any selection procedures materially adverse to the Noteholders and that the release of such Timeshare Loans would not reasonably be expected to cause a Potential Amortization Event, an Amortization Event, a Potential Event of Default or Event of Default; it being understood and agreed that provided there is no Borrowing Base Shortfall at such time and after giving effect to a Securitization Take-Out Transaction, the occurrence of any Amortization Event, Potential Amortization Event, Servicer Event of Default, Potential Servicer Event of Default, Event of Default or Potential Event of Default solely as a result of the release of Timeshare Loans hereunder in connection with a Securitization Take-Out Transaction shall not be deemed an Amortization Event, Potential Amortization Event, Servicer Event of Default, Potential Servicer Event of Default, Event of Default or Potential Event of Default for purposes of this Indenture and Servicing Agreement or any other Facility Document for a period of 3 months following such Securitization Take-Out Transaction.

(c) Release Upon Issuance of Exchange Notes.

(i) If the Issuer is required to issue any Exchange Notes on the Payment Date immediately succeeding a Facility Termination Date, the Issuer shall notify the Indenture Trustee in writing of the aggregate principal amount of the Notes held by Extending Noteholders to be canceled on such Payment Date. On such Payment Date, upon cancellation of the Notes held by the Extending Noteholders, the Indenture Trustee shall release from the Lien of this Indenture and Servicing Agreement, Timeshare Loans with aggregate Loan Balances at least equal to the Extending Noteholders' Percentage of the Aggregate Loan Balance on such Payment Date, as the Indenture Trustee is directed to release as set forth in Section 4.07(c)(ii).

(ii) An independent auditor mutually agreeable to the Issuer and the Administrative Agent shall select the Timeshare Loans to be released from the Lien of this Indenture and Servicing Agreement pursuant to this Section 4.07(c) on a random basis and no selection procedures adverse to the Noteholders or to the holders of the Exchange Notes shall be employed in such selection. The Timeshare Loans selected to be released from the Lien of this Indenture pursuant to this Section 4.07(c) shall be such that the collateral for the Exchange Notes and the Collateral shall each conform to the criteria set forth in Exhibit J as of the date of the issuance of such Exchange Notes. Such independent auditor shall provide to the Indenture Trustee and the Servicer a list of the Timeshare Loans which are selected to be released, shall direct the Indenture Trustee to release such Loans, and shall direct the Servicer to delete such Timeshare Loans from the Schedule of Timeshare Loans.

(iii) The Lien on any Timeshare Loans shall not be released under this Section 4.07(c) unless (i) after giving effect to such release, the Borrowing Base shall be at least equal to the Outstanding Note Balance, (ii) the amount in the Reserve Account shall be at least equal to the Reserve Account Required Balance, (iii) none of a Potential Amortization Event, an Amortization Event, a Potential Event of Default or Event of Default shall exist or would occur as a result of such release, and (iv) each of the Issuer and the Servicer shall have delivered to the Administrative Agent a certificate to the effect that the Timeshare Loans to be released from the Lien of this Indenture and Servicing Agreement pursuant to this Section 4.07(c) were not selected in a manner involving any selection procedures adverse to the Noteholders and that the release of such Timeshare Loans would not reasonably be expected to cause a Potential Amortization Event, an Amortization Event, a Potential Event of Default or Event of Default.

(iv) Upon each release of a Timeshare Loan under this Section 4.07(c), the Indenture Trustee shall automatically and without further action release, sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse, representation or warranty, all of the Indenture Trustee's right, title and interest in and to such Timeshare Loan and the assets related thereto, all monies due or to become due with respect thereto and all collections with respect thereto from and including the last day of the Due Period immediately preceding such date of release free and clear of the Lien of this Indenture and Servicing Agreement. The Indenture Trustee shall execute such documents, releases

and instruments of transfer or assignment and take such other actions as directed by the Issuer to effect the release of such Timeshare Loans and the related assets pursuant to this Section 4.07(c).

(d) Release Upon Payment in Full. At such time as the Notes have been paid in full, all amounts owing under the Note Purchase Agreement shall have been paid in full, all fees and expenses of the Indenture Trustee, the Custodian, the Servicer, the Back-Up Servicer, and the Administrative Agent have been paid in full and all other obligations relating to the Facility Documents have been paid in full, then, the Indenture Trustee shall, upon the written request of the Issuer, release all Liens and assign to the Issuer (without recourse, representation or warranty) all right, title and interest of the Indenture Trustee in and to the Trust Estate, and all proceeds thereof. The Indenture Trustee shall execute and deliver such instruments of assignment, in each case without recourse, representation or warranty, as directed by the Issuer to release the security interest of the Trustee in the Trust Estate.

Section 4.08 Appointment of Custodian.

The Indenture Trustee may appoint a Custodian to hold all of the Timeshare Loan Files as agent for the Indenture Trustee. Each Custodian shall be a depository institution supervised and regulated by a federal or state banking authority, shall have combined capital and surplus of at least $10,000,000, shall be qualified to do business in the jurisdiction in which it holds any Timeshare Loan File and shall not be the Issuer or an Affiliate of the Issuer. The initial Custodian shall be Wells Fargo Bank, National Association pursuant to the terms of the Custodial Agreement. The Indenture Trustee shall not be responsible for paying the Custodial Fees or any other amounts owed to the Custodian.

Section 4.09 Sale of Timeshare Loans.

The parties hereto agree that none of the Timeshare Loans in the Trust Estate may be sold or disposed of in any manner except as expressly provided for herein.

ARTICLE V

SERVICING OF TIMESHARE LOANS

Section 5.01 Appointment of Servicer; Servicing Standard.

Subject to the terms and conditions herein, the Issuer hereby appoints MORI as the initial Servicer hereunder. The Servicer shall service and administer the Timeshare Loans and perform all of its duties hereunder in accordance with applicable law, the terms of the respective Timeshare Loans and, to the extent consistent with the foregoing, in accordance with the customary and usual procedures employed by the Servicer with respect to comparable assets that the Servicer services for itself or its Affiliates (the "**Servicing Standard**").

Section 5.02 Payments on the Timeshare Loans.

(a) The Servicer shall in a manner consistent with the Credit and Collection Policy, collect all payments made under each Timeshare Loan and cause each Obligor to timely make all payments in respect of his or her Timeshare Loan to a Control Account subject to a Control Agreement.

(b) All interest earned on funds received with respect to Timeshare Loans and any Processing Charges deposited in accounts of the Servicer prior to deposit to the Collection Account pursuant to Section 5.02(d) hereof shall be deemed to be additional compensation to the Servicer for the performance of its duties and obligations hereunder.

(c) On the related Funding Date and Transfer Date, the Servicer shall deposit to the Collection Account all amounts collected and received in respect of the Timeshare Loans (other than the amounts described in (b) above) after the related Cut-Off Date.

(d) Subject to (b) above and (e) below within two Business Days of receipt, the Servicer shall segregate all collections in respect of the Timeshare Loans and shall remit (or cause the related Control Account Bank to remit) such amounts to the Collection Account. The Servicer is not required to remit any Miscellaneous Payments or Processing Charges, to the extent received, to the Collection Account.

(e) The Servicer shall net out Liquidation Expenses from any Liquidation Proceeds on Defaulted Timeshare Loans prior to deposit of the net Liquidation Proceeds into the Collection Account pursuant to Section 5.02(d) hereof. To the extent that the Servicer shall subsequently recover any portion of such Liquidation Expenses from the related Obligor, the Servicer shall deposit such amounts into the Collection Account in accordance with Section 5.02(d) hereof.

Section 5.03 Duties and Responsibilities of the Servicer.

(a) In addition to any other customary services which the Servicer may perform or may be required to perform hereunder, the Servicer shall perform or cause to be performed through sub-servicers, the following servicing and collection activities in accordance with the Servicing Standard:

(i) perform standard accounting services and general record keeping services with respect to the Timeshare Loans;

(ii) respond to telephone or written inquiries of Obligors concerning the Timeshare Loans;

(iii) keep Obligors informed of the proper place and method for making payment with respect to the Timeshare Loans;

(iv) contact Obligors to effect collection and to discourage delinquencies in the payment of amounts owed under the Timeshare Loans and doing so

by any lawful means, including but not limited to (A) mailing of routine past due notices, (B) preparing and mailing collection letters, (C) contacting delinquent Obligors by telephone to encourage payment, and (D) mailing of reminder notices to delinquent Obligors;

(v) report tax information to Obligors and taxing authorities to the extent required by law;

(vi) take such other action as may be necessary or appropriate in the discretion of the Servicer for the purpose of collecting and transferring to the Indenture Trustee for deposit into the Collection Account all payments received by the Servicer or remitted to any of the Servicer's accounts in respect of the Timeshare Loans (except as otherwise expressly provided herein), and to carry out the duties and obligations imposed upon the Servicer pursuant to the terms of this Indenture and Servicing Agreement;

(vii) remarketing Timeshare Properties and Vacation Interests;

(viii) arranging for Liquidations of Timeshare Properties and Vacation Interests related to Defaulted Timeshare Loans;

(ix) disposing of Timeshare Properties related to the Timeshare Loans whether following repossession, foreclosure or otherwise;

(x) to the extent requested by the Indenture Trustee, use reasonable best efforts to enforce the purchase and substitution obligation of the Seller under the Sale Agreement;

(xi) not modify, waive or amend the terms of any Timeshare Loan; provided, however, the Servicer may modify, waive or amend a Timeshare Loan for which a default has occurred or is imminent and such modification, amendment or waiver does not (i) materially alter the interest rate on or the principal balance of such Timeshare Loan, (ii) shorten the final maturity of, lengthen the timing of payments of either principal or interest, or any other terms of, such Timeshare Loan in any manner which would have a material adverse affect on Noteholders, (iii) adversely affect the Timeshare Property underlying such Timeshare Loan or (iv) reduce materially the likelihood that payments of interest and principal on such Timeshare Loan shall be made when due; provided, further, the Servicer may grant an extension of the final maturity of a Timeshare Loan if the Servicer, in its reasonable discretion, determines that (A) such Timeshare Loan is in default or default on such Timeshare Loan is likely to occur in the foreseeable future, and (B) the value of such Timeshare Loan will be enhanced by such extension; provided, further, that the Servicer shall not (1) grant more than one extension per calendar year with respect to a Timeshare Loan or (2) grant an extension for more than one calendar month with respect to a Timeshare Loan in any calendar year;

(xii) working with Obligors in connection with any transfer of ownership of a Timeshare Property or Vacation Interest by an Obligor to another Person, whereby the Servicer may consent to the assumption by such Person of the Timeshare

Loan related to such Timeshare Property or Vacation Interest; provided, however, in connection with any such assumption, the rate of interest borne by, the maturity date of, the principal amount of, the timing of payments of principal and interest in respect of, and all other material terms of, the related Timeshare Loan shall not be changed other than as permitted in (xi) above;

(xiii)(A) cause all the timeshare or fractional interest resorts operated by MORI (including but not limited to those under the Marriott Vacation Club, Ritz-Carlton Club and Grand Residences brands) to have property damage insurance coverage for the full replacement value thereof or, if not available on commercially reasonable terms, the maximum amount available on commercially reasonable terms, as determined in accordance with the Servicing Standard and (B) to the extent that there is any reduction in the policy limits of such coverage or the Servicer has determined, in accordance with the Servicing Standard, that such coverage is not available on commercially reasonable terms, provide written notice to the Issuer within five Business Days of such determination;

(xiv) deliver such information and data to the Back-Up Servicer as is required pursuant to Section 5.19 hereof;

(xv) on behalf of the Issuer, maintain the perfection and priority of the security interest Granted hereunder;

(xvi) observe and perform its obligations under the Control Account Intercreditor Agreement and the Control Agreement, monitor the Control Accounts and identify and segregate all funds in the Control Accounts and direct the Control Account Bank to remit all collections on the Timeshare Loans to the Collection Account; and

(xvii) on behalf of the Issuer, monitor the Hedge Agreements and to prepare such data and information as may be required by the Issuer, from time to time, to determine whether the Hedge Requirements are being satisfied.

In connection with the Servicer's duties under (vii), (viii) and (ix) above, the Servicer will, as soon as practical, undertake such duties in the ordinary course in a manner similar and consistent with (or better than) the manner in which the Servicer sells or markets other timeshare properties or Vacation Interests it or its Affiliates owns.

To the extent that any Timeshare Property or Vacation Interest related to a Defaulted Timeshare Loan is remarketed, the Servicer agrees that it shall require that any Liquidation Proceeds be in the form of cash only.

(b) For so long as MORI or an affiliate of MORI is the on-site manager of the Resorts, the Servicer shall use commercially best efforts to maintain or cause to maintain the Resorts in good repair, working order and condition (ordinary wear and tear excepted).

(c) In the event any Lien (other than a Permitted Lien) attaches to any Timeshare Loan or related collateral from any Person claiming from and through an affiliate of

MORI which materially and adversely affects the Issuer's interest in such Timeshare Loan, the Servicer shall, within the earlier to occur of 10 Business Days after receiving notice of such attachment or the respective lienholders' action to foreclose on such lien, either (i) cause such Lien to be released of record, (ii) provide the Indenture Trustee with a bond in accordance with the applicable laws of the state in which the Timeshare Property is located, issued by a corporate surety acceptable to the Administrative Agent, in form reasonably acceptable to the Administrative Agent or (iii) provide the Administrative Agent with such other security as the Administrative Agent may reasonably require.

(d) The Servicer shall: (i) promptly notify the Indenture Trustee of (A) receiving notice of any claim, action or proceeding which may be reasonably expected to have a material adverse effect on the Trust Estate, or any material part thereof, and (B) any action, suit, proceeding, order or injunction of which the Servicer becomes aware after the date hereof pending or threatened against or affecting the Servicer or any Affiliate which may be reasonably expected to have a material adverse effect on the Trust Estate or the Servicer's ability to service the same; (ii) at the request of Indenture Trustee with respect to a claim or action or proceeding which arises from or through the Servicer or one of its Affiliates, appear in and defend, at Servicer's expense, any such claim, action or proceeding which would have a material adverse effect on the Timeshare Loans or the Servicer's ability to service the same; and (iii) comply in all material respects, and shall cause all Affiliates to comply in all material respects, with the terms of any orders imposed on such Person by any governmental authority the failure to comply with which would have a material adverse effect on the Timeshare Loans or the Servicer's ability to service the same.

(e) The Servicer agrees (so long as it is MORI or an Affiliate thereof) that it shall use commercially reasonable efforts to keep the reservation system for the MVC Trust (including, without limitation, all hardware, software and data in respect thereof), operational (including by virtue of necessary hardware and software updates and/or upgrades), not to dispose of the same and to allow the MVC Trust the use of, and access to, such reservation system.

(f) The Servicer shall notify the Indenture Trustee and Administrative Agent ten days prior to any material amendment or change to such portion of the Credit and Collection Policy relating to the servicing and collection process of Timeshare Loans that are eligible to be acquired by the Issuer, and shall have received written consent from the Administrative Agent (such consent to not be unreasonably withheld or delayed).

(g) The Servicer agrees (so long as it is MORI or an Affiliate thereof), that it shall, and shall cause its affiliates to perform and observe in all material respects the obligations and duties under the Marriott IP Agreement.

Section 5.04 Servicer Events of Default.

(a) A "**Servicer Event of Default**" means the occurrence and continuance of any of the following events:

(i)(A) failure by the Servicer to make any required payment, transfer or deposit when due hereunder and the continuance of such default for a period of three Business Days or (B) failure by the Servicer to make any required payments, transfers or deposits when due hereunder more than four (4) times;

(ii) failure by the Servicer to provide any required report within five Business Days of when such report is required to be delivered hereunder;

(iii) any failure by the Servicer to observe or perform in any material respect any covenant or agreement contained in this Indenture and Servicing Agreement or any other Facility Document which has a material adverse effect on the Noteholders;

(iv) any representation or warranty made by the Servicer in this Indenture and Servicing Agreement or any other Facility Document shall prove to be incorrect in any material respect as of the time when the same shall have been made, and such breach is not remedied within 30 days after the earlier of (x) the Servicer first acquiring knowledge thereof, and (y) the Servicer's receipt of written notice thereof;

(v) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Servicer in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or (B) a decree or order adjudging the Servicer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of the Servicer under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Servicer, or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(vi) the commencement by the Servicer of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by either to the entry of a decree or order for relief in respect of the Servicer in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of the Servicer or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the Servicer's failure to pay its debts generally as they become due, or the taking of corporate action by the Servicer in furtherance of any such action; or

(vii) for so long as MORI or an Affiliate thereof is the Servicer, the Financial Covenants are not satisfied or waived (A) in accordance with the MI Credit Facility (if prior to the Spin-Off Date or if the Spin-Off Date does not occur), (B) in accordance with the Corporate Revolver Facility (if the Spin-Off Date does occur and the

Corporate Revolver Facility is executed and is in full force and effect) or (C) by the Required Facility Investors (if the Spin-Off Date does occur but the Corporate Revolver Facility is not executed or if the Corporate Revolver Facility is executed but subsequently terminated), as the case may be;

(viii) for so long as MORI or an Affiliate thereof is the Servicer, an event of default (or any other defined term or event having similar purpose) occurs (A) if prior to the Spin-Off Date, under the MI Credit Facility or (B) if on and after the Spin-Off Date, under the Corporate Revolver Facility or under any future credit agreement similar in nature to the Corporate Revolver Facility and, in either case, the indebtedness related thereto is accelerated and not rescinded in accordance with the MI Credit Facility or Corporate Revolver Facility or other credit agreement, as the case may be;

(ix) for so long as MORI or an Affiliate thereof is the Servicer, a Change of Control shall have occurred; or

(x) for so long as MORI or an Affiliate thereof is the Servicer, either (A) on the Spin-Off Date, the Marriott IP Agreement is not in full force and effect or (B) MVW, MORI or any affiliate thereof shall have defaulted under the Marriott IP Agreement and Marriott International shall have terminated or materially restricted MVW's, MORI's or their affiliate's use of the Marriott and Ritz-Carlton related trademarks and other intellectual property.

(b) If any Servicer Event of Default shall have occurred and not been waived hereunder, the Indenture Trustee may, and upon notice from the Majority Facility Investors shall, terminate, on behalf of the Noteholders, by notice in writing to the Servicer, all of the rights and obligations of the Servicer, as Servicer under this Indenture and Servicing Agreement.

(c) If any Authorized Officer of the Servicer shall have knowledge of the occurrence of a default by the Servicer hereunder, the Servicer shall promptly notify the Indenture Trustee, the Issuer, the Back-Up Servicer and the Noteholders, and shall specify in such notice the action, if any, the Servicer is taking in respect of such default. Unless consented to by the Required Facility Investors, the Issuer may not waive any Servicer Event of Default.

(d) If any Servicer Event of Default or Event of Default shall have occurred and not been waived hereunder, the Indenture Trustee may, and at the direction of the Administrative Agent, shall, direct the Creditor Agent under the Control Account Intercreditor Agreement to direct the Control Account Banks to remit all funds relating to the Timeshare Loans to the Collection Account. The Servicer shall cause to be delivered, notices to the Obligors related to the Timeshare Loans, instructing such Obligors to remit payments in respect thereof to the accounts specified by the Indenture Trustee.

Section 5.05 Accountings; Statements and Reports.

(a) Monthly Servicer Report. Not later than each Determination Date, the Servicer shall deliver to the Issuer, the Indenture Trustee (who shall make such Monthly Servicer Report available to the Noteholders), the Back-Up Servicer and the Administrative Agent a

report (the "**Monthly Servicer Report**") substantially in the form approved by the Administrative Agent. The Monthly Servicer Report shall be completed with the information specified therein for the related Due Period and shall contain such other information as may be reasonably requested by the Issuer, the Indenture Trustee, the Back-Up Servicer, the Administrative Agent or the Noteholders in writing at least five Business Days prior to such Determination Date. Each such Monthly Servicer Report shall be accompanied by an Officer's Certificate of the Servicer in the form of Exhibit F hereto, certifying the accuracy of the computations reflected in such Monthly Servicer Report.

(b) Certification as to Compliance. The Servicer shall deliver to the Issuer, the Indenture Trustee (who shall make such Officer's Certificate available to the Noteholders), the Back-Up Servicer, the Administrative Agent an Officer's Certificate on or before December 31 of each year commencing in 2011: (i) to the effect that a review of the activities of the Servicer during the preceding calendar year, and of its performance under this Indenture and Servicing Agreement during such period has been made under the supervision of the officers executing such Officer's Certificate with a view to determining whether during such period the Servicer had performed and observed all of its obligations under this Indenture and Servicing Agreement, and either (A) stating that based on such review no Servicer Event of Default is known to have occurred and is continuing, or (B) if such a Servicer Event of Default is known to have occurred and is continuing, specifying such Servicer Event of Default and the nature and status thereof; and (ii) describing in reasonable detail to his knowledge any occurrence in respect of any Timeshare Loan which would be of adverse significance to a Person owning such Timeshare Loan.

(c) Annual Accountants' Reports. On or before December 31, 2011, and on or before September 30 of each year commencing in 2012, the Servicer shall (i) cause a firm of independent public accountants (such firm to be Ernst & Young LLP or such other firm selected by the Servicer with the written consent of the Majority Facility Investors) to furnish a certificate or statement (and the Servicer shall provide a copy of such certificate or statement to the Issuer, the Owner Trustee, the Indenture Trustee, the Administrative Agent and the Noteholders), to the effect that such firm has performed certain procedures (such procedures to be approved by the Majority Facility Investors) with respect to the Servicer's servicing controls and procedures for the previous calendar year and that, on the basis of such firms' procedures, conducted substantially in compliance with standards established by the American Institute of Certified Public Accountants, nothing has come to the attention of such firm indicating that the Servicer has not complied with the minimum servicing standards identified in the Uniform Single Attestation Program for Mortgage Bankers established by the Mortgage Bankers Association of America ("**USAP**"), except for such significant exceptions or errors that, in the opinion of such firm, it is required to report; and (ii) cause its internal auditors or any chief financial officer or treasurer after due investigation and review to furnish a certificate or statement to the Issuer, the Indenture Trustee, the Administrative Agent and the Noteholders, to the effect that such internal auditors or such chief financial officer or treasurer have (x) read this Indenture and Servicing Agreement, (y) have performed certain procedures, in accordance with USAP, with respect to the records and calculations set forth in the Monthly Servicer Reports delivered by the Servicer during the reporting period and certain specified documents and records relating to the servicing of the Timeshare Loans and the reporting requirements with respect thereto and (z) on the basis

of such internal auditor's procedures, certifies that except for such exceptions as such internal auditors shall believe immaterial and such other exceptions as shall be set forth in such statement, (A) the information set forth in such Monthly Servicer Reports was correct; and (B) the servicing and reporting requirements have been conducted in compliance with this Indenture and Servicing Agreement. In the event such independent public accountants require the Indenture Trustee to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this Section 5.05(c), the Servicer shall direct the Indenture Trustee in writing to so agree; it being understood and agreed that the Indenture Trustee will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and the Indenture Trustee has not made any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

(d) Report on Proceedings and Servicer Event of Default. (i) Promptly upon the Servicer's becoming aware of any proposed or pending investigation of it by any Governmental Authority or any court or administrative proceeding which involves or may involve the possibility of materially and adversely affecting the properties, business, prospects, profits or conditions (financial or otherwise) of the Servicer and subsidiaries, as a whole, a written notice specifying the nature of such investigation or proceeding and what action the Servicer is taking or proposes to take with respect thereto and evaluating its merits, or (ii) immediately upon becoming aware of the existence of any condition or event which constitutes a Servicer Event of Default, a written notice to the Issuer, the Indenture Trustee, the Administrative Agent and the Noteholders describing its nature and period of existence and what action the Servicer is taking or proposes to take with respect thereto.

Section 5.06 Records.

The Servicer shall maintain all data for which it is responsible (including, without limitation, computerized tapes or disks) relating directly to or maintained in connection with the servicing of the Timeshare Loans (which data and records shall be clearly marked to reflect that the Timeshare Loans have been pledged to the Indenture Trustee on behalf of the Noteholders and constitute property of the Trust Estate) at the address specified in Section 13.03 hereof or, upon 15 days' notice to the Issuer and the Indenture Trustee, at such other place where any Servicing Officer of the Servicer is located, and shall give the Issuer and the Indenture Trustee or their authorized agents access to all such information at all reasonable times, upon 72 hours' written notice.

Section 5.07 Fidelity Bond.

The Servicer shall maintain or cause to be maintained fidelity bond with respect to the Servicer in such form and amount as is customary for institutions acting as custodian of funds in respect of timeshare loans or receivables on behalf of institutional investors. Any such fidelity bond shall be maintained in a form and amount that would meet the requirements of prudent institutional loan servicers. No provision of this Section 5.07 requiring such fidelity bond shall diminish or relieve the Servicer from its duties and obligations as set forth in this Indenture and Servicing Agreement. The Servicer shall be deemed to have complied with this provision if one of its respective Affiliates has such fidelity bond coverage and, by the terms of such fidelity bond, the coverage afforded thereunder extends to the Servicer. Upon a request of

the Indenture Trustee, the Servicer shall deliver to the Indenture Trustee, a certification evidencing coverage under such fidelity bond. Any such fidelity bond shall not be canceled or modified in a materially adverse manner without ten days' prior written notice to the Indenture Trustee.

Section 5.08 Merger or Consolidation of the Servicer.

(a) The Servicer shall promptly provide written notice to the Indenture Trustee and the Noteholders of any merger or consolidation of the Servicer. The Servicer shall keep in full effect its existence, rights and franchise as a corporation under the laws of the state of its incorporation except as permitted herein, and shall obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture and Servicing Agreement or any of the Timeshare Loans and to perform its duties under this Indenture and Servicing Agreement.

(b) Any Person into which the Servicer may be merged or consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Servicer shall be a party, or any Person succeeding to the business of the Servicer, shall be the successor of the Servicer hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that the successor or surviving Person (i) is a company whose business includes the servicing of assets similar to the Timeshare Loans and shall be authorized to transact business in the state or states in which the related Timeshare Properties it is to service are situated; (ii) is a U.S. Person, and (iii) delivers to the Indenture Trustee (A) an agreement, in form and substance reasonably satisfactory to the Indenture Trustee and the Noteholders, which contains an assumption by such successor entity of the due and punctual performance and observance of each covenant and condition to be performed or observed by the Servicer under this Indenture and Servicing Agreement and (B) an Opinion of Counsel as to the enforceability of such agreement.

Section 5.09 Sub-Servicing.

(a) The Servicer may enter into one or more subservicing agreements with a subservicer provided any such subservicing agreement is reasonably acceptable to the Majority Facility Investors. References herein to actions taken or to be taken by the Servicer in servicing the Timeshare Loans include actions taken or to be taken by a subservicer on behalf of the Servicer. Any subservicing agreement will be upon such terms and conditions as the Servicer may reasonably agree and as are not inconsistent with this Indenture and Servicing Agreement. The Servicer shall be solely responsible for any subservicing fees.

(b) Notwithstanding any subservicing agreement, the Servicer shall remain obligated and liable for the servicing and administering of the Timeshare Loans in accordance with this Indenture and Servicing Agreement without diminution of such obligation or liability by virtue of such subservicing agreement and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Timeshare Loans.

Section 5.10 Servicer Resignation.

The Servicer shall not resign from the duties and obligations hereby imposed on it under this Indenture and Servicing Agreement unless and until the Successor Servicer shall have assumed the responsibilities and obligations of the Servicer hereunder. Upon such resignation, the Servicer shall comply with Section 5.19(f) hereof.

Section 5.11 Fees and Expenses.

As compensation for the performance of its obligations under this Indenture and Servicing Agreement, the Servicer shall be entitled to receive on each Payment Date, from amounts on deposit in the Collection Account and in the priorities described in Section 3.04 hereof, the Servicing Fee and as additional compensation, the amounts described in Section 5.02(b) hereof. Other than Liquidation Expenses, the Servicer shall pay all expenses incurred by it in connection with its servicing activities hereunder.

Section 5.12 Access to Certain Documentation.

Upon five Business Days' prior written notice (or without prior written notice following a Servicer Event of Default), the Servicer will, from time to time during regular business hours, as requested by the Issuer, the Indenture Trustee, the Back-Up Servicer, the Administrative Agent or any Noteholder and, prior to the occurrence of a Servicer Event of Default, at the expense of the Issuer, the Indenture Trustee or such Noteholder and upon the occurrence and continuance of a Servicer Event of Default, at the expense of the Servicer, permit the Issuer, the Indenture Trustee, the Administrative Agent or any Noteholder or its agents or representatives (i) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of the Servicer relating to the servicing of the Timeshare Loans serviced by it and (ii) to visit the offices and properties of the Servicer for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to the Timeshare Loans with any of the officers, employees or accountants of the Servicer having knowledge of such matters. Nothing in this Section 5.12 shall affect the obligation of the Servicer to observe any applicable law prohibiting disclosure of information regarding the Obligors, and the failure of the Servicer to provide access to information as a result of such obligation shall not constitute a breach of this Section 5.12.

Section 5.13 No Offset.

Prior to the termination of this Indenture and Servicing Agreement, the obligations of Servicer under this Indenture and Servicing Agreement shall not be subject to any defense, counterclaim or right of offset which the Servicer has or may have against the Issuer, the Indenture Trustee or any Noteholder, whether in respect of this Indenture and Servicing Agreement, any Timeshare Loan or otherwise.

Section 5.14 Cooperation.

The Indenture Trustee agrees to cooperate with the Servicer's preparation of the Monthly Servicer Report, including without limitation, providing account balances of Trust Accounts and notification of the Events of Default or Amortization Events and other information of which the Indenture Trustee has knowledge which may affect the Monthly Servicer Report.

Section 5.15 Indemnification; Third Party Claim.

The Servicer agrees to indemnify the Issuer, the Indenture Trustee, the Back-Up Servicer, the Custodian, the Administrative Agent and the Noteholders (each, an "**Indemnified Party**") from and against any and all actual damages (excluding economic losses related to the collectibility of any Timeshare Loan), claims, reasonable attorneys' fees and related costs, judgments, and any other costs, fees and expenses (collectively, "**Costs**") that each may sustain because of the failure of the Servicer to service the Timeshare Loans in accordance with the Servicing Standard or otherwise perform its obligations and duties hereunder in compliance with the terms of this Indenture and Servicing Agreement, or because of any act or omission by the Servicer due to its negligence or willful misconduct in connection with its maintenance and custody of any funds, documents and records under this Indenture and Servicing Agreement, or its release thereof except as contemplated by this Indenture and Servicing Agreement, other than any Costs attributable directly to the gross negligence, bad faith or willful misconduct of an Indemnified Party. The Servicer shall immediately notify the Issuer, the Administrative Agent and the Indenture Trustee if it has knowledge or should have knowledge of a claim made by a third party with respect to the Timeshare Loans, and, if such claim relates to the servicing of the Timeshare Loans by the Servicer, assume, with the consent of the Indenture Trustee, the defense of any such claim and pay all expenses in connection therewith, including counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it. This Section 5.15 shall survive the termination of this Indenture and Servicing Agreement or the resignation or removal of the Servicer hereunder.

Section 5.16 Limitation on Liability.

It is expressly understood and agreed by the parties hereto that MORI is executing this Indenture and Servicing Agreement solely as Servicer and MORI undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and Servicing Agreement applicable to the Servicer.

Section 5.17 Aruba Notice.

Within 45 days of any Funding Date or any Transfer Date (with respect to a Qualified Substitute Timeshare Loan), as the case may be, the Servicer shall give notice to each Obligor under a Weeks-Based Timeshare Loan with respect to any Resort in the country of Aruba that such Weeks-Based Timeshare Loan has been transferred and assigned to the Indenture Trustee, in trust, for the benefit of the Noteholders. Such notice may include any notice or notices that the Issuer's predecessors in title to the Timeshare Loan may give to the same Obligor with respect to any transfers and assignments of the Timeshare Loan by such predecessors. Such notice shall be in the form attached hereto as Exhibit G, as the same may be amended, revised or substituted by the Indenture Trustee and the Servicer from time to time.

Section 5.18 St. Kitts.

The Servicer shall cause this Indenture and Servicing Agreement to be delivered to the Inland Revenue Department of the Federation of St. Christopher and Nevis within five Business Days of the first Funding Date on which a Timeshare Loan relating to a St. Kitts property is transferred to the Trust Estate to be stamped. Promptly upon the Indenture being stamped, the Servicer shall deliver such stamped Indenture to the Indenture Trustee.

Section 5.19 Back-Up Servicer and Successor Servicer.

(a) Subject to the terms and conditions herein, the Issuer hereby appoints Wells Fargo Bank, National Association as the initial Back-Up Servicer hereunder. The Back-Up Servicer shall perform all of its duties hereunder in accordance with applicable law, the terms of this Indenture and Servicing Agreement, the respective Timeshare Loans and, to the extent consistent with the foregoing, in accordance with the customary and usual procedures employed by the Back-Up Servicer with respect to comparable assets that the Back-Up Servicer services for itself or other Persons. The Back-Up Servicer shall be compensated for its services hereunder by the Back-Up Servicing Fee.

(b) Not later than the Determination Date preceding a Payment Date (unless otherwise requested more frequently by the Indenture Trustee), the Servicer shall prepare and deliver to the Back-Up Servicer: (i) a copy of the Monthly Servicer Report and all other reports and notices, if any, delivered to the Issuer and the Indenture Trustee (collectively, the "**Monthly Reports**"); and (ii) a computer file or files stored on compact disc, magnetic tape or provided electronically, prepared in accordance with the record layout for data conversion attached hereto as Exhibit I and made a part hereof (the "**Tape(s)**"). The Tape(s) shall contain (x) all information with respect to the Timeshare Loans as of the close of business on the last day of the Due Period necessary to store the appropriate data in the Back-Up Servicer's system from which the Back-Up Servicer will be capable of preparing a trial balance relating to the data and (y) an initial trial balance showing balances of the Timeshare Loans as of the last Business Day corresponding to the date of the Tape(s) (the "**Initial Trial Balance**"). The Back-Up Servicer shall have no obligations as to the Collection Reports other than to insure that they are able to be opened and read (which it shall determine promptly upon receipt). The Servicer shall give prompt written notice to the Indenture Trustee, the Back-Up Servicer and the Initial Purchaser of any modifications in the Servicer's servicing systems.

(c) The Back-Up Servicer shall use the Tape(s) and Initial Trial Balance to ensure that the Monthly Reports are complete on their face and the following items in such Monthly Reports have been accurately calculated, if applicable, and reported: (i) the Aggregate Loan Balance, (ii) the Outstanding Note Balance, (iii) the payments to be made pursuant to Section 3.04 hereof, (iv) the Warehouse Portfolio Default Level, (v) the Warehouse Portfolio Delinquency Level, (vi) the Securitized Portfolio Default Level and (vii) the Securitized Portfolio Delinquency Level. The Back-Up Servicer shall give written notice on or prior to the Business Day immediately preceding the related Payment Date to the Indenture Trustee and the

Administrative Agent of any discrepancies discovered pursuant to its review of the items required by this Section 5.19(c) or if any of the items in Section 5.19(b) can not be open and read.

(d) Other than the duties specifically set forth in this Indenture and Servicing Agreement, the Back-Up Servicer shall have no obligation hereunder, including, without limitation, to supervise, verify, monitor or administer the performance of the Servicer. The Back-Up Servicer shall have no liability for any action taken or omitted to be taken by the Servicer.

(e) From and after the receipt by the Servicer of a written termination notice pursuant to Section 5.04 hereof or the resignation of the Servicer pursuant to Section 5.10 hereof, and upon written notice thereof to the Back-Up Servicer from the Indenture Trustee, all authority and power of the Servicer under this Indenture and Servicing Agreement, whether with respect to the Timeshare Loans or otherwise, shall pass to and be vested in the Back-Up Servicer, as the Successor Servicer, on the Assumption Date (as defined in Section 5.19(f) hereof).

(f) The Servicer shall perform such actions as are reasonably necessary to assist the Indenture Trustee and the Successor Servicer in such transfer of the Servicer's duties and obligations pursuant to Section 5.19(e) hereof. The Servicer agrees that it shall promptly (and in any event no later than five Business Days subsequent to its receipt of a notice of termination pursuant to Section 5.04(b) hereof) provide the Successor Servicer (with costs being borne by the Servicer) with all documents and records (including, without limitation, those in electronic form) reasonably requested by it to enable the Successor Servicer to assume the Servicer's duties and obligations hereunder, and shall cooperate with the Successor Servicer in effecting the assumption by the Successor Servicer of the Servicer's obligations hereunder, including, without limitation, subject to the provisions of the Control Account, the transfer within two Business Days to the Successor Servicer for administration by it of all cash amounts which shall at the time or thereafter received by it with respect to the Timeshare Loans (provided, however, that the Servicer shall continue to be entitled to receive all amounts accrued or owing to it under this Indenture and Servicing Agreement on or prior to the date of such termination). If the Servicer fails to undertake such action as is reasonably necessary to effectuate such transfer of its duties and obligations, the Indenture Trustee, or the Successor Servicer if so directed by the Indenture Trustee, is hereby authorized and empowered to execute and deliver, on behalf of and at the expense of the Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things reasonably necessary to effect the purposes of such notice of termination. Promptly after receipt by the Successor Servicer of such documents and records, the Successor Servicer will commence the performance of such servicing duties and obligations as Successor Servicer in accordance with the terms and conditions of this Indenture and Servicing Agreement (such date, the "**Assumption Date**"), and from and after the Assumption Date the Successor Servicer shall receive the Servicing Fee and agrees to and shall be bound by all of the provisions of this Article V and any other provisions of this Indenture and Servicing Agreement relating to the duties and obligations of the Servicer, except as otherwise specifically provided herein.

(i) Notwithstanding anything contained in this Indenture and Servicing Agreement to the contrary, the Successor Servicer is authorized to accept and

rely on all of the accounting, records (including computer records) and work of the Servicer relating to the Timeshare Loans (collectively, the "**Predecessor Servicer Work Product**") without any audit or other examination thereof, and the Successor Servicer shall have no duty, responsibility, obligation or liability for the acts and omissions of the Servicer. If any error, inaccuracy, omission or incorrect or non-standard practice or procedure (collectively, "**Errors**") exist in any Predecessor Servicer Work Product and such Errors make it materially more difficult to service or should cause or materially contribute to the Successor Servicer making or continuing any Errors (collectively, "**Continued Errors**"), the Successor Servicer shall have no duty, responsibility, obligation or liability for such Continued Errors; provided, however, that the Successor Servicer agrees to use its best efforts to prevent further Continued Errors. In the event that the Successor Servicer becomes aware of Errors or Continued Errors, the Successor Servicer, with the prior consent of the Indenture Trustee (acting at the direction of the Majority Facility Investors) shall use its best efforts to reconstruct and reconcile such data as is commercially reasonable to correct such Errors and Continued Errors and to prevent future Continued Errors and shall be entitled to recover its costs thereby.

(ii) The Successor Servicer shall have: (A) no liability with respect to any obligation which was required to be performed by the terminated or resigned Servicer prior to the Assumption Date or any claim of a third party based on any alleged action or inaction of the terminated or resigned Servicer, (B) no obligation to perform any repurchase or advancing obligations, if any, of the Servicer, (C) no obligation to pay any taxes required to be paid by the Servicer, (D) no obligation to pay any of the fees and expenses of any other party involved in this transaction that were incurred by the prior Servicer and (E) no liability or obligation with respect to any Servicer indemnification obligations of any prior Servicer including the original Servicer.

(g) In the event that Wells Fargo Bank, National Association as the initial Back-Up Servicer is terminated for any reason, or fails or is unable to act as Back-Up Servicer and/or as Successor Servicer, the Indenture Trustee may enter into a back-up servicing agreement with a back-up servicer, and may appoint a successor servicer to act under this Indenture and Servicing Agreement, in either event with the consent or at the direction of the Majority Facility Investors and on such terms and conditions as are provided herein as to the Back-Up Servicer or the Successor Servicer, as applicable.

(h) Within 30 days of its appointment as successor Servicer, Wells Fargo shall deliver to the Administrative Agent a copy of the then current Credit and Collection Policy that will be used in servicing the Timeshare Loans.

(i) The Back-Up Servicer shall, until it is appointed as successor Servicer, be entitled to the same protections afforded the Indenture Trustee in Sections 7.03 and 7.04 hereof.

ARTICLE VI

EVENTS OF DEFAULT; REMEDIES

Section 6.01 Events of Default.

"**Event of Default**" wherever used herein with respect to Notes, means any one of the following:

(a) (1) the default in the making of payments of Interest Distribution Amounts, Unused Fees, NPA Costs, Purchaser Fees, Administrative Agent Fees or other amounts payable by the Issuer under any Facility Document within two Business Days after the same becomes due and payable (determined irrespective of Available Funds) or (2) a failure to reduce the Outstanding Note Balance to zero at the Stated Maturity or the Mandatory Redemption Date; or

(b) a non-monetary default in the performance, or breach, of any covenant of a Marriott Entity in this Indenture and Servicing Agreement or any other Facility Document (other than a covenant dealing with a default in the performance of which or the breach of which is specifically dealt with elsewhere in this Section 6.01), the continuance of such default or breach for a period of 30 days after the earlier of (x) such Marriott Entity first acquiring knowledge therefor, and (y) such Marriott Entity's receipt of written notice thereof from the Indenture Trustee; provided, however, that if such default or breach is in respect of the covenants contained in Section 8.04(a) and Section 8.06(a)(i) or (ii), there shall be no grace period whatsoever; or

(c) if any representation or warranty of a Marriott Entity made in this Indenture and Servicing Agreement or any other Facility Document (other than a representation or warranty which is specifically dealt with elsewhere in this Section 6.01) shall prove to be incorrect in any material respect as of the time when the same shall have been made, and, to the extent such representation or warranty is curable, such breach is not remedied within 30 days after the earlier of (x) such Marriott Entity first acquiring knowledge thereof, and (y) the Indenture Trustee's giving written notice thereof to such Marriott Entity; or

(d) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of a Marriott Entity in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or (ii) a decree or order adjudging a Marriott Entity a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of a Marriott Entity under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of a Marriott Entity, or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(e) the commencement by a Marriott Entity of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law

or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by either to the entry of a decree or order for relief in respect of a Marriott Entity in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of such Marriott Entity or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or such Marriott Entity's failure to pay its debts generally as they become due, or the taking of corporate action by the Issuer in furtherance of any such action; or

(f) the Issuer becoming subject to registration as an "investment company" under the Investment Company Act of 1940, as amended; or

(g)(1) the breach of a representation or warranty or covenant in any Facility Document related to the security interest of the Indenture Trustee in the Trust Estate, or (2) the impairment of the validity of any security interest of the Indenture Trustee in the Trust Estate in any material respect, except as expressly permitted hereunder, or (3) the creation of any material encumbrance on all or any portion of the Trust Estate not otherwise permitted which is not stayed or released within 10 days of the Issuer having knowledge of its creation; or

(h) any provision of any Facility Document shall at any time for any reason cease to be valid and binding on and enforceable against any Marriott Entity party thereto, or the validity or enforceability thereof shall be contested by any Marriott Entity party thereto, or a proceeding shall be commenced by any Marriott Entity seeking to establish the invalidity or unenforceability thereof or, any Marriott Entity shall deny in writing that it has any liability or obligation purported to be created under any Facility Document; or

(i) any default of the Seller of its obligation to repurchase or substitute a Timeshare Loan under the Sale Agreement within the relevant time period; or

(j) any default under the Performance Guaranty; or

(k) the failure to maintain Hedge Agreements satisfying the Hedge Requirements or any Hedge Counterparty ceases to be a Qualified Hedge Counterparty and such failure continues for five (5) Business Days; or

(l) an event of default (or any other defined term or event having similar purpose) occurs (A) if prior to the Spin-Off Date, under the MI Credit Facility or (B) if on and after the Spin-Off Date, under the Corporate Revolver Facility or under any future credit agreement similar in nature to the Corporate Revolver Facility and, in either case, the indebtedness related thereto is accelerated and not rescinded in accordance with the MI Credit Facility or Corporate Revolver Facility or other credit agreement, as the case may be; or

(m) a Change of Control shall have occurred; or

(n) the Servicer has been terminated following a Servicer Event of Default and a Successor Servicer has not been appointed or such appointment has not been accepted within 20 days of the date of termination specified in the related termination notice; or

(o) MVC Trust shall incur any indebtedness (other than trade debt in the ordinary course); or

(p) one or more judgments or decrees shall be entered against the Issuer, the Seller, MORI or the Performance Guarantor involving in the aggregate a liability (not paid or covered by insurance) of, in the case of the Issuer and the Seller, $50,000 or more, or, in the case of MORI or the Performance Guarantor, $70,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged or stayed or bonded pending appeal within 30 days from the entry thereof; or

(q) the occurrence of an event constituting a Servicer Event of Default under Section 5.04(a)(i)(B) or Section 5.04(a)(x) of this Indenture and Servicing Agreement; or

(r) the Outstanding Note Balance exceeds the Borrowing Base as of the related Payment Date and the Issuer fails on such Payment Date to either (i) pay in full an amount of principal on the Note equal to such excess or (ii) pledge additional Timeshare Loans such that the Outstanding Note Balance does not exceed the Borrowing Base.

Except as otherwise provided in clause (q) hereunder, a Servicer Event of Default shall not constitute an Event of Default hereunder.

Section 6.02 Acceleration of Maturity; Rescission and Annulment.

(a) If an Event of Default of the kind specified in Section 6.01(d) or Section 6.01(e) hereof occurs, the Notes shall automatically become due and payable at the sum of the then Outstanding Note Balances, together with all accrued and unpaid Interest Distribution Amounts and Unused Fees thereon. If an Event of Default (other than an Event of Default of the type described in the preceding sentence) occurs, the Indenture Trustee shall, upon notice from the Majority Facility Investors, declare the Notes to be immediately due and payable at the sum of the then Outstanding Note Balance, plus all accrued and unpaid Interest Distribution Amounts and Unused Fees thereon.

(b) Upon any such declaration or automatic acceleration, the then Outstanding Note Balance, together with all accrued and unpaid Interest Distribution Amounts and Unused Fees thereon shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Issuer. The Indenture Trustee shall promptly send a notice of any declaration or automatic acceleration to the Noteholders.

(c) At any time after such a declaration of acceleration has been made, or after such acceleration has automatically become effective and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article provided, the Required Facility Investors (other than MORI and its Affiliates) by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) The amounts on deposit in the Trust Accounts and other funds from collections with respect to the Timeshare Loans in the possession of the Servicer but not yet deposited in the Trust Accounts, is a sum sufficient to pay:

(A) all principal due on the Notes which has become due otherwise than by such declaration of acceleration and interest thereon from the date when the same first became due until the date of payment or deposit at the applicable rates used to calculate the applicable Carrying Cost plus the Usage Rate,

(B) all interest due with respect to the Notes and, to the extent that payment of such interest is lawful, interest upon overdue interest from the date when the same first became due until the date of payment or deposit at the applicable rates used to calculate the applicable Carrying Cost plus the Usage Rate, and

(C) all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements, and advances of each of the Indenture Trustee, the Servicer and Back-Up Servicer, its agents and counsel;

and

(ii) all Events of Default with respect to the Notes, other than the non-payment of the then Outstanding Note Balance which became due solely by such declaration of acceleration, have been cured or waived as provided in Section 6.13 hereof.

(d) An automatic acceleration may be rescinded and annulled by the Required Facility Investors.

(e) Notwithstanding Section 6.02 (c) and (d) above, (i) if the Indenture Trustee has commenced making payments as described in Section 6.06 hereof, no acceleration may be rescinded or annulled and (ii) no rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

Section 6.03 Remedies.

(a) If an Event of Default with respect to the Notes occurs and is continuing of which a Responsible Officer of the Indenture Trustee has actual knowledge, the Indenture Trustee shall immediately give notice to each Noteholder as set forth in Section 7.02 hereof and shall solicit such Noteholders for advice. The Indenture Trustee shall then take such action as so directed by the Majority Facility Investors subject to the provisions of this Indenture and Servicing Agreement.

(b) Following any acceleration of the Notes, the Indenture Trustee shall have all of the rights, powers and remedies with respect to the Trust Estate as are available to secured parties under the UCC or other applicable law, subject to subsection (d) below. Such rights, powers and remedies may be exercised by the Indenture Trustee in its own name as trustee of an express trust.

(c) If an Event of Default specified in Section 6.01(a) hereof occurs and is continuing, the Indenture Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the sum of the Outstanding Note Balance, and interest remaining unpaid with respect to the Notes.

(d) If an Event of Default occurs and is continuing, the Indenture Trustee may in its discretion, and at the instruction of the Majority Facility Investors shall, proceed to protect and enforce its rights and the rights of the Noteholders by such appropriate judicial or other proceedings as the Indenture Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture and Servicing Agreement or in aid of the exercise of any power granted herein, or to enforce any other proper remedy. The Indenture Trustee shall notify the Issuer, the Servicer and the Noteholders of any such action.

(e) If (i) the Indenture Trustee shall have received instructions within 45 days from the date notice pursuant to Section 6.03(a) hereof is first given from the Majority Facility Investors to the effect that such Persons approve of or request the liquidation of the Timeshare Loans or (ii) upon an Event of Default set forth in Section 6.01(d) or (e) hereof, the Indenture Trustee shall to the extent lawful, promptly sell, dispose of or otherwise liquidate the Timeshare Loans in a commercially reasonable manner and on commercially reasonable terms, which shall include the solicitation of competitive bids. The Indenture Trustee may obtain a prior determination from any conservator, receiver or liquidator of the Issuer that the terms and manner of any proposed sale, disposition or liquidation are commercially reasonable.

Section 6.04 Indenture Trustee May File Proofs of Claim. (a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer, or any other obligor in respect of the Notes, or the property of the Issuer, or such other obligor or their creditors, the Indenture Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand on the Issuer for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee and any predecessor Indenture Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and any predecessor Indenture Trustee, their agents and counsel) and of the Noteholders allowed in such judicial proceeding;

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and

(iii) to participate as a member, voting or otherwise, of any official committee of creditors appointed in such matter;

and any custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Noteholder to make such payments to the Indenture Trustee and to pay to the Indenture Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and any predecessor Indenture Trustee, their agents and counsel, and any other amounts due the Indenture Trustee and any predecessor Indenture Trustee under Section 7.06 hereof.

(b) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or accept or adopt on behalf of any Noteholder any plan of reorganization, agreement, adjustment or composition affecting the Notes or the rights of any Noteholder thereof or affecting the Timeshare Loans or the other assets constituting the Trust Estate or to authorize the Indenture Trustee to vote in respect of the claim of any Noteholder in any such proceeding.

Section 6.05 Indenture Trustee May Enforce Claims Without Possession of Notes.

All rights of action and claims under this Indenture and Servicing Agreement, the Notes, the Timeshare Loans or the other assets constituting the Trust Estate may be prosecuted and enforced by the Indenture Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provisions for the payment of reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and any predecessor Indenture Trustee, their agents and counsel, be for the benefit of the Noteholders in respect of which such judgment has been recovered, and distributed pursuant to the priorities contemplated by Section 3.04 hereof and Section 6.06 hereof.

Section 6.06 Application of Money Collected.

(a) Subject to the following paragraph, if the Notes have been declared, have automatically become, or otherwise become due and payable following an Event of Default (an "**Acceleration Event**") and such Acceleration Event has not been rescinded or annulled, any money collected by the Indenture Trustee in respect of the Trust Estate and any other money that may be held thereafter by the Indenture Trustee as security for the Notes, including without limitation the amounts on deposit in the Reserve Account, shall be applied in the following order, at the date or dates fixed by the Indenture Trustee and, in case of the distribution of such money on account of principal or interest, without presentment of any Notes:

(i) to the Indenture Trustee, the Custodian and the Back-Up Servicer, ratably based on their respective entitlements, any amounts due and owing as of such date;

(ii) to the Owner Trustee, any unpaid Owner Trustee Fees;

(iii) to the Administrator, any unpaid Administrator Fees;

(iv) to the Servicer, any unpaid Servicing Fees;

(v) to the Administrative Agent, any unpaid Administrative Agent Fees;

(vi) to the Noteholders, the Interest Distribution Amount

(vii) to the Noteholders, any unpaid Unused Fees and NPA Costs (other than the portion thereof related to clause (iii) of the definition of Breakage and Other Costs);

(viii) on a pari passu basis (A) to the Noteholders, all remaining amounts until the Outstanding Note Balance is reduced to zero and (B) other than if the Hedge counterparty is the "Defaulting Party" or the sole "Affected Party" (as such terms are defined in the Hedge Agreement), to the Hedge Counterparty, the Hedge Termination Payment, if any; and

(ix) to the Noteholders any NPA Costs not paid in accordance with (vii) above;

(x) to the Owner Trustee for distribution to the owners of the beneficial interests in the Issuer, any remaining amounts.

(b) Notwithstanding the occurrence and continuation of an Event of Default, prior to the occurrence of an Acceleration Event, the Noteholders shall continue to be paid in the manner and priorities described in Section 3.04 hereof.

Section 6.07 Limitation on Suits.

No Noteholder, solely by virtue of its status as Noteholder, shall have any right by virtue or by availing of any provision of this Indenture and Servicing Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture and Servicing Agreement, unless an Event of Default shall have occurred and is continuing and the Holders of Notes evidencing not less than 25% of the then Outstanding Note Balance shall have made written request upon the Indenture Trustee to institute such action, suit or proceeding in its own name as Indenture Trustee hereunder and shall have offered to the Indenture Trustee such reasonable indemnity as it may require against the cost, expenses and liabilities to be incurred therein or thereby, and the Indenture Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request has been given such Indenture Trustee during such 60-day period by such Noteholders; it being understood and intended, and being expressly covenanted by each Noteholder with every other Noteholder and the Indenture

Trustee, that no one or more Noteholders shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture and Servicing Agreement to affect, disturb or prejudice the rights of the Holders of any other of such Notes, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Indenture and Servicing Agreement, except in the manner herein provided and for the benefit of all Noteholders. For the protection and enforcement of the provisions of this Section 6.07, each and every Noteholder and the Indenture Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 6.08 Unconditional Right of Noteholders to Receive Principal and Interest.

Notwithstanding any other provision in this Indenture and Servicing Agreement, other than the provisions hereof limiting the right to recover amounts due on the Notes to recoveries from the property comprising the Trust Estate, the Holder of any Note shall have the absolute and unconditional right to receive payment of the principal of and interest on such Note as such payments of principal and interest become due, including on the Stated Maturity and Mandatory Redemption Date, and such right shall not be impaired without the consent of such Noteholder.

Section 6.09 Restoration of Rights and Remedies.

If the Indenture Trustee or any Noteholder has instituted any proceeding to enforce any right or remedy under this Indenture and Servicing Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Indenture Trustee or to such Noteholder, then and in every such case, subject to any determination in such proceeding, the Issuer, the Indenture Trustee and the Noteholders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Indenture Trustee and the Noteholders continue as though no such proceeding had been instituted.

Section 6.10 Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Notes in Section 2.04(f) hereof, no right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.11 Delay or Omission Not Waiver.

No delay or omission of the Indenture Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every

right and remedy given by this Article or by law to the Indenture Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Noteholders, as the case may be.

Section 6.12 Control by Noteholders.

Except as may otherwise be provided in this Indenture and Servicing Agreement, until such time as the conditions specified in Sections 11.01(a)(i) and (ii) hereof have been satisfied in full, the Majority Facility Investors shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee, with respect to the Notes. Notwithstanding the foregoing:

(i) no such direction shall be in conflict with any rule of law or with this Indenture and Servicing Agreement;

(ii) the Indenture Trustee shall not be required to follow any such direction which the Indenture Trustee reasonably believes might result in any personal liability on the part of the Indenture Trustee for which the Indenture Trustee is not adequately indemnified; and

(iii) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee which is not inconsistent with any such direction; provided that the Indenture Trustee shall give notice of any such action to each Noteholder.

Section 6.13 Waiver of Events of Default.

(a) Prior to the Indenture Trustee's acquisition of money, judgment or decree for payment, in either case for the payment of all amounts owing by the Issuer in connection with this Indenture and Servicing Agreement and the Notes issued hereunder, the Required Facility Investors have the right to waive any Event of Default, except a continuing Event of Default:

(i) in respect of the payment of the principal of or interest on any Note (which may only be waived by the Holder of such Note), or

(ii) in respect of a covenant or provision hereof which under Article 9 hereof cannot be modified or amended without the consent of the Holder of each Outstanding Note affected (which only may be waived by the Holders of all Outstanding Notes affected).

(b) A copy of each waiver pursuant to Section 6.13(a) hereof shall be furnished by the Issuer to the Indenture Trustee and each Noteholder.

(c) Upon any such waiver, such Event of Default shall cease to exist and shall be deemed to have been cured, for every purpose of this Indenture and Servicing Agreement; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 6.14 Undertaking for Costs.

All parties to this Indenture and Servicing Agreement agree (and each Holder of any Note by its acceptance thereof shall be deemed to have agreed) that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture and Servicing Agreement, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 6.14 shall not apply to any suit instituted by the Indenture Trustee, to any suit instituted by any Noteholder, or the Majority Facility Investors, or to any suit instituted by any Noteholder for the enforcement of the payment of the principal of or interest on any Note on or after the maturities for such payments, including the Stated Maturity as applicable.

Section 6.15 Waiver of Stay or Extension Laws.

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture and Servicing Agreement; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 6.16 Sale of Trust Estate.

(a) The power to effect any sale of any portion of the Trust Estate pursuant to Section 6.03 hereof shall not be exhausted by any one or more sales as to any portion of the Trust Estate remaining unsold, but shall continue unimpaired until the entire Trust Estate so allocated shall have been sold or all amounts payable on the Notes shall have been paid. The Indenture Trustee may from time to time, upon directions in accordance with Section 6.12 hereof, postpone any public sale by public announcement made at the time and place of such sale.

(b) To the extent permitted by applicable law, the Indenture Trustee shall not sell to a third party the Trust Estate, or any portion thereof except as permitted under Section 6.03(e) hereof.

(c) In connection with a sale of all or any portion of the Trust Estate:

(i) any one or more Noteholders or the Owner may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain, and possess and dispose of such property, without further accountability, and any Noteholder may, in paying the purchase money therefor, deliver in lieu of cash any Outstanding Notes or claims for interest thereon for credit in the amount that shall, upon

distribution of the net proceeds of such sale, be payable thereon, and the Notes, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Noteholders after being appropriately stamped to show such partial payment; provided, however, that the Owner may irrevocably waive its option to bid for and purchase the property offered for sale by delivering a waiver letter to the Indenture Trustee;

(ii) the Indenture Trustee shall execute and deliver an appropriate instrument of conveyance prepared by the Servicer transferring the Issuer's interest without representation or warranty and without recourse in any portion of the Trust Estate in connection with a sale thereof;

(iii) the Indenture Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey the Issuer's interest in any portion of the Trust Estate in connection with a sale thereof, and to take all action necessary to effect such sale;

(iv) no purchaser or transferee at such a sale shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys; and

(v) The method, manner, time, place and terms of any sale of all or any portion of the Trust Estate shall be commercially reasonable.

ARTICLE VII

THE INDENTURE TRUSTEE

Section 7.01 Certain Duties. (a) The Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and Servicing Agreement, and no implied covenants or obligations shall be read into this Indenture and Servicing Agreement against the Indenture Trustee

(b) In the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture and Servicing Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture and Servicing Agreement, provided however, the Indenture Trustee shall not be required to verify or recalculate the contents thereof.

(c) In case an Event of Default has occurred and is continuing, the Indenture Trustee shall exercise such of the rights and powers vested in it by this Indenture and Servicing Agreement, and use the same degree of care and skill in their exercise, as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs;

provided, however, that no provision in this Indenture and Servicing Agreement shall be construed to limit the obligations of the Indenture Trustee to provide notices under Section 7.02 hereof.

(d) The Indenture Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture and Servicing Agreement at the request or direction of any of the Noteholders pursuant to this Indenture and Servicing Agreement, unless such Noteholders shall have offered to the Indenture Trustee reasonable security or indemnity (which may be in the form of written assurances) against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(e) No provision of this Indenture and Servicing Agreement shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this Section 7.01(e) shall not be construed to limit the effect of Section 7.01(a) and (b) hereof;

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it shall be proved that the Indenture Trustee shall have been negligent in ascertaining the pertinent facts; and

(iii) the Indenture Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the holders of the requisite principal amount of the outstanding Notes, or in accordance with any written direction delivered to it under Section 6.02(a) hereof, relating to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture and Servicing Agreement.

(f) Whether or not therein expressly so provided, every provision of this Indenture and Servicing Agreement relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section 7.01.

(g) The Indenture Trustee makes no representations or warranties with respect to the Timeshare Loans.

(h) Notwithstanding anything to the contrary herein, the Indenture Trustee is not required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 7.02 Notice of Events of Default and Amortization Events.

The Indenture Trustee shall promptly (but in any event within three Business Days) notify the Issuer, the Servicer, and the Noteholders upon a Responsible Officer obtaining actual knowledge of any event which constitutes an Amortization Event, an Event of Default or a Servicer Event of Default or would constitute an Amortization Event, an Event of Default or a Servicer Event of Default but for the requirement that notice be given or time elapse or both, provided, further, that this Section 7.02 shall not limit the obligations of the Indenture Trustee to provide notices expressly required by this Indenture and Servicing Agreement.

Section 7.03 Certain Matters Affecting the Indenture Trustee. Subject to the provisions of Section 7.01 hereof:

(a) The Indenture Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) Any request or direction of any Noteholders, the Issuer, or the Servicer mentioned herein shall be in writing;

(c) Whenever in the performance of its duties hereunder the Indenture Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Indenture Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate or an Opinion of Counsel;

(d) The Indenture Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be deemed authorization in respect of any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon;

(e) Prior to the occurrence of an Amortization Event, an Event of Default, or a Servicer Event of Default, or after the curing of all Amortization Events, Events of Default or Servicer Events of Default which may have occurred, the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper document, unless requested in writing so to do by the Majority Facility Investors; provided, however, that if the payment within a reasonable time to the Indenture Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the reasonable opinion of the Indenture Trustee, not reasonably assured to the Indenture Trustee by the security afforded to it by the terms of this Indenture and Servicing Agreement, the Indenture Trustee may require reasonable indemnity against such cost, expense or liability as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Servicer or, if paid by the Indenture Trustee, shall be reimbursed by the Servicer upon demand;

(f) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian (which may be Affiliates of the Indenture Trustee) and the Indenture Trustee shall not be liable for any acts or omissions of such agents, attorneys or custodians appointed with due care by it hereunder; and

(g) Delivery of any reports, information and documents to the Indenture Trustee provided for herein is for informational purposes only (unless otherwise expressly stated) and the Indenture Trustee's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein, including the Servicer's or the Issuer's compliance with any of its representations, warranties or covenants hereunder (as to which the Indenture Trustee is entitled to rely exclusively on Officer's Certificates).

Section 7.04 Indenture Trustee Not Liable for Notes or Timeshare Loans. (a) The Indenture Trustee makes no representations as to the validity or sufficiency of this Indenture and Servicing Agreement or any Facility Document, the Notes (other than the authentication thereof) or of any Timeshare Loan. The Indenture Trustee shall not be accountable for the use or application by the Issuer of funds paid to the Issuer in consideration of conveyance of the Timeshare Loans to the Trust Estate.

(b) The Indenture Trustee shall have no responsibility or liability for or with respect to the validity of any security interest in any property securing a Timeshare Loan; the existence or validity of any Timeshare Loan, the validity of the assignment of any Timeshare Loan to the Trust Estate or of any intervening assignment; the review of any Timeshare Loan, any Timeshare Loan File, the completeness of any Timeshare Loan File, the receipt by the Custodian of any Timeshare Loan or Timeshare Loan File (it being understood that the Indenture Trustee has not reviewed and does not intend to review such matters); the performance or enforcement of any Timeshare Loan; the compliance by the Servicer, the Issuer or the Servicer with any covenant or the breach by the Servicer or the Issuer of any warranty or representation made hereunder or in any Facility Document or the accuracy of any such warranty or representation; the acts or omissions of the Servicer, the Servicer or any Obligor; or any action of the Servicer or the Servicer taken in the name of the Indenture Trustee.

Section 7.05 Indenture Trustee May Own Notes.

The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Notes with the same rights as it would have if it were not Indenture Trustee.

Section 7.06 Indenture Trustee's Fees and Expenses.

On each Payment Date, the Indenture Trustee shall be entitled to the Indenture Trustee Fee and reimbursement of Indenture Trustee Expenses in the priority provided in Section 3.04 hereof.

Section 7.07 Eligibility Requirements for Indenture Trustee.

Other than the initial Indenture Trustee, the Indenture Trustee hereunder shall at all times (a) be a corporation, national banking association, depository institution, or trust company organized and doing business under the laws of the United States of America or any state thereof authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, (b) be subject to supervision or examination by federal or state authority, (c) be capable of maintaining an Eligible Bank Account, (d) have a long-term unsecured debt rating of not less than "BBB" from S&P or "Baa2" from Moody's, and (e) shall be acceptable to the Majority Facility Investors. If such institution publishes reports of condition at least annually, pursuant to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 7.07, the combined capital and surplus of such institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section 7.07, the Indenture Trustee shall resign immediately in the manner and with the effect specified in Section 7.08 hereof.

Section 7.08 Resignation or Removal of Indenture Trustee. (a) The Indenture Trustee may at any time resign and be discharged with respect to the Notes by giving 60 days' written notice thereof to the Servicer, the Issuer and the Noteholders. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor Indenture Trustee not objected to by the Majority Facility Investors within 30 days of such notice, by written instrument, in quintuplicate, one counterpart of which instrument shall be delivered to each of the Issuer, the Servicer, the successor Indenture Trustee and the predecessor Indenture Trustee. If no successor Indenture Trustee shall have been so appointed and have accepted appointment within 60 days after the giving of such notice of resignation, the resigning Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(b) If at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of Section 7.07 hereof and shall fail to resign after written request therefor by the Issuer, or if at any time the Indenture Trustee shall be legally unable to act, fails to perform in any material respect its obligations under this Indenture and Servicing Agreement, or shall be adjudged a bankrupt or insolvent, or a receiver of the Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer or the Majority Facility Investors may direct, and the Servicer shall follow such direction and remove the Indenture Trustee. If it removes the Indenture Trustee under the authority of the immediately preceding sentence, the Issuer shall promptly appoint a successor Indenture Trustee not objected to by the Majority Facility Investors, within 30 days after prior written notice, by written instrument, in quintuplicate, one counterpart of which instrument shall be delivered to each of the Issuer, the Servicer, the Noteholders, the successor Indenture Trustee and the predecessor Indenture Trustee.

(c) Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee pursuant to any of the provisions of this Section 7.08 shall not become effective until acceptance of appointment by the successor Indenture Trustee as provided in Section 7.09 hereof.

Section 7.09 Successor Indenture Trustee. (a) Any successor Indenture Trustee appointed as provided in Section 7.08 hereof shall execute, acknowledge and deliver to each of the Servicer, the Issuer, the Noteholders and to its predecessor Indenture Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Indenture Trustee shall become effective and such successor Indenture Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder with like effect as if originally named a Indenture Trustee. The predecessor Indenture Trustee shall deliver or cause to be delivered to the successor Indenture Trustee or its custodian any Facility Documents and statements held by it or its custodian hereunder; and the Servicer and the Issuer and the predecessor Indenture Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for the full and certain vesting and confirmation in the successor Indenture Trustee of all such rights, powers, duties and obligations.

(b) In case of the appointment hereunder of a successor Indenture Trustee with respect to the Notes, the Issuer, the retiring Indenture Trustee and each successor Indenture Trustee with respect to the Notes shall execute and deliver an indenture supplemental hereto wherein each successor Indenture Trustee shall accept such appointment and which (i) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Indenture Trustee all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect to the Notes to which the appointment of such successor Indenture Trustee relates, (ii) if the retiring Indenture Trustee is not retiring with respect to all Notes, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect to the Notes as to which the retiring Indenture Trustee is not retiring shall continue to be vested in the retiring Indenture Trustee, and (iii) shall add to or change any of the provisions of this Indenture and Servicing Agreement as shall be necessary to provide for or facilitate the administration of the Trust Estate hereunder by more than one Indenture Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Indenture Trustees co-trustees of the same allocated trust and that each such Indenture Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Indenture Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Indenture Trustee shall become effective to the extent provided therein and each such successor Indenture Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect to the Notes to which the appointment of such successor Indenture Trustee relates; but, on request of the Issuer or any successor Indenture Trustee, such retiring Indenture Trustee shall duly assign, transfer and deliver to such successor Indenture Trustee all property and money held by such retiring Indenture Trustee hereunder with respect to the Notes of that or those to which the appointment of such successor Indenture Trustee relates.

Upon request of any such successor Indenture Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor trustee all such rights, powers and trusts referred to in the preceding paragraph.

(c) No successor Indenture Trustee shall accept appointment as provided in this Section 7.09 unless at the time of such acceptance such successor Indenture Trustee shall be eligible under the provisions of Section 7.07 hereof.

(d) Upon acceptance of appointment by a successor Indenture Trustee as provided in this Section 7.09, the Servicer shall mail notice of the succession of such Indenture Trustee hereunder to each Noteholder at its address as shown in the Note Register. If the Servicer fails to mail such notice within 10 days after acceptance of appointment by the successor Indenture Trustee, the successor Indenture Trustee shall cause such notice to be mailed at the expense of the Issuer and the Servicer.

Section 7.10 Merger or Consolidation of Indenture Trustee.

Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Indenture Trustee, shall be the successor of the Indenture Trustee hereunder, provided such corporation shall be eligible under the provisions of Section 7.07 hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.11 Appointment of Co-Indenture Trustee or Separate Indenture Trustee. (a) At any time or times for the purpose of meeting any legal requirement of any jurisdiction in which any part of the Trust Estate may at the time be located or in which any action of the Indenture Trustee may be required to be performed or taken, the Indenture Trustee, the Servicer or the Majority Facility Investors, by an instrument in writing signed by it or them, may appoint, at the reasonable expense of the Issuer (as an Indenture Trustee Expense) and the Servicer, one or more individuals or corporations to act as separate trustee or separate trustees or co-trustee, acting jointly with the Indenture Trustee, of all or any part of the Trust Estate, to the full extent that local law makes it necessary for such separate trustee or separate trustees or co-trustee acting jointly with the Indenture Trustee to act. Notwithstanding the appointment of any separate or co-trustee, the Indenture Trustee shall remain obligated and liable for the obligations of the Indenture Trustee under this Indenture and Servicing Agreement.

(b) The Indenture Trustee and, at the request of the Indenture Trustee, the Issuer shall execute, acknowledge and deliver all such instruments as may be required by the legal requirements of any jurisdiction or by any such separate trustee or separate trustees or co-trustee for the purpose of more fully confirming such title, rights, or duties to such separate trustee or separate trustees or co-trustee. Upon the acceptance in writing of such appointment by any such separate trustee or separate trustees or co-trustee, it, he, she or they shall be vested with such title to the Trust Estate or any part thereof, and with such rights, powers, duties and obligations as shall be specified in the instrument of appointment, and such rights, powers, duties and obligations shall be conferred or imposed upon and exercised or performed by the Indenture Trustee, or the Indenture Trustee and such separate trustee or separate trustees or co-trustees jointly with the Indenture Trustee subject to all the terms of this Indenture and Servicing Agreement, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Indenture Trustee shall be incompetent or unqualified to perform

such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such separate trustee or separate trustees or co-trustee, as the case may be. Any separate trustee or separate trustees or co-trustee may, at any time by an instrument in writing, constitute the Indenture Trustee its attorney-in-fact and agent with full power and authority to do all acts and things and to exercise all discretion on its behalf and in its name. In any case, if any such separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, the title to the Trust Estate and all assets, property, rights, power duties and obligations and duties of such separate trustee or co-trustee shall, so far as permitted by law, vest in and be exercised by the Indenture Trustee, without the appointment of a successor to such separate trustee or co-trustee unless and until a successor is appointed.

(c) All provisions of this Indenture and Servicing Agreement which are for the benefit of the Indenture Trustee shall extend to and apply to each separate trustee or co-trustee appointed pursuant to the foregoing provisions of this Section 7.11.

(d) Every additional trustee and separate trustee hereunder shall, to the extent permitted by law, be appointed and act and the Indenture Trustee shall act, subject to the following provisions and conditions: (i) all powers, duties and obligations and rights conferred upon the Indenture Trustee in respect of the receipt, custody, investment and payment of monies shall be exercised solely by the Indenture Trustee; (ii) all other rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed and exercised or performed by the Indenture Trustee and such additional trustee or trustees and separate trustee or trustees jointly except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to property in any such jurisdiction) shall be exercised and performed by such additional trustee or trustees or separate trustee or trustees; (iii) no power hereby given to, or exercisable by, any such additional trustee or separate trustee shall be exercised hereunder by such trustee except jointly with, or with the consent of, the Indenture Trustee; and (iv) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

If at any time, the Indenture Trustee shall deem it no longer necessary or prudent in order to conform to such law, the Indenture Trustee shall execute and deliver all instruments and agreements necessary or proper to remove any additional trustee or separate trustee.

(e) Any request, approval or consent in writing by the Indenture Trustee to any additional trustee or separate trustee shall be sufficient warrant to such additional trustee or separate trustee, as the case may be, to take such action as may be so requested, approved or consented to.

(f) Notwithstanding any other provision of this Section 7.11, the powers of any additional trustee or separate trustee shall not exceed those of the Indenture Trustee hereunder.

Section 7.12 Note Registrar Rights.

So long as the Indenture Trustee is the Note Registrar, the Note Registrar shall be entitled to the rights, benefits and immunities of the Indenture Trustee as set forth in this Article VII to the same extent and as fully as though named in place of the Indenture Trustee.

Section 7.13 Authorization.

The Indenture Trustee is hereby authorized to enter into and perform each of the Facility Documents.

ARTICLE VIII

COVENANTS

Section 8.01 Payment of Principal and Interest.

The Issuer will cause the due and punctual payment of the principal of and interest on the Notes in accordance with the terms of the Notes and this Indenture and Servicing Agreement.

Section 8.02 Maintenance of Office or Agency; Chief Executive Office.

The Issuer will maintain an office or agency in the State of Delaware at the Corporate Trust Office of the Owner Trustee, where notices and demands to or upon the Issuer in respect of the Notes and this Indenture and Servicing Agreement may be served.

Section 8.03 Money for Payments to Noteholders to be Held in Trust.

(a) All payments of amounts due and payable with respect to any Notes that are to be made from amounts withdrawn from the Trust Accounts pursuant to Section 3.04 or Section 6.06 hereof shall be made on behalf of the Issuer by the Indenture Trustee, and no amounts so withdrawn from the Collection Account for payments of Notes shall be paid over to the Issuer under any circumstances except as provided in this Section 8.03, in Section 3.04 hereof or Section 6.06 hereof.

(b) In making payments hereunder, the Indenture Trustee will hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided.

(c) Except as required by applicable law, any money held by the Indenture Trustee in trust for the payment of any amount due with respect to any Note and remaining unclaimed for three years after such amount has become due and payable to the Noteholder shall be discharged from such trust and, subject to applicable escheat laws, and so long as no Event of Default has occurred and is continuing, paid to the Issuer upon request; otherwise, such amounts shall be redeposited in the Collection Account as Available Funds, and such Noteholder shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Indenture Trustee with respect to such trust money shall thereupon cease.

Section 8.04 Existence; Merger; Consolidation, etc.

(a) The Issuer will keep in full effect its existence, rights and franchises as a statutory trust under the laws of the State of Delaware, and will obtain and preserve its qualification to do business as a foreign statutory trust in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture and Servicing Agreement, the Notes or any of the Timeshare Loans.

(b) The Issuer shall at all times observe and comply in all material respects with (i) all laws applicable to it, (ii) all requirements of law in the declaration and payment of distributions, (iii) all requisite and appropriate formalities (including without limitation all appropriate authorizations required by the Trust Agreement) in the management of its business and affairs and the conduct of the transactions contemplated hereby, and (iv) the provisions of the Trust Agreement.

(c) The Issuer shall not (i) consolidate or merge with or into any other Person or convey or transfer its properties and assets substantially as an entirety to any other Person or (ii) commingle its assets with those of any other Person.

(d) The Issuer shall not become an "investment company" or under the "control" of an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (or any successor or amendatory statute), and the rules and regulations thereunder (taking into account not only the general definition of the term "investment company" but also any available exceptions to such general definition); provided, however, that the Issuer shall be in compliance with this Section 8.04(d) if it shall have obtained an order exempting it from regulation as an "investment company" so long as it is in compliance with the conditions imposed in such order.

Section 8.05 Protection of Trust Estate; Further Assurances.

The Issuer will from time to time execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance, and other instruments, and will take such other action as may be necessary or advisable to:

(i) grant more effectively the assets comprising all or any portion of the Trust Estate;

(ii) maintain or preserve the lien of this Indenture and Servicing Agreement or carry out more effectively the purposes hereof;

(iii) publish notice of, or protect the validity of, any Grant made or to be made by this Indenture and Servicing Agreement and perfect the security interest contemplated hereby in favor of the Indenture Trustee in each of the Timeshare Loans

and all other property included in the Trust Estate; provided, that the Issuer shall not be required to cause the recordation of the Indenture Trustee's name as lienholder on the related title documents for the Timeshare Properties so long as no Event of Default has occurred and is continuing;

(iv) enforce or cause the Servicer to enforce any of the Timeshare Loans in accordance with the Servicing Standard, provided, however, the Issuer will not cause the Servicer to obtain on behalf of the Indenture Trustee or the Noteholders, any Timeshare Property or to take any actions with respect to any property the result of which would adversely affect the interests of the Indenture Trustee or the Noteholders (including, but not limited to actions which would cause the Indenture Trustee or the related Noteholders to be considered a holder of title, mortgagee-in-possession, or otherwise, or an "owner" or "operator" of Timeshare Property not in compliance with applicable environmental statutes); and

(v) preserve and defend title to the Timeshare Loans (including the right to receive all payments due or to become due thereunder), the interests in the Timeshare Properties, or other property included in the Trust Estate and preserve and defend the rights of the Indenture Trustee in the Trust Estate (including the right to receive all payments due or to become due thereunder) against the claims of all Persons and parties other than as permitted hereunder.

The Issuer, upon the Issuer's failure to do so, hereby irrevocably designates the Indenture Trustee and the Servicer, severally, its agents and attorneys-in-fact to execute any financing statement or continuation statement or assignment of Mortgage required pursuant to this Section 8.05; provided, however, that such designation shall not be deemed to create a duty in the Indenture Trustee to monitor the compliance of the Issuer with the foregoing covenants, and provided, further, that the duty of the Indenture Trustee to execute any instrument required pursuant to this Section 8.05 shall arise only if a Responsible Officer of the Indenture Trustee has actual knowledge of any failure of the Issuer to comply with the provisions of this Section 8.05. Such financing statements may describe the Trust Estate in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as any of them may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Trust Estate granted to the Indenture Trustee herein, including, without limitation, describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired."

Section 8.06 Additional Covenants.

(a) The Issuer will not:

(i) sell, transfer, exchange or otherwise dispose of any portion of the Trust Estate except as expressly permitted by this Indenture and Servicing Agreement;

(ii) claim any credit on, or make any deduction from, the principal of, or interest on, any of the Notes by reason of the payment of any taxes levied or assessed upon any portion of the Trust Estate;

(iii) (A) permit the validity or effectiveness of this Indenture and Servicing Agreement or any Grant hereby to be impaired, or permit the lien of this Indenture and Servicing Agreement to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations under this Indenture and Servicing Agreement, except as may be expressly permitted hereby, (B) permit any lien, charge, security interest, mortgage or other encumbrance to be created on or to extend to or otherwise arise upon or burden the Trust Estate or any part thereof or any interest therein or the proceeds thereof other than the lien of this Indenture and Servicing Agreement, or (C) except as otherwise contemplated in this Indenture and Servicing Agreement, permit the lien of this Indenture and Servicing Agreement not to constitute a valid first priority security interest in the Trust Estate; or

(iv) take any other action or fail to take any actions which may cause the Issuer to be taxable as (A) an association pursuant to Section 7701 of the Code and the corresponding regulations, (B) a publicly traded partnership taxable as a corporation pursuant to Section 7704 of the Code and the corresponding regulations or (C) a taxable mortgage pool pursuant to Section 7701(i) of the Code and the corresponding regulations.

(b) Notice of Events of Default and Amortization Events. Within one Business Day of becoming aware of the existence of any condition or event which constitutes a Default or an Event of Default, a Servicer Event of Default or an Amortization Event, the Issuer shall deliver to the Indenture Trustee a written notice describing its nature and period of existence and what action the Issuer is taking or proposes to take with respect thereto.

(c) Report on Proceedings. Promptly upon the Issuer becoming aware of: (i) any proposed or pending investigation of it by any governmental authority or agency; or (ii) any pending or proposed court or administrative proceeding which involves or may involve the possibility of materially and adversely affecting the properties, business, prospects, profits or condition (financial or otherwise) of the Issuer, the Issuer shall deliver to the Indenture Trustee a written notice specifying the nature of such investigation or proceeding and what action the Issuer is taking or proposes to take with respect thereto and evaluating its merits.

Section 8.07 Taxes. The Issuer shall pay all taxes when due and payable or levied against its assets, properties or income, including any property that is part of the Trust Estate, except to the extent the Issuer is contesting the same in good faith and has set aside adequate reserves in accordance with generally accepted accounting principles for the payment thereof. The Issuer shall be disregarded for federal income tax purposes.

Section 8.08 Treatment of Notes as Debt for Tax Purposes. The Issuer shall treat the Notes as indebtedness for all federal, state and local income and franchise tax purposes.

Section 8.09 Collections.

(a) The Issuer shall instruct or cause all Obligors to be instructed to:

(i) send all scheduled payments of principal or interest under the Timeshare Loans directly to Post Office Boxes for credit to the Control Account or directly to the Control Account,

(ii) make scheduled payments of principal or interest under the Timeshare Loans by way of pre-authorized debits from a deposit account of such Obligor pursuant to a PAC or from a credit card of such Obligor pursuant to a Credit Card Account from which payments under the Timeshare Loans shall be electronically transferred to the Control Account or to another account for processing and transfer into the Collection Account, or

(iii) make payment by electronic transfer of funds to the Control Account or to another account for processing and transfer into the Collection Account.

(b) In the case of funds transfers pursuant to a PAC or Credit Card Account, or other electronic means, take, or cause each of the Servicer and/or the Control Account Bank to take, all necessary and appropriate action to ensure that each such pre-authorized debit or credit card payment or transfer is credited directly to the Control Account or another account for transfer to the Collection Account.

(c) The Issuer shall hold any collections or other proceeds of the Trust Estate received directly by it in trust for the benefit of the Indenture Trustee and the Noteholders and deposit such collections into the Control Account or the Collection Account within two Business Days following the Issuer's receipt thereof.

Section 8.10 Segregation of Collections. The Issuer (or its agent) shall with respect to the Control Account either (i) prevent the deposit into such account of any funds other than collections in respect of the Timeshare Loans or (ii) enter into an intercreditor agreement with other entities which have an interest in the amounts in the Control Account to allocate the collections with respect to the Timeshare Loans to the Issuer and transfer such amounts to the Indenture Trustee for deposit into the Collection Account; provided that, the covenant in clause (i) of this paragraph shall not be breached to the extent that funds not constituting collections in respect of the Timeshare Loans are inadvertently deposited into such Control Account and are promptly segregated and remitted to the owner thereof.

Section 8.11 Change in Payment Instructions to Obligors. The Issuer (or its agent) shall not add or terminate any bank as a Control Account Bank or make any change in the instructions to Obligors regarding payments to be made to any Control Account at a Control Account Bank, unless the Indenture Trustee and Administrative Agent shall have received (i) 30 days' prior notice of such addition, termination or change; (ii) written confirmation from the Issuer that after the effectiveness of any such termination, there shall be at least one (1) Control Account in existence; and (iii) prior to the effective date of such addition, termination or change, (x) executed copies of the Control Agreement executed by the new Control Account Bank, the Issuer (or its agent), the Indenture Trustee (or its agent), the Servicer and other appropriate parties and (y) copies of all agreements and documents signed by either the Issuer or the Control Account Bank with respect to any new Control Account.

Section 8.12 Change in Payment Instructions to Obligors. The Servicer will not add or terminate any bank as a Control Account Bank or make any change in its instructions to Obligors regarding payments to be made to any Control Account Bank, unless the Indenture Trustee and the Administrative Agent shall have received (i) 30 Business Days' prior notice of such addition, termination or change and (ii) prior to the effective date of such addition, termination or change, (x) fully executed copies of the new or revised Control Agreement executed by the new Control Account Bank, the Issuer (or its agent), Indenture Trustee (or its agent), the Servicer and other appropriate parties and (y) copies of all agreements and documents signed by either the Issuer or the Control Account Bank with respect to any new Control Account.

Section 8.13 Notices to Obligors. The Servicer will ensure that the Obligor of each Timeshare Loan either: (1) has been instructed, pursuant to the Servicer's routine distribution of a periodic statement to such Obligor next succeeding: (A) the date the Loan becomes subject to the Lien of this Indenture and Servicing Agreement, or (B) the day on which a PAC ceased to apply to such Timeshare Loan, in the case of a Timeshare Loan formerly subject to a PAC, but in no event later than the then next-succeeding due date for a scheduled payment of principal or interest with respect to such Timeshare Loan, to remit payments for a Timeshare Loan thereunder to a Post Office Box for credit to the Control Account, or directly to the Control Account, in each case maintained at a Control Account Bank pursuant to the terms of a Control Agreement, (2) has entered into a PAC, pursuant to which a deposit account of such Obligor is made subject to a pre-authorized debit in respect of scheduled payments of principal or interest with respect to Timeshare Loans as they become due and payable, and the Servicer has, and has caused each of the Control Account Bank and/or the Indenture Trustee, to take all necessary and appropriate action to ensure that each such preauthorized debit is credited directly to the Control Account or the Collection Account; (3) has authorized scheduled payments of principal and interest with respect to a Timeshare Loan from a credit card of such Obligor pursuant to a Credit Card Account, and the Servicer has taken all necessary and appropriate action to ensure that each such payment is credited directly to the Control Account or another account for immediate transfer to the Collection Account; or (4) has authorized electronic transfer of payments through other electronic means, and the Servicer has taken all necessary and appropriate action to ensure that each such transfer is credited directly to the Control Account or another account for immediate transfer to the Collection Account.

Section 8.14 Segregation of Collections. The Servicer will, with respect to the Control Account, either (i) prevent the deposit into such account of any funds other than collections in respect of the Timeshare Loans or (ii) enter into an intercreditor agreement with other entities which have an interest in the amounts in the Control Account to allocate the collections with respect to the Timeshare Loans to the Issuer and transfer such amounts to the Indenture Trustee for deposit into the appropriate Collection Account; provided that, the covenant in clause (i) of this Section 8.14 shall not be breached to the extent funds not constituting collections in respect of Timeshare Loans are inadvertently deposited into such Control Account and are promptly segregated and remitted to the owner thereof.

Section 8.15 Further Instruments and Acts.

Upon request of the Indenture Trustee, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture and Servicing Agreement.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.01 Supplemental Indentures without Consent of Noteholders.

(a) The Issuer, by an Issuer Order, and the Indenture Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Indenture Trustee without the consent of any Noteholder, for any of the following purposes:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture and Servicing Agreement, or to better assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the lien of this Indenture and Servicing Agreement; provided such action pursuant to this clause (i) shall not adversely affect the interests of the Noteholders or the Hedge Counterparty in any respect; or

(ii) to evidence and provide for the acceptance of appointment hereunder by a successor Indenture Trustee with respect to the Notes and to add to or change any of the provisions of this Indenture and Servicing Agreement as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Indenture Trustee, pursuant to the requirements of Section 7.09 and Section 7.11hereof.

(b) The Indenture Trustee shall deliver, at least five Business Days prior to the effectiveness thereof, to each Noteholder and the Hedge Counterparty a copy of any supplemental indenture entered into pursuant to this Section 9.01 hereof.

Section 9.02 Supplemental Indentures with Consent of Noteholders.

(a) With the consent of the Majority Facility Investors delivered to the Issuer and the Indenture Trustee, the Issuer, by a Issuer Order, and the Indenture Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture and Servicing Agreement or of modifying in any manner the rights of the Noteholders under this Indenture and Servicing Agreement; provided, that no supplemental indenture shall, without the consent of the Noteholder of each Outstanding Note affected thereby:

(i) change the Stated Maturity or Mandatory Redemption Date of any Note or the amount of principal payments or interest payments due or to become due on any Payment Date with respect to any Note, or change the priority of payment thereof as set forth herein, or reduce the principal amount thereof or the Carrying Cost, Usage Fee

and Unused Fee thereon or related thereto, or change the place of payment where, or the coin or currency in which, any Note or the interest thereon is payable, or modify or alter the definition of the term "Advance Rate," or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof;

(ii) reduce the required percentage of the Outstanding Note Balance that must be represented by voting on whether to enter into any supplemental indenture or to waive compliance with certain provisions of this Indenture and Servicing Agreement or Events of Default and their consequences;

(iii) modify any of the provisions of this Section 9.02 or Section 6.13 hereof except to increase any percentage of Noteholders required for any modification or waiver or to provide that certain other provisions of this Indenture and Servicing Agreement cannot be modified or waived without the consent of the Holders of each Outstanding Note affected thereby;

(iv) modify or alter the provisions of the proviso to the definition of the term "Outstanding"; or

(v) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture and Servicing Agreement with respect to any part of the Trust Estate or terminate the lien of this Indenture and Servicing Agreement on any property at any time subject hereto or deprive any Noteholder of the security afforded by the lien of this Indenture and Servicing Agreement;

provided, no such supplemental indenture may modify or change any terms whatsoever of the Indenture that could be construed as increasing the Issuer's or the Servicer's discretion hereunder; provided further, that the Indenture Trustee shall not enter into any such supplemental indenture which would have an adverse effect on the Hedge Counterparty without the written consent of the Hedge Counterparty and the Indenture Trustee shall be entitled to receive and rely on an Officer's Certificate of the Hedge Counterparty as to whether a proposed supplemental indenture will adversely affect the Hedge Counterparty.

(b) The Indenture Trustee shall promptly deliver to each Noteholder a copy of any supplemental indenture entered into pursuant to Section 9.02(a) hereof.

Section 9.03 Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture (a) pursuant to Section 9.01 hereof or (b) pursuant to Section 9.02 hereof without the consent of each holder of the Notes to the execution of the same, or the modifications thereby of the trusts created by this Indenture and Servicing Agreement, the Indenture Trustee shall be entitled to receive, and (subject to Section 7.01 hereof) shall be, fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and Servicing Agreement. The Indenture Trustee may, but shall not be obligated to, enter into any supplemental indenture which affects the Indenture Trustee's own rights, duties, obligations, or immunities under this Indenture and Servicing Agreement or otherwise.

Section 9.04 Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture and Servicing Agreement shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture and Servicing Agreement for all purposes; and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 9.05 Reference in Notes to Supplemental Indentures.

Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Indenture Trustee, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. New Notes so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

ARTICLE X

OPTIONAL PREPAYMENT AND MANDATORY REDEMPTION OF NOTES

Section 10.01 Optional Prepayment.

(a) The Issuer may prepay the Notes on any day, in whole or in part, on at least five (5) days' prior written notice to the Administrative Agent, each Funding Agent and each Non-Conduit Committed Purchaser with a copy to the Indenture Trustee (or such lesser notice period as shall be acceptable to the Administrative Agent) (such notice a "Prepayment Notice") in accordance with Section 2.3 of the Note Purchase Agreement, provided that (i) the Outstanding Note Balance prepaid is at least $1,000,000 (unless such lesser amount is agreed to by the Administrative Agent) and (ii) the Issuer pays to the Administrative Agent, for distribution to the Funding Agents and the Non-Conduit Committed Purchasers, on the date of prepayment, the amounts set forth on the Prepayment Notice.

(b) The applicable Prepayment Notice shall state (i) the principal amount of the Notes to be prepaid and (ii) the aggregate Loan Balance of Timeshare Loans to be released at the time of prepayment of the Notes, with aggregate Loan Balances in an amount such that, after giving effect to such release, the Outstanding Note Balance shall not exceed the Borrowing Base calculated immediately after the prepayment of the Notes.

Section 10.02 Mandatory Redemption. The Notes shall be subject to mandatory redemption in whole by the Issuer on the Mandatory Redemption Date and the entire principal amount of the Notes shall be due and payable on such Mandatory Redemption Date unless such redemption is waived in writing prior to the Mandatory Redemption Date by the Holders of 100% of the Notes which are outstanding on such Mandatory Redemption Date.

ARTICLE XI

SATISFACTION AND DISCHARGE

Section 11.01 Satisfaction and Discharge of Indenture.

(a) This Indenture and Servicing Agreement shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Notes herein expressly provided for), and the Indenture Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture and Servicing Agreement, when:

(i) either:

(A) all Notes theretofore authenticated and delivered to Noteholders (other than (1) Notes which have been destroyed, lost or stolen and which have been paid as provided in Section 2.05 hereof and (2) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 8.03(c) hereof) have been delivered to the Indenture Trustee for cancellation upon payment and discharge of the entire indebtedness on such Notes; or

(B) the final installments of principal on all such Notes not theretofore delivered to the Indenture Trustee for cancellation (1) have become due and payable, or (2) will become due and payable at their Stated Maturity, as applicable within one year, and the Issuer has irrevocably deposited or caused to be deposited with the Indenture Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity thereof upon the delivery of such Notes to the Indenture Trustee for cancellation; or

(C) in the event of a redemption pursuant to Article X, the Issuer has irrevocably deposited or caused to be deposited with the Indenture Trustee as trust funds in trust for the purpose of early repayment of the Notes, an amount sufficient to pay and discharge the entire indebtedness on such Notes upon the delivery of such Notes to the Indenture Trustee for cancellation;

(ii) the Issuer and the Servicer have paid or caused to be paid all other sums payable hereunder by the Issuer and the Servicer to the Indenture Trustee for the benefit of the Noteholders and the Indenture Trustee, including proceeds of the Timeshare Loans pursuant to Sections 3.04 or 6.06 hereof;

(iii) the funds held in trust by the Indenture Trustee pursuant to Sections 11.01(a)(i) and (ii) hereof for the purpose of paying and discharging the entire indebtedness on the Notes have been applied to such purpose and the rights of all of the Noteholders to receive payments from the Issuer have terminated;

(iv) following the completion of the actions provided in Sections 11.01(a)(i), (ii) and (iii) hereof, the Indenture Trustee has delivered to the Issuer all cash, securities and other property held by it as part of the Trust Estate; and

(v) the Issuer has delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture and Servicing Agreement have been complied with.

(b) Notwithstanding the satisfaction and discharge of this Indenture and Servicing Agreement, the obligations of the Issuer to the Indenture Trustee under Section 7.06 hereof and, if money shall have been deposited with the Indenture Trustee pursuant to Section 11.01(a)(i) hereof, the obligations of the Indenture Trustee under Section 11.02 hereof and Section 8.03(c) hereof shall survive.

Section 11.02 Application of Trust Money.

Subject to the provisions of Section 8.03(c) hereof, all money deposited with the Indenture Trustee pursuant to Sections 11.01 and 8.03 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture and Servicing Agreement, to the payment to the Persons entitled thereto, of the principal and interest for whose payment such money has been deposited with the Indenture Trustee.

Section 11.03 Trust Termination Date.

The Trust Estate created by this Indenture and Servicing Agreement shall be deemed to have terminated on the date that the Indenture Trustee executes and delivers to the Issuer and the Owner Trustee an instrument acknowledging satisfaction and discharge of the Indenture.

ARTICLE XII

REPRESENTATIONS AND WARRANTIES

Section 12.01 Representations and Warranties of the Issuer.

The Issuer represents and warrants to the Indenture Trustee, the Servicer and the Noteholders, as of the Closing Date and each Funding Date, as follows:

(a) Organization and Good Standing. The Issuer has been duly formed and is validly existing and in good standing under the laws of the State of Delaware, with power and authority to own its properties and to conduct its business as such properties shall be currently

owned and such business is presently conducted and has the power and authority to own and convey all of its properties and to execute and deliver this Indenture and Servicing Agreement and the other Facility Documents and to perform the transactions contemplated hereby and thereby.

(b) Binding Obligation. This Indenture and Servicing Agreement and the other Facility Documents to which it is a party have each been duly executed and delivered on behalf of the Issuer and this Indenture and Servicing Agreement and each other Facility Document to which it is a party constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights and by general principles of equity.

(c) No Consents Required. No consent of, or other action by, and no notice to or filing with, any Governmental Authority or any other party, is required for the due execution, delivery and performance by the Issuer of this Indenture and Servicing Agreement or any of the other Facility Documents or for the perfection of or the exercise by the Indenture Trustee or the Noteholders of any of their rights or remedies thereunder which have not been duly obtained.

(d) No Violation. The consummation of the transaction contemplated by this Indenture and Servicing Agreement and the fulfillment of the terms hereof shall not conflict with, result in any material breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the certificate of trust, the trust agreement of the Issuer, or any indenture, agreement or other instrument to which the Issuer is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than this Indenture and Servicing Agreement).

(e) No Proceedings. There is no pending or threatened action, suit or proceeding, nor any injunction, writ, restraining order or other order of any nature against or affecting the Issuer, its officers or directors, or the property of the Issuer, in any court or tribunal, or before any arbitrator of any kind or before or by any Governmental Authority (i) asserting the invalidity of this Indenture and Servicing Agreement or any of the other Facility Documents, (ii) seeking to prevent the sale and assignment of any Timeshare Loan or the consummation of any of the transactions contemplated thereby, (iii) seeking any determination or ruling that might materially and adversely affect (A) the performance by the Issuer of this Indenture and Servicing Agreement or any of the other Facility Documents or the interests of the Noteholders, (B) the validity or enforceability of this Indenture and Servicing Agreement or any of the other Facility Documents, (C) any Timeshare Loan, or (D) the Intended Tax Characterization, or (iv) asserting a claim for payment of money adverse to the Issuer or the conduct of its business or which is inconsistent with the due consummation of the transactions contemplated by this Indenture and Servicing Agreement or any of the other Facility Documents.

(f) Issuer Not Insolvent. The Issuer is solvent and will not become insolvent after giving effect to the transactions contemplated by this Indenture and Servicing Agreement and each of the other Facility Documents.

(g) Notes Authorized, Executed, Authenticated, Validly Issued and Outstanding. The Notes have been duly and validly authorized, and when duly and validly executed by the Issuer and authenticated by the Indenture Trustee in accordance with the terms of this Indenture and Servicing Agreement and delivered to and paid for by each Holder as provided herein, will be validly issued and outstanding and entitled to the benefits hereof.

(h) Location of Chief Executive Office and Records. The principal place of business and chief executive office of the Issuer, and the office where the Issuer maintains all of its records is located at 6649 Westwood Boulevard, Orlando, Florida.

(i) Name. The legal name of the Issuer is as set forth in the signature page of this Indenture and Servicing Agreement and the Issuer does not have any tradenames, fictitious names, assumed names or "doing business as" names.

(j) Accuracy of Information. The representations and warranties of the Issuer in the Facility Documents are true and correct in all material respects as of the Closing Date and, except for representations and warranties expressly made as of a different date, each Funding Date and Transfer Date.

(k) Special Purpose. The Issuer shall engage in no business, and take no actions with respect to any other transaction than the transactions contemplated by the Facility Documents and will otherwise maintain its existence separate from the Seller and all other entities as provided in its organizational documents.

(l) Securities Laws. The Issuer is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(m) Representations and Warranties Regarding Security Interest and Loan Files.

(i) Payment of principal and interest on the Notes in accordance with their terms and the performance by the Issuer of all its obligations under this Indenture and Servicing Agreement are secured by the Trust Estate. The Grant contained in the "Granting Clause" of this Indenture and Servicing Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Trust Estate in favor of the Indenture Trustee, which security interest is prior to all other Liens arising under the UCC, and is enforceable as such against creditors of the Issuer, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(ii) The Timeshare Loans and the documents evidencing such Timeshare Loans constitute either "accounts", "chattel paper", "instruments" or "general intangibles" within the meaning of the applicable UCC.

(iii) The Issuer owns and has good and marketable title to the Trust Estate free and clear of any Lien, claim or encumbrance of any Person.

(iv) The Issuer has caused or will have caused, within ten days of the Closing Date and Funding Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Trust Estate granted to the Indenture Trustee hereunder.

(v) All original executed copies of each Obligor Note that constitute or evidence the Trust Estate have been delivered to the Custodian and the Issuer has received a Trust Receipt therefor, which acknowledges that the Custodian is holding the Obligor Notes that constitute or evidence the Trust Estate solely on behalf and for the benefit of the Indenture Trustee.

(vi) Other than the security interest granted to the Indenture Trustee pursuant to this Indenture and Servicing Agreement, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Trust Estate. The Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of collateral covering the Trust Estate other than any financing statement relating to the security interest granted to the Indenture Trustee hereunder or that has been terminated.

(vii) All financing statements filed or to be filed against the Issuer in favor of the Indenture Trustee in connection herewith describing the Trust Estate contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Secured Party."

(viii) None of the Obligor Notes that constitute or evidence the Trust Estate has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Indenture Trustee.

The foregoing representations and warranties in Section 12.01(m)(i) – (viii) shall remain in full force and effect and shall not be waived or amended until the Notes are paid in full or otherwise released or discharged.

(n) Eligible Timeshare Loans. Each Timeshare Loan acquired by the Issuer on a Funding Date is an Eligible Timeshare Loan and each Timeshare Loan used in the calculation of the Borrowing Base on a Funding Date or a Payment Date is an Eligible Timeshare Loan as of such Funding Date or Payment Date, as applicable.

(o) Control Account. The Issuer (or its agent) has filed or has caused to be filed a standing delivery order with the United Stated Postal Service authorizing the Control Bank to receive mail delivered to the related Post Office Box. The account number of the Control Account, together with the names, addresses, ABA numbers and names of contact persons of the Control Account Bank maintaining such Control Account and the related Post Office Boxes have been delivered to the Administrative Agent and the Indenture Trustee. From and after the Closing Date, the Indenture Trustee (or its agent) shall have a first priority perfected

security interest in all of the monies, checks, instruments, depository transfers or automated clearing house electronic transfers and other items of payment and their proceeds and all monies and earnings, if any thereon, relating to the Timeshare Loans in the Control Account. The Indenture Trustee (or its agent) has control over the Control Account.

Section 12.02 Representations and Warranties of the Initial Servicer.

The initial Servicer hereby represents and warrants as of the Closing Date and each Funding Date, the following:

(a) Organization and Authority. The Servicer:

(i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware;

(ii) has all requisite power and authority to own and operate its properties and to conduct its business as currently conducted and as proposed to be conducted as contemplated by the Facility Documents to which it is a party, to enter into the Facility Documents to which it is a party and to perform its obligations under the Facility Documents to which it is a party; and

(iii) has made all filings and holds all material franchises, licenses, permits and registrations which are required under the laws of each jurisdiction in which the properties owned (or held under lease) by it or the nature of its activities makes such filings, franchises, licenses, permits or registrations necessary.

(b) Place of Business. The address of the principal place of business and chief executive office of the Servicer is 6649 Westwood Boulevard, Orlando, Florida 32821 and there have been no other such locations during the immediately preceding four months.

(c) Compliance with Other Instruments, etc. The Servicer is not in violation of any term of its certificate of incorporation or bylaws. The execution, delivery and performance by the Servicer of the Facility Documents to which it is a party do not and will not (i) conflict with or violate the certificate of incorporation or by-laws of the Servicer, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation of any Lien on any of the properties or assets of the Servicer pursuant to the terms of any instrument or agreement to which the Servicer is a party or by which it is bound, or (iii) require any consent of or other action by any trustee or any creditor of, any lessor to or any investor in the Servicer.

(d) Compliance with Law. The Servicer is in compliance with all statutes, laws and ordinances and all governmental rules and regulations to which it is subject, the violation of which, either individually or in the aggregate, could materially adversely affect its business, earnings, properties or condition (financial or other). The policies and procedures set forth in the Credit and Collection Policies on the Closing Date and each Funding Date are in material compliance with all applicable statutes, laws and ordinances and all governmental rules and regulations and are consistent with the Servicing Standard. The execution, delivery and

performance of the Facility Documents to which it is a party do not and will not cause the Servicer to be in violation of any law or ordinance, or any order, rule or regulation, of any federal, state, municipal or other governmental or public authority or agency.

(e) Pending Litigation or Other Proceedings. There is no pending or, to the best of the Servicer's knowledge, threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting the Servicer which, if decided adversely, would materially and adversely affect (i) the condition (financial or otherwise), business or operations of the Servicer, (ii) the ability of the Servicer to perform its obligations under, or the validity or enforceability of this Indenture and Servicing Agreement or any other documents or transactions contemplated under this Indenture and Servicing Agreement, (iii) any property or title of any Obligor to any Timeshare Property or (iv) the Indenture Trustee's ability to foreclose or otherwise enforce the Liens of the Timeshare Loans.

(f) Taxes. It has timely filed all tax returns (federal, state and local) which are required to be filed and has paid all taxes related thereto, other than those which are being contested in good faith.

(g) Transactions in Ordinary Course. The transactions contemplated by this Indenture and Servicing Agreement are in the ordinary course of business of the Servicer.

(h) [Reserved].

(i) Proceedings. The Servicer has taken all action necessary to authorize the execution and delivery by it of the Facility Documents to which it is a party and the performance of all obligations to be performed by it under the Facility Documents.

(j) Defaults. The Servicer is not in default under any material agreement, contract, instrument or indenture to which it is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body which default would have a material adverse effect on the transactions contemplated hereunder; and to the Servicer's knowledge, as applicable, no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body.

(k) Insolvency. The Servicer is solvent. Prior to the date hereof, the Servicer did not, and is not about to, engage in any business or transaction for which any property remaining with the Servicer would constitute an unreasonably small amount of capital. In addition, the Servicer has not incurred debts that would be beyond the Servicer's ability to pay as such debts matured.

(l) No Consents. No prior consent, approval or authorization of, registration, qualification, designation, declaration or filing with, or notice to any federal, state or local governmental or public authority or agency, is, was or will be required for the valid execution, delivery and performance by the Servicer of the Facility Documents to which it is a party. The Servicer has obtained all consents, approvals or authorizations of, made all declarations or filings

with, or given all notices to, all federal, state or local governmental or public authorities or agencies which are necessary for the continued conduct by the Servicer of its respective businesses as now conducted, other than such consents, approvals, authorizations, declarations, filings and notices which, neither individually nor in the aggregate, materially and adversely affect, or in the future will materially and adversely affect, the business, earnings, prospects, properties or condition (financial or other) of the Servicer.

(m) Name. The legal name of the Servicer is as set forth in the signature page of this Indenture and Servicing Agreement and except for the trade names set forth on Exhibit H attached hereto, the Servicer does not have any tradenames, fictitious names, assumed names or "doing business as" names.

(n) Information. No document, certificate or report furnished by the Servicer, in writing, pursuant to this Indenture and Servicing Agreement or in connection with the transactions contemplated hereby, contains or will contain when furnished any untrue statement of a material fact or fails or will fail to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. There are no facts relating to the Servicer as of the Closing Date or Funding Date which when taken as a whole, materially adversely affect the financial condition or assets or business of the Servicer, or which may impair the ability of the Servicer to perform its obligations under this Indenture and Servicing Agreement, which have not been disclosed herein or in the certificates and other documents furnished by or on behalf of the Servicer pursuant hereto or thereto specifically for use in connection with the transactions contemplated hereby or thereby.

Section 12.03 Representations and Warranties of the Indenture Trustee and the Back-Up Servicer.

Each of the Indenture Trustee and the Back-Up Servicer hereby represents and warrants as of the Closing Date and each Funding Date, the following:

(a) Each of the Indenture Trustee and the Back-Up Servicer is a national banking association duly organized, validly existing and in good standing under the laws of the United States.

(b) The execution and delivery of this Indenture and Servicing Agreement and the other Facility Documents to which the Indenture Trustee or the Back-Up Servicer is a party, and the performance and compliance with the terms of this Indenture and Servicing Agreement and the other Facility Documents to which the Indenture Trustee or the Back-Up Servicer is a party by the Indenture Trustee or the Back-Up Servicer, will not violate the Indenture Trustee's or the Back-Up Servicer's, as applicable, organizational documents or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in a breach of, any material agreement or other material instrument to which it is a party or by which it is bound.

(c) Except to the extent that the laws of certain jurisdictions in which any part of the Trust Estate may be located require that a co-trustee or separate trustee be appointed to act

with respect to such property as contemplated herein, the Indenture Trustee has the full power and authority to carry on its business as now being conducted and to enter into and consummate all transactions contemplated by this Indenture and Servicing Agreement and the other Facility Documents, has duly authorized the execution, delivery and performance of this Indenture and Servicing Agreement and the other Facility Documents to which it is a party, and has duly executed and delivered this Indenture and Servicing Agreement and the other Facility Documents to which it is a party.

(d) The Back-Up Servicer has the full power and authority to carry on its business as now being conducted and to enter into and consummate all transactions contemplated by this Indenture and Servicing Agreement and the other Facility Documents, has duly authorized the execution, delivery and performance of this Indenture and Servicing Agreement and the other Facility Documents to which it is a party, and has duly executed and delivered this Indenture and Servicing Agreement and the other Facility Documents to which it is a party.

(e) This Indenture and Servicing Agreement, assuming due authorization, execution and delivery by the other parties hereto, constitutes a valid and binding obligation of the Indenture Trustee and the Back-Up Servicer, enforceable against the Indenture Trustee and the Back-Up Servicer in accordance with the terms hereof, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally and the rights of creditors of banks, and (ii) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law.

(f) Neither the Indenture Trustee nor the Back-Up Servicer is in violation of, and its execution and delivery of this Indenture and Servicing Agreement and the other Facility Documents to which either is a party and its performance and compliance with the terms of this Indenture and Servicing Agreement and the other Facility Documents to which it is a party will not constitute a violation of, any law, any order or decree of any court or arbiter, or any order, regulation or demand of any federal, state or local governmental or regulatory authority, which violation, in the Indenture Trustee's and the Back-Up Servicer's good faith and reasonable judgment, is likely to affect materially and adversely the ability of the Indenture Trustee or the Back-Up Servicer to perform its obligations under any Facility Document to which it is a party.

(g) No litigation is pending or, to the best of the Indenture Trustee's and the Back-Up Servicer's knowledge, threatened against the Indenture Trustee or the Back-Up Servicer that, if determined adversely to the Indenture Trustee or the Back-Up Servicer, would prohibit the Indenture Trustee or the Back-Up Servicer from entering into any Facility Document to which it is a party or, in the Indenture Trustee's and the Back-Up Servicer's good faith and reasonable judgment, is likely to materially and adversely affect the ability of the Indenture Trustee or the Back-Up Servicer to perform its obligations under any Facility Document to which it is a party.

(h) Any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by the Indenture Trustee or the Back-Up Servicer of or compliance by the Indenture Trustee or the Back-Up Servicer with the Facility Documents to which it is a party or the consummation of the transactions contemplated by the Facility Documents has been obtained and is effective.

Section 12.04 Multiple Roles.

The parties expressly acknowledge and consent to Wells Fargo Bank, National Association, acting in the multiple roles of Indenture Trustee, the Custodian, the Back-Up Servicer and the Successor Servicer. Wells Fargo Bank, National Association may, in such capacities, discharge its separate functions fully, without hindrance or regard to conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by Wells Fargo Bank, National Association of express duties set forth in this Indenture and Servicing Agreement in any of such capacities, all of which defenses, claims or assertions are hereby expressly waived by the other parties hereto except in the case of negligence (other than errors in judgment) and willful misconduct by Wells Fargo Bank, National Association.

ARTICLE XIII

MISCELLANEOUS

Section 13.01 Officer's Certificate and Opinion of Counsel as to Conditions Precedent.

Upon any request or application by the Issuer to the Indenture Trustee to take any action under this Indenture and Servicing Agreement, the Issuer shall furnish to the Indenture Trustee:

(a) an Officer's Certificate (which shall include the statements set forth in Section 13.02 hereof) stating that all conditions precedent and covenants, if any, provided for in this Indenture and Servicing Agreement relating to the proposed action have been complied with; and

(b) an Opinion of Counsel (which shall include the statements set forth in Section 13.02 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

Section 13.02 Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture and Servicing Agreement shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him/her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

Section 13.03 Notices. (a) All communications, instructions, directions and notices to the parties thereto shall be (i) in writing (which may be by facsimile transmission (or if permitted hereunder, via electronic mail), followed by delivery of original documentation within one Business Day), (ii) effective when received and (iii) delivered or mailed first class mail, postage prepaid to it at the following address:

If to the Issuer:

Marriott Vacations Worldwide Owner Trust 2011-1
c/o Wilmington Trust, National Association
1220 North Market Street, Suite 202
Wilmington, Delaware 19801
Attention: Rita Marie Ritrovato
Facsimile Number: (302) 661-2266
Telephone Number: (302) 255-4966

With a copy to:

Marriott Ownership Resorts, Inc.
6649 Westwood Boulevard
Orlando, Florida 32821
Attention: General Counsel

Facsimile Number: (407) 206-6420

Telephone Number: (407) 206-6000

And

Marriott Vacation Worldwide Corp.
6649 Westwood Boulevard
Orlando, Florida 32821
Attention: General Counsel

Facsimile Number: (407) 206-6420

Telephone Number: (407) 206-6000

And

Wilmington Trust, National Association
1220 North Market Street, Suite 202
Mail Code: MD1-WD22
Wilmington, Delaware, 19801
Attention: Dante M. Monakil, CCTS
Facsimile Number: (302) 661-2266
Telephone Number:(302) 225-4970

If to the Servicer or the Administrator:

Marriott Ownership Resorts, Inc.
6649 Westwood Boulevard
Orlando, Florida 32821
Attention: General Counsel

Facsimile Number: (407) 206-6420

Telephone Number: (407) 206-6000

With a copy to:

Marriott Vacation Worldwide Corp.
6649 Westwood Boulevard
Orlando, Florida 32821
Attention: General Counsel

Facsimile Number: (407) 206-6420

Telephone Number: (407) 206-6000

If to the Indenture Trustee and the Back-Up Servicer:

Wells Fargo Bank, National Association
MAC N9311-161
Sixth Street & Marquette Avenue
Minneapolis, Minnesota 55479
Attention: Corporate Trust
Services/Asset-Backed Administration

Facsimile Number:(612) 667-3539
Telephone Number:(612) 667-8058

If to the Noteholders:

At the address set forth in the Note Register

or at such other address as the party may designate by notice to the other parties hereto, which shall be effective when received.

(b) All communications and notices pursuant hereto to a Noteholder shall be in writing and delivered or mailed first class mail, postage prepaid or overnight courier at the address shown in the Note Register. The Indenture Trustee agrees to deliver or mail to each Noteholder upon receipt, all notices and reports that the Indenture Trustee may receive hereunder and under any Facility Documents. Unless otherwise provided herein, the Indenture Trustee may consent to any requests received under such documents or, at its option, follow the directions of the Majority Facility Investors within 30 days after prior written notice to the Noteholders. All notices to Noteholders shall be sent simultaneously. Expenses for such communications and notices shall be borne by the Servicer.

Section 13.04 No Proceedings.

Each Noteholder, the Servicer and the Indenture Trustee hereby agrees that it will not, directly or indirectly institute, or cause to be instituted, against the Issuer or the Trust Estate any proceeding of the type referred to in Section 6.01(e) hereof so long as there shall not have elapsed one year plus one day since the last maturity of the Notes.

Section 13.05 Limitation of Liability.

(a) It is expressly understood and agreed by the parties hereto that (a) this Indenture and Servicing Agreement is executed and delivered by Wilmington Trust, National Association, not individually or personally but solely as Owner Trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements Wilmington Trust, National Association but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on Wilmington Trust, National Association, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall Wilmington Trust, National Association be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Indenture and Servicing Agreement or any other related document. Notwithstanding the foregoing, Wilmington Trust, National Association shall not be relieved of any of its duties and obligations under the Administration Agreement or the Trust Agreement.

(b) It is expressly understood and agreed by the parties hereto that MORI is executing this Indenture and Servicing Agreement solely as Servicer and MORI undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and Servicing Agreement applicable to the Servicer.

Section 13.06 Entire Agreement.

This Indenture and Servicing Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

Section 13.07 Severability of Provisions.

If any one or more of the covenants, agreements, provisions or terms of this Indenture and Servicing Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Indenture and Servicing Agreement and shall in no way affect the validity or enforceability of the other provisions of this Indenture and Servicing Agreement or of the Notes or the rights of the Holders thereof.

Section 13.08 Indulgences; No Waivers.

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Indenture and Servicing Agreement shall operate as a

waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture and Servicing Agreement to be duly executed as of the day and year first above written.

MARRIOTT VACATIONS WORLDWIDE
OWNER TRUST 2011-1, as Issuer

By: WILMINGTON TRUST, NATIONAL ASSOCIATION,
not in its individual capacity, but solely as Owner Trustee

By: /s/ Rita Marie Ritrovato
Name: Rita Marie Ritrovato
Title: Assistant Vice President

MARRIOTT OWNERSHIP RESORTS, INC., as Servicer

By: /s/ Joseph J. Bramuchi
Name: Joseph J. Bramuchi
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Indenture Trustee and Back-Up Servicer

By: /s/ Jennifer C. Westberg
Name: Jennifer C. Westberg
Title: Vice President

ANNEX A

Standard Definitions

Annex A

AMENDED AND RESTATED STANDARD DEFINITIONS

Rules of Construction. In these Amended and Restated Standard Definitions and with respect to the Facility Documents (as defined below), (a) the meanings of defined terms are equally applicable to the singular and plural forms of the defined terms, (b) in any Facility Document, the words "hereof," "herein," "hereunder" and similar words refer to such Facility Document as a whole and not to any particular provisions of such Facility Document, (c) any subsection, Section, Article, Annex, Schedule and Exhibit references in any Facility Document are to such Facility Document unless otherwise specified, (d) the term "documents" includes any and all documents, instruments, agreements, certificates, indentures, notices and other writings, however evidenced (including electronically), (e) the term "including" is not limiting and (except to the extent specifically provided otherwise) shall mean "including (without limitation)", (f) unless otherwise specified, in the computation of periods of time from a specified date to a later specified date, the word "from" shall mean "from and including," the words "to" and "until" each shall mean "to but excluding," and the word "through" shall mean "to and including", and (g) the words "may" and "might" and similar terms used with respect to the taking of an action by any Person shall reflect that such action is optional and not required to be taken by such Person.

"Act" shall have the meaning specified in Section 1.04 of the Indenture and Servicing Agreement.

"Acceleration Event" shall have the meaning specified in Section 6.06 of the Indenture and Servicing Agreement.

"Accounting Based Consolidation Event" shall mean the consolidation, for financial and/or regulatory accounting purposes, of all or any portion of the assets and liabilities of any Conduit that are subject to the Note Purchase Agreement or any other Facility Document with all or any portion of the assets and liabilities of an Affected Entity. An Accounting Based Consolidation Event shall be deemed to occur on the date any Affected Entity shall acknowledge in writing that any such consolidation of the assets and liabilities of the related Conduit shall occur.

"Acquiring Alternate Purchaser" shall have the meaning set forth in Section 5.10(d) of the Note Purchase Agreement.

"Acquiring Non-Conduit Committed Purchaser" shall have the meaning set forth in Section 5.10(f) of the Note Purchase Agreement.

"Acquiring Purchaser" shall mean an Acquiring Purchaser Group or an Acquiring Non-Conduit Committed Purchaser.

"Acquiring Purchaser Group" shall have the meaning set forth in Section 5.10(f) of the Note Purchase Agreement.

"Additional Conduit" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Additional Funding Agent" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Additional Non-Conduit Committed Purchaser" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Additional Purchaser" shall mean an Additional Conduit and the Related Additional Alternate Purchasers or an Additional Non-Conduit Committed Purchaser.

"Additional Timeshare Loans" shall mean any Timeshare Loans (including Qualified Substitute Timeshare Loans) conveyed by MORI to the Seller and by the Seller to the Issuer and pledged by the Issuer to the Indenture Trustee on a Funding Date or Transfer Date, as applicable.

"Additional Timeshare Loan Supplement" shall mean, with respect to any Additional Timeshare Loans, an Additional Timeshare Loan Supplement, substantially in the form of Exhibit D to the Purchase Agreement or Sale Agreement, as applicable.

"Adjusted Commitment" shall mean on any date of determination with respect to an Alternate Purchaser for a Conduit, such Alternate Purchaser's Commitment minus the sum of (a) the portion of the Purchaser Invested Amount with respect to the Purchaser Group of which such Conduit is a member funded by such Alternate Purchaser and (b) the portion of such Purchaser Invested Amount an interest in which was acquired by such Alternate Purchaser acting as a Liquidity Provider pursuant to a Liquidity Agreement.

"Adjusted LIBOR Rate" shall mean, with respect to any Funding Period, the sum of (A) the Applicable Percentage and (B) a rate per annum equal to the rate (rounded upwards, if necessary, to the next higher 1/100 of 1%) obtained by dividing (i) the LIBOR Rate for such Funding Period by (ii) a percentage equal to 100% minus the reserve percentage (rounded upward to the next 1/100th of 1%) in effect on such day and applicable to the Alternate Purchaser or related Liquidity Provider for which this rate is calculated under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "eurocurrency liabilities"). The Adjusted LIBOR Rate shall be adjusted automatically as of the effective date of any change in such reserve percentage.

"Administration Agreement" shall mean that certain administration agreement, dated as of September 1, 2011, by and among the Issuer, the Indenture Trustee, the Owner Trustee and the Administrator.

"Administrative Agent" shall mean Credit Suisse AG, New York Branch, in its capacity as Administrative Agent for the Purchasers and the Funding Agents, and any successor Administrative Agent appointed pursuant to the terms of the Note Purchase Agreement.

"Administrative Agent-Related Persons" shall mean the Administrative Agent, together with its Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and their respective Affiliates.

"Administrative Agent Fee" shall have the meaning set forth in the related Fee Letter; provided that the Administrative Agent Fee shall not be greater than 0.10% of the Facility Limit per annum.

"Administrator" shall mean Marriott Ownership Resorts, Inc., a Delaware corporation.

"Administrator Fee" shall equal $1,000 paid annually in accordance with Section 3.04 of the Indenture and Servicing Agreement.

"Advance Rate" shall mean, with respect to the Borrowing Base Loans related to a Borrowing Base Loan Group, the applicable Advance Rate specified in the chart below:

Borrowing Base Loan Group	Applicable Advance Rate
FICO 600 to 649 Loan Group	50%
FICO 650 to 699 Loan Group	76%
FICO 700 to 749 Loan Group	91%
FICO 750 Plus Loan Group	96%
Foreign Timeshare Loan Group I	68%
Foreign Timeshare Loan Group II	40%

"Adverse Claim" shall mean any claim of ownership or any lien, security interest, title retention, trust or other charge or encumbrance, or other type of preferential arrangement having the effect or purpose of creating a lien or security interest, other than the interests created under the Indenture and Servicing Agreement in favor of the Indenture Trustee and the Noteholders.

"Affected Entity" shall mean (i) any Alternate Purchaser, (ii) any Liquidity Provider, (iii) any agent, administrator or manager of any Conduit, or (iv) any bank holding company in respect of any of the foregoing.

"Affiliate" shall mean any Person: (a) which directly or indirectly controls, or is controlled by, or is under common control with such Person; (b) which directly or indirectly beneficially owns or holds five percent (5%) or more of the voting stock of such Person; or (c) for which five percent (5%) or more of the voting stock of which is directly or indirectly beneficially owned or held by such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Without

limiting the generality of the foregoing, for purposes of the definition of "Outstanding," MVCO Series LLC, MORI, MVC Trust, MVCI Finance, C.V., The Ritz-Carlton Development Company, Inc., Marriott Ownership Resorts (St. Thomas), Inc., prior to the Spin-Off Date, Marriott International, Marriott Vacation Worldwide Corporation and their Affiliates shall be deemed an Affiliate of the Issuer.

"Aggregate Loan Balance" shall mean the sum of the Loan Balances for all Borrowing Base Loans.

"Alternate Purchasers" shall mean, with respect to a Conduit, each Purchaser identified as an Alternate Purchaser for such Conduit on Schedule I to the Note Purchase Agreement or in the Assignment and Assumption Agreement pursuant to which such Conduit became a party to the Note Purchase Agreement, and any permitted assignee thereof.

"Alternate Purchaser Assignment and Assumption Agreement" shall mean an Assignment and Assumption Agreement substantially in the form of Exhibit A to the Note Purchase Agreement.

"Alternate Purchaser Percentage" shall mean, with respect to any Alternate Purchaser for a Conduit, such Alternate Purchaser's Commitment with respect to such Conduit as a percentage of the Purchaser Commitment Amount with respect to the Purchaser Group of which such Conduit is a member.

"Amortization Event" shall exist on and after a Determination Date if any of the following shall have occurred:

(a) the Warehouse Portfolio Three Month Rolling Average Delinquency Percentage is greater than 5.50%; or

(b) the Securitized Portfolio Three Month Rolling Average Delinquency Percentage is greater than 5.50%; or

(c) the Warehouse Portfolio Three Month Rolling Average Default Percentage is greater than 0.75%; or

(d) the Securitized Portfolio Three Month Rolling Average Default Percentage is greater than 0.75%; or

(e) to the extent the Aggregate Loan Balance is more than $0, the Gross Excess Spread Percentage for the related Due Period is less than 5.00%; or

(f) an Event of Default occurs; or

(g) a Servicer Event of Default occurs; or

(h) the amount on deposit in the Reserve Account is less than the Reserve Account Required Balance for any three consecutive Business Days.

Upon the first occurrence of an Amortization Event of a type described in any of clauses (a), (b), (c), (d) or (e) above, such Amortization Event shall continue until the Determination Date on which the Warehouse Portfolio Three Month Rolling Average Delinquency Percentage, Securitized Portfolio Three Month Rolling Average Delinquency Percentage, Warehouse Portfolio Three Month Rolling Average Default Percentage, Securitized Portfolio Three Month Rolling Average Default Percentage or Gross Excess Spread Percentage, as the case may be, is equal to or less than (in the case of clauses (a), (b), (c) or (d)) or equal to or greater than (in the case of clause (e)), the specified threshold. Upon the second occurrence of an Amortization Event of a type described in any of clauses (a), (b), (c), (d) or (e) above, an Amortization Event shall exist and continue until the Outstanding Note Balance has been reduced to zero.

An Amortization Event of the type described in clauses (f), (g) or (h) shall continue until the Outstanding Note Balance of the Notes has been reduced to zero.

"Anticipated Completion Date" shall mean, for a Pre-Completion Loan, the date set forth in the related Additional Timeshare Loan Supplement as specified by resort and building on which the related Unit is expected to be an Available Unit.

"Applicable Percentage" shall mean 1.50%.

"Assignment and Assumption Agreement" shall mean any Alternate Purchaser Assignment and Assumption Agreement or any Purchaser Assignment and Assumption Agreement.

"Assumption Date" shall have the meaning specified in Section 5.19(f) of the Indenture and Servicing Agreement.

"Authorized Officer" shall mean (a) with respect to any corporation, limited liability company or partnership, the Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer, Managing Member and each other officer of such corporation or limited liability company or the general partner of such partnership customarily performing functions similar to those performed by any of the above designated officers, and with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge and familiarity with the particular subject or such officer specifically authorized in resolutions of the Board of Directors of such corporation or managing member of such limited liability company to sign agreements, instruments or other documents in connection with the Indenture and Servicing Agreement on behalf of such corporation, limited liability company or partnership, as the case may be or (b) with respect to a trust, any person meeting the criteria specified in clause (a) above with respect to the related trustee.

"Available Funds" shall mean for any Payment Date, (A) all funds on deposit in the Collection Account after making all transfers and deposits required from or by (i) the Servicer pursuant to the Indenture and Servicing Agreement, (ii) the Reserve Account pursuant to Section 3.02(b) of the Indenture and Servicing Agreement, (iii) the Seller or the Issuer pursuant to Section 4.06 of the Indenture and Servicing Agreement, (iv) the Performance Guarantor pursuant to the Performance Guaranty, and (v) a Hedge Counterparty in respect of a Hedge Agreement, less (B) amounts on deposit in the Collection Account related to collections related to any Due Periods subsequent to the Due Period related to such Payment Date.

"Available Unit" shall mean a Unit where the Unit's construction has been completed in accordance with applicable brand standards and becomes available for occupancy by timeshare owners.

"Back-Up Servicer" shall mean Wells Fargo Bank, National Association and its permitted successors and assigns, as provided in the Indenture and Servicing Agreement.

"Back-Up Servicing Fee" shall mean for any Payment Date, an amount equal to the greater of (a) $2,500 and (b) the product of (x) one-twelfth of 0.02% and (y) the Aggregate Loan Balance as of the first day of the related Due Period.

"Bank Base Rate" shall mean, with respect to any Purchaser for any day, a rate per annum equal to the sum of (i) the Base Rate with respect to such Purchaser on such date and (ii) the Applicable Percentage.

"Base Rate" shall mean, with respect to any Purchaser for any day, a rate per annum equal to the greatest of (i) the prime rate of interest announced publicly by (x) if such Purchaser is a Non-Conduit Committed Purchaser, such Purchaser (or the Affiliate of such Purchaser that announces such rate), and (y) if such Purchaser is a member of a Purchaser Group, the Funding Agent with respect to such Purchaser Group (or the Affiliate of such Purchaser or Funding Agent, as applicable, that announces such rate) as in effect at its principal office from time to time, changing when and as said prime rate changes (such rate not necessarily being the lowest or best rate charged by such Person), (ii) the sum of (a) 0.50% and (b) the rate equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by such Purchaser (or if such Purchaser is a member of a Purchaser Group, the Funding Agent with respect to such Purchaser Group) from three Federal funds brokers of recognized standing selected by it and (iii) the sum of (x) 1.00% and (b) the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page or such other page or service as such Purchaser shall determine in its sole discretion) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) on such date (or if such day is not a London Business Day, on the next preceding London Business Day) for a term of one month, or, if more than one rate is specified on the applicable page or screen, the arithmetic mean of all such rates. Notwithstanding any of the foregoing to the contrary, solely for the purposes of Sections 2.8(c) and 2.8(d) of the Note Purchase Agreement, "Base Rate" shall mean the greater of the rates described in clause (i) and clause (ii) of the preceding sentence.

"Bankruptcy Code" shall mean the federal Bankruptcy Code, as amended (Title 11 of the United States Code).

"Beneficial Interest" shall mean the beneficial interests in the MVC Trust owned by an Obligor.

"Benefit Plan" shall mean an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA or any other "plan" as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code or any entity whose underlying assets include plan assets by reason of an employee benefit plan's or plan's investment in such entity or any plan that is subject to any substantially similar provision of federal, state or local law.

"Borrowing Base" means for any date of determination, the lesser of:

(x) the sum of the products of (i) the aggregate Loan Balance of each Borrowing Base Loan Group minus its related Excluded Loan Group Balance and (ii) the applicable Advance Rate; and

(y) the sum of the products of (i) the aggregate Loan Balance of each Borrowing Base Loan Group minus its related Excluded Loan Group Balance and (ii) 85%.

For purposes of calculating the Borrowing Base on a Funding Date, the aggregate Loan Balance of a Borrowing Base Loan Group, the Aggregate Loan Balance and Excluded Loan Balance shall be measured as of the last day of the Due Period related to the immediately preceding Payment Date (or, with respect to the Additional Timeshare Loans conveyed on such Funding Date or Timeshare Loans conveyed during the same Due Period, the related Cut-off Date). For purposes of calculating the Borrowing Base with respect to any Determination Date, the aggregate Loan Balance of a Borrowing Base Loan Group, the Aggregate Loan Balance and Excluded Loan Balance shall be measured as of the end of the related Due Period (or, with respect to the Additional Timeshare Loans conveyed on such Funding Date or Timeshare Loans conveyed during the same Due Period, the related Cut-off Date). All Defaulted Timeshare Loans, Delinquent Timeshare Loans and Defective Timeshare Loans shall be deemed to have a Loan Balance of zero ($0) for purposes of this definition.

"Borrowing Base Loan Group" means any of the Foreign Timeshare Loan Group I, Foreign Timeshare Loan Group II, FICO 600 to 649 Loan Group, FICO 650 to 699 Loan Group, FICO 700 to 749 Loan Group and FICO 750 Plus Loan Group.

"Borrowing Base Loans" shall mean, as of any date of determination, all Timeshare Loans that are Eligible Timeshare Loans on such date and owned directly by the Issuer and pledged to the Indenture Trustee pursuant to the Indenture and Servicing Agreement or a Supplemental Grant.

"Borrowing Base Shortfall" means on as of any date of determination, the amount, if any, by which the Outstanding Note Balance (without giving effect to any Increase on such date) exceeds the Borrowing Base on such date (without giving effect to any pledge of Additional Timeshare Loans to the Indenture Trustee on such date).

"Borrowing Notice" shall mean the notice presented by the Issuer to the Administrative Agent, each Funding Agent, each Non-Conduit Committed Purchaser, the Servicer and the Indenture Trustee to request the initial advance on the Initial Funding Date or thereafter, an Increase, in the form attached as Exhibit D to the Note Purchase Agreement.

"Breakage and Other Costs" shall mean any and all amounts owing by the Issuer to any Purchaser or Funding Agent or the Administrative Agent pursuant to this Agreement or any other Facility Document, other than in respect of interest or principal on any Note and shall include without limitation (i) the amount of all fees due under the Fee Letter (other than Purchaser Fees and the Up-Front Fees), (ii) the amount of any Early Collection Fee and (iii) any other amounts due from the Issuer hereunder but not included in interest or principal on the Notes including, without limitation, under Sections 4.1, 4.2, 4.3 and 4.4 of the Note Purchase Agreement.

"Business Day" shall mean any day other than (i) a Saturday or a Sunday, or (ii) a day on which banking institutions in New York City, the city in which the Servicer is located or the city in which the Corporate Trust Office is located, are authorized or obligated by law or executive order to be closed.

"Carrying Costs" shall mean, with respect to any Interest Accrual Period the sum (without duplication) of the following amounts determined on an accrual basis in accordance with GAAP consistently applied: with respect to (x) any Purchaser Group, (a) the amount of interest accrued with respect to the portion of the Purchaser Invested Amount funded by the Conduit which is a member of such Purchaser Group at a rate equal to the CP Rate applicable to such Conduit for such Interest Accrual Period and (b) the amount of interest accrued with respect to the portion of the Purchaser Invested Amount funded by any Alternate Purchaser which is a member of such Purchaser Group or any Liquidity Provider with respect to such Conduit at either the Adjusted LIBOR Rate or the Bank Base Rate, as applicable in accordance with Section 2.8(a) of the Note Purchase Agreement and (y) any Non-Conduit Committed Purchaser, the amount of interest accrued with respect to its Purchaser Invested Amount at the LIBOR Rate or the LIBOR Rate plus the Applicable Percentage, as applicable, in accordance with Section 2.8(a) of the Note Purchase Agreement; provided, however, that following the occurrence of an Event of Default, the Carrying Costs with respect to any Purchaser Group or Non-Conduit Committed Purchaser shall be determined in accordance with Section 2.8(b) of the Note Purchase Agreement. The Carrying Costs for any Interest Accrual Period determined by reference to the applicable CP Rate or daily LIBOR Rate shall be calculated using an estimate for the days in such Interest Accrual Period remaining after the date on which the applicable Funding Agent or Non-Conduit Committed Purchaser notifies the Administrative Agent of the applicable Carrying Costs pursuant to Section 2.8(a)(v) of the Note Purchase Agreement. On or before the day on which the applicable Funding Agent or Non-Conduit Committed Purchaser is required to notify the Administrative Agent of the applicable Carrying Costs with respect to the next succeeding Accrual Period, such Funding Agent or Non-Conduit Committed Purchaser shall re-determine the Carrying Costs in respect of the prior Accrual Period and if such re-determined amount is higher or lower than the Carrying Costs initially reported as described above, such Funding Agent or Non-Conduit Committed Purchaser shall advise the Administrative Agent of the re-determined Carrying Costs, specifying the amount of any Carrying Costs Underpayment or any Carrying Costs Overpayment.

"Carrying Costs Overpayment" shall mean, with respect to any Accrual Period (x) with respect to a Purchaser Group the excess, if any, of (i) the amount of Carrying Costs for such Accrual Period determined based on the CP Rate as initially determined by the applicable Funding Agent pursuant to the definition of "Carrying Costs", over (ii) the amount of Carrying Costs for such Accrual Period determined based on the CP Rate as re-determined by such Funding Agent prior to the next succeeding Payment Date pursuant to the definition of "Carrying Costs" and (y) with respect to a Non-Conduit Committed Purchaser, the excess, if any, of (i) the amount of Carrying Costs for such Accrual Period determined based on the LIBOR Rate as initially determined by such Non-Conduit Committed Purchaser pursuant to the definition of "Carrying Costs", over (ii) the amount of Carrying Costs for such Accrual Period determined based on the LIBOR Rate as re-determined by such Non-Conduit Committed Purchaser prior to the next succeeding Payment Date pursuant to the definition of "Carrying Costs".

"Carrying Costs Underpayment" shall mean, with respect to any Accrual Period (x) with respect to a Purchaser Group, the excess, if any, of (i) the amount of Carrying Costs for such Accrual Period determined based on the CP Rate as re-determined by the applicable Funding Agent prior to the next succeeding Payment Date pursuant to the definition of "Carrying Costs", over (ii) the amount of Carrying Costs for such Accrual Period determined based on the CP Rate as initially determined by such Funding Agent pursuant to the definition of "Carrying Costs" and (y) with respect to a Non-Conduit Committed Purchaser, the excess, if any, of (i) the amount of Carrying Costs for such Accrual Period determined based on the LIBOR Rate as re-determined by such Non-Conduit Committed Purchaser prior to the next succeeding Payment Date pursuant to the definition of "Carrying Costs", over (ii) the amount of Carrying Costs for such Accrual Period determined based on the LIBOR Rate as initially determined by such Non-Conduit Committed Purchaser pursuant to the definition of "Carrying Costs".

"Certificate of Trust" shall mean the Certificate of Trust filed with the Secretary of State for the State of Delaware on September 6, 2011 in order to form the Issuer, as the same may be amended, supplemented or otherwise modified in accordance with the terms thereof.

"Change of Control" means (i) prior to the consummation of the transactions contemplated to occur on the Spin-Off Date, Marriott International shall cease to own and control of record and beneficially, directly or indirectly, 100% of the outstanding common stock (or equity interests) of MVW, MORI, the Seller and the Owner, (ii) after consummation of the transactions contemplated to occur on the Spin-Off Date, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 30% of the outstanding common stock of the Performance Guarantor, (iii) the board of directors of the Performance Guarantor shall cease to consist the majority of Continuing Directors; or (iv) the Performance Guarantor shall cease to own and control, of record and beneficially, directly 100% of each class of outstanding Capital Stock of MORI, the Seller and the Owner, free and clear of all Liens (except Liens created hereunder or under the Corporate Revolver Facility.

"Closing Date" shall mean September 28, 2011.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and any successor statute, together with the rules and regulations thereunder.

"Collection Account" shall mean the account established and maintained by the Indenture Trustee pursuant to Section 3.02(a) of the Indenture and Servicing Agreement.

"Commercial Paper" shall mean either (i) the promissory notes of any Conduit issued by such Conduit in the commercial paper market or (ii) the promissory notes issued in the commercial paper market by a multi-seller commercial paper conduit the proceeds of which are loaned to a Conduit.

"Commitment" shall mean, for each Committed Purchaser, on any date of determination, the commitment of such Committed Purchaser to purchase a Note on the Initial Funding Date and, thereafter, to maintain and, subject to certain conditions, increase its investment therein in accordance with the terms of the Note Purchase Agreement in an amount not to exceed (a) (i) in the case of any Committed Purchaser which is a party hereto on the Closing Date, the dollar amount set forth opposite the name of such Committed Purchaser on Schedule I of the Note Purchase Agreement, (ii) in the case of any Committed Purchaser which is not a party hereto on the Closing Date, the dollar amount specified as such in the Purchaser Assignment and Assumption Agreement for such Purchaser or (iii) in the case of any permitted assignee of an Alternate Purchaser pursuant to Section 5.10(d) of the Note Purchase Agreement, the amount specified as such in the Alternate Purchaser Assignment and Assumption Agreement pursuant to which such assignee acquired its interest in the Notes, minus (b) the dollar amount of any portion thereof assigned pursuant to an Assignment and Assumption Agreement in accordance with Section 5.10 of the Note Purchase Agreement prior to such date of determination, plus (c) the dollar amount of any increase to such Committed Purchaser's Commitment consented to by such Committed Purchaser prior to such date of determination.

"Commitment Percentage" shall mean, on any date of determination, with respect to any Non-Conduit Committed Purchaser or Purchaser Group, the ratio, expressed as a percentage, which the Purchaser Commitment Amount of such Non-Conduit Committed Purchaser or Purchaser Group bears to the Facility Limit on such date.

"Committed Purchaser" shall mean any Alternate Purchaser or any Non-Conduit Committed Purchaser.

"Competes" shall mean (1) to compete, conduct or participate or engage in, or bid for or otherwise pursue a business, whether as a principal, sole proprietor, partner, stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity; or (2) have any debt or equity ownership interest in or actively assist, any Person or business that conducts, participates or engages in, or bids for or otherwise pursues a business, whether as a principal, sole proprietor, partner or stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity; provided, that "Competes" shall not include ownership of less than 5% of the outstanding equity securities of a publicly-traded Person; provided, further, that "Competes" shall not include acting as a lender (including a Purchaser under the Facility Documents) to a Direct Competitor or acting in an advisory role to a Direct Competitor.

"Conduit" shall mean any commercial paper conduit identified as a Conduit on Schedule I to the Note Purchase Agreement or in the Assignment and Assumption Agreement pursuant to which such Purchaser became a party thereto, and any permitted assignee thereof.

"Conduit Assignee" shall mean, with respect to any Conduit, either (x) any commercial paper conduit administered by the Funding Agent with respect to such Conduit or (y) any other commercial paper conduit which has entered into a Liquidity Agreement with one or more Alternate Purchasers (or any Affiliate of such Alternate Purchasers) with respect to such Conduit, in either case designated by the Funding Agent with respect to such Conduit to accept an assignment from such Conduit of the Purchaser Invested Amount or a portion thereof with respect to the Purchaser Group of which such Conduit is a member and such Conduit's rights and obligations under this Agreement pursuant to Section 5.10(c) of the Note Purchase Agreement; provided that no Conduit Assignee pursuant to clause (y) of this definition shall be a direct competitor (or an Affiliate thereof) of the Performance Guarantor or the Servicer in the lodging, vacation exchange and rentals or vacation ownership businesses.

"Continued Errors" shall have the meaning specified in Section 5.19(f)(i) of the Indenture and Servicing Agreement.

"Continuing Directors" shall mean the directors of a Performance Guarantor on the Closing Date and each other director, if, in each case, such other director's nomination for election to the board of directors of such Performance Guarantor is recommended by at least 66-2/3% of the then Continuing Directors.

"Conveyed Timeshare Loan Assets" shall have the meaning set forth in Section 2 of the Purchase Agreement and Sale Agreement.

"Control Account" shall mean any account subject to a Control Agreement. A list of all Control Accounts on the Closing Date has been provided by the Issuer (or its agent) to the Administrative Agent and the Indenture Trustee.

"Control Account Bank" shall mean a commercial bank at which a Control Account is established. A list of all Control Account Banks on the Closing Date has been provided by the Issuer (or its agent) to the Administrative Agent and the Indenture Trustee.

"Control Agreement" shall mean a control agreement by and among the Issuer (or its agent), the Indenture Trustee (or its agent), the Servicer and the related Control Account Bank, which agreement sets forth the rights of the parties thereto with respect to the disposition and application of collections deposited in the related Control Account, including the right of the Indenture Trustee (or its agent) to direct the Control Account Bank to remit collections directly to the Indenture Trustee for the benefit of the Noteholders.

"Control Account Intercreditor Agreement" means that certain intercreditor, security and agency agreement, dated as of September 1, 2011, by and among the Issuer, the Indenture Trustee, MVW, MORI, the Servicer, the various issuers and indenture trustees and other creditors party thereto from time to time, and Wells Fargo Bank, National Association, as agent.

"Corporate Revolver Facility" means that certain facility to be evidenced by a Credit Agreement among MVW, MORI as borrower, JPMorgan Chase Bank, N.A. as Administrative Agent, the other agents named therein and the lenders from time to time party thereto, as amended, modified or supplemented from time to time, or any credit agreement similar in nature.

"Corporate Trust Office" shall mean (i) the office of the Indenture Trustee, which office is at the address set forth in Section 13.03 of the Indenture and Servicing Agreement, or (ii) the office of the Owner Trustee, which is at the address set forth in Section 2.2 of the Trust Agreement, as applicable.

"CP Rate" shall mean, with respect to (a) a Conduit that is funding a portion of the Purchaser Invested Amount with respect to the Purchaser Group of which it is a member on a pooled basis, for each day, the weighted average rate at which interest or discount is accruing on or in respect of the Commercial Paper with respect to such Conduit allocated, in whole or in part, by the related Funding Agent, to fund the purchase or maintenance of such portion of such Purchaser Invested Amount (including, without limitation, any interest attributable to the commissions of placement agents and dealers in respect of such Commercial Paper and any costs associated with funding small or odd-lot amounts, to the extent that such commissions or costs are allocated, in whole or in part, to such Commercial Paper by such Funding Agent) or (b) a Conduit that is funding a portion of the Purchaser Invested Amount with respect to the Purchaser Group of which it is a member with Commercial Paper with respect to such Conduit issued in specified tranches (such Conduit, a "Match Funded Conduit"), the weighted average rate of the Commercial Paper with respect to such Conduit issued to fund or maintain such portion of such Purchaser Invested Amount, including an amount equal to the portion of the Face Amount of the outstanding Commercial Paper issued to fund or maintain such portion of such Purchaser Invested Amount that corresponds to the portion of the proceeds of such Commercial Paper that was used to pay the interest or discount component of maturing Commercial Paper issued to fund or maintain such portion of such Purchaser Invested Amount, to the extent that such Conduit has not received payments of interest in respect of such interest component prior to the maturity date of such maturing Commercial Paper, and including the portion of such interest or discount component constituting dealer or placement agent commissions; provided, however, that each such Match Funded Conduit shall approve the length of each tranche period and the portion of such Purchaser Invested Amount allocated to such tranche period.

"CRD" shall mean the European Union Directive 2006/48/EC, as amended from time to time.

"CRD Marriott Entity" means each of the Owner, MORI and the Seller.

"Credit and Collection Policy" shall mean those credit and collection policies and practices of the initial Servicer in effect as of a specified date; and for any successor Servicer shall mean the credit and collection policies and practices of such successor in effect on the date which it commences servicing. The Credit and Collection Policy of the initial Servicer in effect on the Closing Date has been delivered to the Administrative Agent and the Indenture Trustee.

"Credit Card Account" shall mean an arrangement whereby an Obligor makes payments under a Timeshare Loan via pre-authorized debit to a Major Credit Card.

"Custodial Agreement" shall mean that certain custodial agreement, dated as of September 1, 2011, by and among, the Custodian, the Indenture Trustee, the Servicer and the Issuer.

"Custodial Fees" shall mean such fees as the Custodian shall charge from time to time for access to Timeshare Loan Files, as specified in the Custodial Agreement.

"Custodian" shall mean Wells Fargo Bank, National Association or its permitted successors and assigns.

"Cut-Off Date" shall mean the date specified in the related Schedule of Timeshare Loans as the date after which all subsequent collections related to such Timeshare Loans are sold by MORI to the Seller and by the Seller to the Issuer and pledged by the Issuer to the Indenture Trustee.

"Cut-Off Date Loan Balance" shall mean the Loan Balance of a Timeshare Loan on the related Cut-Off Date.

"Defaulted Timeshare Loan" is any Timeshare Loan for which any of the earliest following events may have occurred: (i) any payment or part thereof has been delinquent more than 150 days as of the end of the related Due Period (as determined by the Servicer in accordance with the Servicing Standard), (ii) the Servicer has initiated foreclosure or similar proceedings with respect to the related Timeshare Property or has received the related deed or assignment in lieu of foreclosure, or (iii) provided that such Timeshare Loan is at least one day delinquent, the Servicer has determined that such Timeshare Loan should be fully written off in accordance with the Credit and Collection Policy.

"Defective Timeshare Loan" shall have the meaning specified in Section 4.06 of the Indenture and Servicing Agreement.

"Deficit" shall have the meaning specified in Section 2.4 of the Note Purchase Agreement.

"Delinquent Timeshare Loan" is a Timeshare Loan for which any payment or part thereof has been delinquent more than 30 days as of the end of the related Due Period.

"Determination Date" shall mean, with respect to any Payment Date, the second Business Day prior to such Payment Date.

"Direct Competitor" means any Person that Competes with MVW, MORI or any Vacation Ownership Business or any Subsidiary of such Person or other Person that controls, is controlled by, or is under common control with, any of the foregoing Persons. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or to cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Domestic Obligor" shall mean any Obligor other than a Foreign Obligor.

"Due Period" shall mean with respect to (i) any Payment Date other than the initial Payment Date, the immediately preceding calendar month and (ii) the initial Payment Date, the period from the Closing Date to and including the last day of the calendar month prior to such Payment Date.

"Early Collection Fee" shall mean, (i) with respect to any Purchaser Group and any Funding Period during which the portion of the Outstanding Note Balance that was allocated to such Funding Period is reduced for any reason whatsoever, the excess, if any, of (x) the additional Carrying Costs that would have accrued during such Funding Period if such reductions had not occurred, minus (y) the income, if any, received by the recipient of such reductions from investing the proceeds of such reductions and (ii) with respect to any Non-Conduit Committed Purchaser and any Interest Accrual Period during which the Purchaser Invested Amount of such Non-Conduit Committed Purchaser is reduced for any reason whatsoever on a date other than a Payment Date, the excess, if any, of (x) the additional Carrying Costs that would have accrued during such Interest Accrual Period if such reductions had not occurred, minus (y) the income, if any, received by the recipient of such reductions from investing the proceeds of such reductions.

"Effective Date" shall mean, with respect to any Purchaser which becomes a party to the Note Purchase Agreement after the Closing Date, the date on which such Purchaser becomes a party hereto, whether by assignment or direct execution of the Note Purchase Agreement or otherwise.

"Eligible Bank Account" shall mean a segregated account, which may be an account maintained with the Indenture Trustee, which is either (a) maintained with a depository institution or trust company whose long-term unsecured debt obligations are rated at least A by S&P and A2 by Moody's and whose short-term unsecured obligations are rated at least A-1 by S&P and P-1 by Moody's; or (b) a trust account or similar account maintained at the corporate trust department of the Indenture Trustee.

"Eligible Investments" shall mean one or more of the following obligations or securities:

(1) direct obligations of, and obligations fully guaranteed as to timely payment of principal and interest by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are backed by the full faith and credit of the United States of America ("Direct Obligations");

(2) federal funds, or demand and time deposits in, certificates of deposit of, or bankers' acceptances issued by, any depository institution or trust company (including U.S. subsidiaries of foreign depositories and the Indenture Trustee or any agent of the Indenture Trustee, acting in its respective commercial capacity) incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking

authorities, so long as at the time of investment, the commercial paper or other short-term unsecured debt obligations or long-term unsecured debt obligations of such depository institution or trust company have been rated by each Rating Agency in its highest short-term rating category or one of its two highest long-term rating categories (and no such rating shall include a subscript of “f”, “r”, “p”, “pi”, “q” or “t”);

(3) securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States of America or any state thereof which has a short-term unsecured debt rating from each Rating Agency, at the time of investment at least equal to the highest short-term unsecured debt ratings of each Rating Agency (and no such rating shall include a subscript of “f”, “r”, “p”, “pi”, “q” or “t”), provided, however, that securities issued by any particular corporation will not be Eligible Investments to the extent that investment therein will cause the then outstanding principal amount of securities issued by such corporation and held as part of the Trust Estate to exceed 20% of the sum of the Outstanding Note Balance and the aggregate principal amount of all Eligible Investments in the Collection Account, provided, further, that such securities will not be Eligible Investments if they are published as being under review with negative implications from either Rating Agency;

(4) commercial paper (including both non interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than 180 days after the date of issuance thereof) rated by each Rating Agency in its highest short-term ratings (and no such rating shall include a subscript of “f”, “r”, “p”, “pi”, “q” or “t”); and

(5) any other demand, money market fund, common trust estate or time deposit or obligation, or interest-bearing or other security or investment (including those managed or advised by the Indenture Trustee or an Affiliate thereof), rated in the highest rating category by each Rating Agency (and no such rating shall include a subscript of “f”, “r”, “p”, “pi”, “q” or “t”). Such investments in this subsection (5) may include money market mutual funds rated either “AAAm” or “AAAm-G” by S&P or common trust estates, including any other fund for which the Indenture Trustee or an Affiliate thereof serves as an investment advisor, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (x) the Indenture Trustee or an Affiliate thereof charges and collects fees and expenses from such funds for services rendered, (y) the Indenture Trustee or an Affiliate thereof charges and collects fees and expenses for services rendered pursuant to the Indenture and Servicing Agreement, and (z) services performed for such funds and pursuant to this Indenture and Servicing Agreement may converge at any time;

provided, however, that (a) any Eligible Investment must be money-market or other relatively risk-free instruments without options and with maturities no later than the Business Day prior to the expected Payment Date, and (b) no such instrument shall be an

Eligible Investment if such instrument (1) evidences either (x) a right to receive only interest payments with respect to the obligations underlying such instrument or (y) both principal and interest payments derived from obligations underlying such instrument and the principal and interest payments with respect to such instrument provide a yield to maturity of greater than 120% of the yield to maturity at par of such underlying obligations, and (2) is purchased at a price in excess of par.

"Eligible Timeshare Loan" shall mean a Timeshare Loan conforming to each of the representations and warranties set forth in Schedule I to the Sale Agreement as of the Funding Date, Transfer Date or, with respect to a Determination Date (and the related Payment Date), the last day of the related Due Period, as the case may be. Delinquent Timeshare Loans, Defaulted Timeshare Loans and Defective Timeshare Loans, as of any date of determination, are not Eligible Timeshare Loans.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and the rulings issued thereunder.

"ERISA Affiliate" shall mean, with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as such Person; (ii) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with such Person; or (iii) for purposes of Code Section 412, a member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as such Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above.

"Errors" shall have the meaning specified in Section 5.19(f)(i) of the Indenture and Servicing Agreement.

"Event of Default" shall have the meaning specified in Section 6.01 of the Indenture and Servicing Agreement.

"Exchange Notes" shall mean notes issued pursuant to an Exchange Notes Indenture in exchange for Notes held by an Extending Noteholder.

"Exchange Notes Indenture" shall have the meaning set forth in Section 2.13 of the Indenture and Servicing Agreement.

"Excluded Loan Balance" as of any date of determination shall mean the sum of the following:

(i) the amount by which the aggregate Loan Balance of all Borrowing Base Loans relating to a Timeshare Property at an RCC Resort or a GRM Resort exceeds 10.0% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(ii) the amount by which the aggregate Loan Balance of all Borrowing Base Loans with an original term to stated maturity more than 120 months exceeds 30.0% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(iii) the amount by which the aggregate Loan Balance of all Borrowing Base Loans with both an original term to stated maturity of more than 180 months and were originated after the Closing Date, exceeds 5% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(iv) the amount by which the aggregate Loan Balance of all Borrowing Base Loans for which the related Obligor is a resident of the Highest State Concentration exceeds 30.0% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(v) the amount by which the aggregate Loan Balance of all Borrowing Base Loans for which the related Obligor is a resident of the Highest Five State Concentration exceeds 60.0% of the Aggregate Loan Balance of all Borrowing Base Loans, plus

(vi) the amount by which the aggregate Loan Balance of all Borrowing Base Loans having a Foreign Obligor from the Highest Country Concentration exceeds 30.0% of the aggregate Loan Balance of all Borrowing Base Loans having a Foreign Obligor; plus

(vii) the amount by which the aggregate Loan Balance of all Borrowing Base Loans having a Foreign Obligor from the Highest Three Countries Concentration exceeds 60.0% of the aggregate Loan Balance of all Borrowing Base Loans having a Foreign Obligor; plus

(viii) the Loan Balance of any Pre-Completion Loan with more than 9 months remaining until its Anticipated Completion Date; plus

(ix) the amount by which the aggregate Loan Balance of all Pre-Completion Loans with 9 months or less until their respective Anticipated Completion Date exceeds 7.5% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(x) the Loan Balance of any Pre-Completion Loan for which the related Unit is not an Available Unit as of its Anticipated Completion date; plus

(xi) the amount by which aggregate Loan Balance of all Borrowing Base Loans with a Loan Balance greater than $125,000 exceeds 15.0% of the Aggregate Loan Balance of all Borrowing Base Loans.

"Excluded Loan Group Balance" means for any Borrowing Base Loan Group, an amount equal to the Excluded Loan Balance multiplied by a fraction, the numerator of which is the aggregate Loan Balance of Borrowing Base Loans in such Borrowing Base Loan Group and the denominator of which is the Aggregate Loan Balance of the Borrowing Base Loans.

"Excluded Taxes" shall have the meaning set forth in Section 4.3 of the Note Purchase Agreement.

"Extended Portion" shall mean, with respect to any Purchaser Group or Non-Conduit Committed Purchaser that is extending the Facility Termination Date with respect to less than all of its Purchaser Commitment Amount, an amount equal to the portion of such Purchaser Group or Non-Conduit Committed Purchaser's Purchaser Invested Amount that is being extended.

"Extending Noteholder" shall mean a Noteholder that is either (x) the Funding Agent for a Purchaser Group that is an Extending Purchaser or (y) a Non-Conduit Committed Purchaser that is an Extending Purchaser.

"Extending Noteholder's Percentage" shall mean, as of any Facility Termination Date, the percentage equivalent of a fraction (i) the numerator of which is equal to the aggregate principal amount of the Notes held by each Extending Noteholder (or, in the case of any Extending Noteholder which is extending its Facility Termination Date for an amount that is less than its entire Purchaser Commitment Amount, the Extended Portion with respect to such Extending Noteholder) on such date and (ii) the denominator of which is equal to the Outstanding Note Balance on such date.

"Extending Purchaser" shall mean a Purchaser Group or a Non-Conduit Committed Purchaser other than a Non-Extending Purchaser.

"Face Amount" shall mean, with respect to any Commercial Paper, the amount to be paid by the applicable Conduit on the maturity date of such Commercial Paper, whether issued on a discount basis or on an interest-bearing basis.

"Facility Documents" shall mean, collectively, the Indenture and Servicing Agreement, the Performance Guaranty, the Purchase Agreement, the Sale Agreement, the Custodial Agreement, the Administration Agreement, the Trust Agreement, the UCC financing statements, the Fee Letter, the Control Agreement, the Control Account Intercreditor Agreement, each Hedge Agreement and all other agreements, documents or instruments delivered in connection with the transactions contemplated thereby, and "Facility Document" shall mean any of them.

"Facility Limit" shall mean, on any date of determination, the sum of the Purchaser Commitment Amounts with respect to each of the Purchaser Groups and the Non-Conduit Committed Purchasers on such date. The Facility Limit shall be reduced by the Purchaser Commitment Amount of each Non-Extending Purchaser on the Facility Termination Date with respect to such Non-Extending Purchaser (or, in the case of an Extending Noteholder which is extending its Facility Termination Date for an amount less than its entire Purchaser Commitment Amount, the non-Extended Portion of the related Purchaser Commitment Amount). On the Closing Date, the Facility Limit shall be $300,000,000.

"Facility Termination Date" shall mean, with respect to any Purchaser Group or Non-Conduit Committed Purchaser, September 26, 2012, as such date may be extended in accordance with Section 2.3(c) of the Note Purchase Agreement.

"Fee Letter" shall mean, as the context shall require, the (i) Fee Letter among the Issuer, the Performance Guarantor, MORI, each Purchaser, the Administrative Agent, each Funding Agent and Non-Conduit Committed Purchaser relating to the Up-Front Fees, (ii) Fee Letter among the Issuer, the Performance Guarantor, MORI and the Structuring Agent relating to the Structuring Fee, or (iii) Fee Letter among the Issuer, MORI, the Performance Guarantor and the Administrative Agent relating to the Administrative Agent Fee, in each case, as such fee letter may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

"FICO" means a credit risk score for individuals calculated using the model developed by Fair, Isaac and Company. Any reference to a FICO score in a Facility Document shall mean the FICO score attributed to any Domestic Obligor at the time of sale of an interest in a Timeshare Property to such Domestic Obligor; provided that if there is more than one Domestic Obligor with respect to a Timeshare Loan, any reference to a FICO score in a Facility Document shall mean the FICO score attributed to, (i) if such Timeshare Loan was originated on or prior to November 30, 2005, either (A) the FICO score of the primary Domestic Obligor or (B) the average of the FICO Scores of the primary and secondary Domestic Obligor or (ii) if such Timeshare Loan was originated after November 30, 2005, the primary Domestic Obligor, in each case at the time of sale of an interest in a Timeshare Property to such Domestic Obligors.

"FICO 600 to 649 Loan Group" means all Borrowing Base Loans for which the related Domestic Obligors have FICO scores in the range from and including 600 to and including 649.

"FICO 650 to 699 Loan Group" means all Borrowing Base Loans for which the related Domestic Obligors have FICO scores in the range from and including 650 to and including 699.

"FICO 700 to 749 Loan Group" means all Borrowing Base Loans for which the related Domestic Obligors have FICO scores in the range from and including 700 to and including 749.

"FICO 750 Plus Loan Group" means all Borrowing Base Loans for which the related Domestic Obligors have FICO scores equal to or greater than 750.

"Financial Covenants" means:

(i) prior to the Spin-Off Date or if the Spin-Off Date does not occur, (A) the covenant contained in the MI Credit Facility that Marriott International maintain a maximum Leverage Ratio (as such term is defined in the MI Credit Facility) and (B) any other numerical financial covenant or covenants found in the MI Credit Facility, in each case, as and when required under the MI Credit Facility; or

(ii) if the Spin-Off Date does occur and the Corporate Revolver Facility is executed and is in full force and effect, (A) the covenant contained in the Corporate Revolver Facility that relate to (1) Consolidated Tangible Net Worth, (2) the maximum ratio of Consolidated Total Debt to Consolidated Adjusted EBITDA and (3) minimum Consolidated Interest Coverage Ratio (as such terms are defined in the Corporate Revolver Facility), (B) the Minimum Consolidated Tangible Net Worth Floor Covenant and (C) any other numerical financial covenant or covenants found in the Corporate Revolver Facility, as and when required under the Corporate Revolver Facility; or

(iii) if the Spin-Off Date does occur but the Corporate Revolver Facility is not executed or if the Corporate Revolver Facility is executed but subsequently terminated, (A) the Minimum Consolidated Tangible Net Worth Covenant, (B) the Consolidated Total Debt to Consolidated Adjusted EBITDA Covenant, (C) the Consolidated Interest Coverage Ratio Covenant and (D) the Minimum Consolidated Tangible Net Worth Floor Covenant, in each case, utilizing the definitions, to the extent necessary, contained in Schedule I to these Standard Definitions.

"Foreign Country" shall mean a jurisdiction that is not the "United States" (as defined in Section 7701(a)(9) of the Code), Canada, Guam, Puerto Rico, the U.S. Virgin Islands or any of the territories of the United States.

"Foreign Obligor" shall mean an Obligor that is not a citizen or resident of, and making payments from, the "United States" (as defined in Section 7701(a)(9) of the Code), Canada, Guam, Puerto Rico, the U.S. Virgin Islands or any of the territories of the United States, provided, that having a "military address" outside of the United States or making payments from such an address shall not cause a United States citizen or resident Obligor to be deemed a Foreign Obligor.

"Foreign Timeshare Loan" means a Borrowing Base Loan for which the related Obligor is a Foreign Obligor.

"Foreign Timeshare Loan Group I" means Borrowing Base Loans which are Foreign Timeshare Loans with an aggregate Loan Balance up to and including an amount equal to 25% of the Aggregate Loan Balance of all Borrowing Base Loans.

"Foreign Timeshare Loan Group II" means Borrowing Base Loans which are Foreign Timeshare Loans with an aggregate Loan Balance in excess of 25% but less than 40% of the Aggregate Loan Balance of all Borrowing Base Loans.

"Funding Agent-Related Persons" shall mean the applicable Funding Agent, together with its Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and their respective Affiliates.

"Funding Agent" shall have the meaning set forth in the Preliminary Statement of the Note Purchase Agreement.

"Funding Date" shall mean the Initial Funding Date or the date on which the Outstanding Note Balance is increased pursuant to Section 2.2 of the Note Purchase Agreement.

"Funding Period" shall mean, with respect to any portion of the Purchaser Invested Amount with respect to any Purchaser Group: (i) if such amount accrues interest by reference to the CP Rate in accordance with Section 2.8 of the Note Purchase Agreement a period selected by the Funding Agent for such Purchaser Group and notified to the Issuer and with the consultation of the Issuer, it being understood that such Funding Agent shall have the sole right to choose such period; (ii) if such amount accrues interest by reference to the Adjusted LIBOR Rate in accordance with Section 2.8 of the Note Purchase Agreement, the period determined in accordance with Section 2.8 of the Note Purchase Agreement; (iii) if such amount accrues interest by reference to the Bank Base Rate in accordance with Section 2.8 of the Note Purchase Agreement, a period of from 1 to 30 days; provided, however, that whenever the last day of a Funding Period would otherwise occur on a day other than a Business Day, the last day of such Funding Period shall be extended to occur on the next succeeding Business Day.

"Funding Source" shall have the meaning set forth in Section 4.2 of the Note Purchase Agreement.

"GAAP" generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of the Financial Covenants, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 3.1(t) of the Note Purchase Agreement. In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Indenture and Servicing Agreement, then the Issuer and the Administrative Agent agree to enter into negotiations in order to amend such provisions of the Indenture and Servicing Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Performance Guarantor's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Issuer, the Administrative Agent and the Majority Facility Investors, all financial covenants, standards and terms in the Indenture and Servicing Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the Securities and Exchange Commission.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Grant" shall mean to grant, bargain, convey, assign, transfer, mortgage, pledge, create and grant a security interest in and right of set-off against, deposit, set over and confirm.

"GRM Resort" means a Resort operating under the Grand Residences by Marriott brand.

"Gross Excess Spread Percentage" shall mean for any Due Period the percentage equivalent of a fraction:

(A) the numerator of which is the product of:

(x) the sum of (i) all collections for such Due Period on the Borrowing Base Loans attributable to interest and (ii) amounts received from a Qualified Hedge Counterparty during such Due Period, minus the sum of (i) the Interest Distribution Amount on the related Payment Date, (ii) the Servicing Fee on the related Payment Date; and (iii) any Net Hedge Payment due on the related Payment Date;

(y) 360, divided by the actual number of days in such Due Period, and

(B) the denominator of which is the average daily Aggregate Loan Balance for such Due Period.

"Hedge Agreement" shall mean collectively (i)(A) the related ISDA Master Agreement, the related Schedule to the ISDA Master Agreement, and the related Confirmation or (B) an ISDA long form confirmation, and (ii) to the extent applicable, pursuant to Section 3.03(a)(ix) of the Indenture, an ISDA Credit Support Annex relating thereto.

"Hedge Agreement Collateral Posting Requirements" shall have the meaning set forth in Section 3.03(a)(ix) of the Indenture and Servicing Agreement.

"Hedge Amortization Schedule" shall mean the amortization schedule prepared from time to time by the Administrative Agent in accordance with Section 3.03(e) of the Indenture in connection with the Hedge Agreements based on (i) the timeshare loan data file prepared by the Issuer and the Servicer for the Administrative Agent and (ii) the commercially reasonable assumptions regarding payment, prepayment and defaults on the Timeshare Loans agreed upon by the Issuer and the Administrative Agent in writing.

"Hedge Collateral Account" shall mean the account established and maintained by the Indenture Trustee pursuant to Section 3.02(d) of the Indenture and Servicing Agreement.

"Hedge Counterparty" shall mean the initial counterparty under a Hedge Agreement, and any Qualified Hedge Counterparty to such Hedge Agreement thereafter.

"Hedge Event of Default or Termination Event" shall mean any event of default or termination event under a Hedge Agreement.

"Hedge Requirements" shall have the meaning specified in Section 3.03 of the Indenture and Servicing Agreement.

"Hedge Termination Payment" shall mean any termination payment due to a Hedge Counterparty as a result of a termination of a Hedge Agreement.

"Highest Country Concentration" shall mean, with respect to all the Borrowing Base Loans, the Foreign Country with the highest concentration of Foreign Obligors, measured by Loan Balance.

"Highest Five State Concentration" shall mean, with respect to all the Borrowing Base Loans, the states in the United States with the five highest concentrations of Obligors, measured by Loan Balance.

"Highest Lawful Rate" shall have the meaning specified in Section 3 of the Sale Agreement.

"Highest State Concentration" shall mean, with respect to all the Borrowing Base Loans, the state in the United States with the highest concentration of Obligors, measured by Loan Balance.

"Highest Three Countries Concentration" shall mean, with respect to all the Borrowing Base Loans, the Foreign Countries with the three highest concentrations of Foreign Obligors, measured by Loan Balance.

"Holder" or "Noteholder" shall mean a holder of any Note.

"Increase" shall have the meaning set forth in Section 2.2(a) of the Note Purchase Agreement.

"Indemnified Amounts" shall have the meaning set forth in Section 4.1 of the Note Purchase Agreement.

"Indemnified Parties" shall have the meaning set forth in Section 4.1 of the Note Purchase Agreement.

"Indenture and Servicing Agreement" shall mean the Indenture and Servicing Agreement, dated as of September 1, 2011, among the Issuer, the Servicer, the Indenture Trustee and the Back-Up Servicer, as such agreement may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

"Indenture Trustee" shall mean Wells Fargo Bank, National Association, or such successor as set forth in Section 7.09 of the Indenture and Servicing Agreement.

"Indenture Trustee Expenses" shall mean reasonable out-of-pocket expenses of the Indenture Trustee incurred in connection with performance of the Indenture Trustee's obligations and duties under the Indenture and Servicing Agreement.

"Indenture Trustee Fee" shall equal $1,500 per month.

"Initial Funding Date" shall mean the date initial advances are made on the Notes pursuant to Sections 2.2 and 3.3 of the Note Purchase Agreement.

"Initial Outstanding Note Balance" shall be zero on the Closing Date and thereafter shall have the meaning set forth in Section 2.1 of the Note Purchase Agreement.

"Initial Trial Balance" shall have the meaning specified in Section 5.19 of the Indenture and Servicing Agreement.

"Insurance Proceeds" means (i) proceeds of any insurance policy, including property insurance policies, casualty insurance policies and title insurance policies and (ii) any condemnation proceeds, in each case which relate to the Timeshare Loans or the Timeshare Properties and are paid or required to be paid to, and may be retained by, the Issuer, any of its Affiliates or to any mortgagee of record.

"Intended Tax Characterization" shall have the meaning specified in Section 4.04(b) of the Indenture and Servicing Agreement.

"Interest Accrual Period" shall mean, with respect to a Payment Date, the period beginning on and including the immediately preceding Payment Date and ending on and excluding such Payment Date; provided that the initial Interest Accrual Period will begin on and include the Closing Date and end on and exclude the initial Payment Date.

"Interest Distribution Amount" shall mean for each Note on any Payment Date, the sum of:

(i) an amount equal to the Carrying Costs for the related Interest Accrual Period with respect to a Non-Conduit Committed Purchaser that holds such Note or the Purchaser Group in whose Funding Agent's name such Note is registered, as applicable, as such amount is reported to the Indenture Trustee by the Administrative Agent or the Servicer, and

(ii) the related Usage Fees; and

(iii) any unpaid Interest Distribution Amounts from prior Payment Dates plus, to the extent permitted by law, interest thereon at the rate used to calculate the Carrying Cost plus the rate used to calculate the Usage Fees for such Payment Date.

"Issuer" shall mean Marriott Vacations Worldwide Owner Trust 2011-1, a Delaware statutory trust, together with its successors and permitted assigns.

"Issuer Order" shall mean a written order or request delivered to the Indenture Trustee and signed in the name of the Issuer by an Authorized Officer.

"Law" shall mean any applicable law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body.

"LIBOR Rate" shall mean, (a) with respect to any Funding Period, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two London Business Days prior to the first day of such Funding Period for a term equal to the length of such Funding Period, as determined in accordance with Section 2.8 of the Note Purchase Agreement or (b) with respect to any day during an Interest Accrual Period, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page or such other page or service as each Non-Conduit Committed Purchaser shall determine in its sole discretion) as the London interbank offered rate for deposits in U.S. dollars for a term of thirty (30) days at approximately 11:00 A.M. (London time) on such day, or if such day is not a London Business Day on the immediately preceding London Business Day; provided, however, if more than one rate is specified on the applicable page or screen, the applicable rate shall be the arithmetic mean of all such rates. If for any reason such rate is not available, the term "LIBOR Rate" shall mean, (a) for any Funding Period, the rate at which deposits in U.S. dollars are offered to the applicable Funding Agent in the London interbank market at approximately 11:00 A.M. (London time) two London Business Days prior to the first day of such Funding Period for a term equal to the length of such Funding Period or (b) for any day during an Interest Accrual Period, the rate at which deposits in U.S. dollars are offered to the applicable Non-Conduit Committed Purchaser in the London interbank market at approximately 11:00 A.M. (London time) on such day, or if such day is not a London Business Day on the immediately preceding London Business Day for a term of thirty (30) days.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment for security, security interest, claim, participation, encumbrance, levy, lien or charge.

"Liquidation" shall mean with respect to any Defaulted Timeshare Loan, the sale or compulsory disposition of the related Timeshare Property, following foreclosure, other enforcement action or the taking of a deed-in-lieu of foreclosure, to a Person other than the Servicer or the Issuer and the delivery of a bill of sale or the recording of a deed of conveyance with respect thereto, as applicable.

"Liquidation Expenses" shall mean, with respect to a Defaulted Timeshare Loan, the out-of-pocket expenses (exclusive of overhead expenses) incurred by the Servicer in connection with the performance of its obligations under Sections 5.03 (a) (vii) through (ix) in the Indenture and Servicing Agreement, including (i) any foreclosure and other repossession expenses incurred with respect to such Timeshare Loan, (ii) (a) if MORI or an Affiliate thereof (a "Marriott Servicer") is the Servicer, commissions and marketing and sales expenses incurred with respect to the sale of the related Timeshare Property or Vacation Interest (calculated as the Marriott Average Marketing and Sales Percentage of the total liquidation or resale price of such Timeshare Property or Vacation Interest (expressed as a dollar figure)), or (b) if a Marriott Servicer is no longer the Servicer or, a Marriott Servicer in its sole discretion elects to permanently cease using the methodology described in (a) above, actual commissions and actual marketing and sales expenses incurred with respect to the sale of the related Timeshare Property or Vacation Interest, and (iii) any other fees and expenses reasonably applied or allocated in the ordinary course of business with respect to the Liquidation of such Defaulted Timeshare Loan

(including any assessed timeshare association fees); provided, however, that in each case, any fees, expenses and commissions must be commercially reasonable and incurred in accordance with the Servicing Standard.

"Liquidation Proceeds" shall mean with respect to the Liquidation of any Defaulted Timeshare Loan, the amounts actually received by the Servicer in connection with such Liquidation including any rental income, less related rental expenses.

"Liquidity Agreement" shall mean an agreement between a Conduit and a Liquidity Provider evidencing the obligation of such Liquidity Provider to provide liquidity support, credit enhancement or asset purchase facilities for or in respect of any assets or liabilities of such Conduit in connection with the issuance by such Conduit of Commercial Paper or the borrowing by such Conduit of the proceeds of Commercial Paper.

"Liquidity Provider" shall mean the Person or Persons who will provide liquidity or program support to a Conduit in connection with the issuance by such Conduit of Commercial Paper or the borrowing by such Conduit of the proceeds of Commercial Paper.

"Loan Balance" shall mean, for any date of determination, the outstanding principal balance due under or in respect of a Timeshare Loan (including a Defaulted Timeshare Loan).

"Loan Number" shall mean, with respect to any Timeshare Loan, the number assigned to such Timeshare Loan by the Servicer, which number is set forth in the related Schedule of Timeshare Loans, as amended from time to time.

"London Business Day" shall mean, with respect to the determination of the LIBOR Rate, any Business Day other than a Business Day on which banking institutions in London, England trading in dollar deposits in the London interbank market are authorized or obligated by law or executive order to be closed.

"Lost Note Affidavit" shall mean the affidavit to be executed in connection with any delivery of a copy of an original Obligor Note in lieu of such original, in the form of Exhibit C attached to the Purchase Agreement and the Sale Agreement.

"Major Credit Card" shall mean a credit card issued by any VISA USA, Inc., MasterCard International Incorporated, American Express Company, Discover Bank or Diners Club International Ltd. credit card affiliate or member entity.

"Majority Facility Investors" shall mean at any time, Purchaser Groups and/or Non-Conduit Committed Purchasers having Commitment Percentages aggregating more than 51%.

"Majority Purchaser Group Investors" shall mean at any time, with respect to each Purchaser Group, the Alternate Purchasers with respect to such Purchaser Group having Alternate Purchaser Percentages aggregating more than 51%.

"Mandatory Redemption Date" means the Payment Date occurring in the 13th calendar month after the calendar month in which the last Facility Termination Date occurs; provided, however, if, on the Facility Termination Date, an Amortization Event exists, the Mandatory Redemption Date means the Payment Date occurring in the 3rd calendar month after the calendar month in which the Facility Termination Date occurs.

"Margin Stock" shall have the meaning provided in Regulation U.

"Marriott Average Marketing and Sales Percentage" shall mean, with respect to any Payment Date, (a) the sum of the Marriott Marketing and Sales Percentages for the three four week accounting periods immediately preceding the first day of the calendar month in which such Payment Date occurs, divided by (b) three.

"Marriott Entity" means any of (a) the Issuer, (b) the Seller, (c) MORI and (d) the Performance Guarantor.

"Marriott International" shall mean Marriott International, Inc., a Delaware corporation.

"Marriott IP Agreement" means the license, services and development agreement, by and among Marriott International, Marriott Worldwide Corporation and MVW pursuant to which, among other things, MVW licenses the right to use the certain marks and intellectual property of Marriott International and Marriott Worldwide Corporation, including the name and mark "Marriott" in connection with the MVW's Vacation Ownership Business.

"Marriott Marketing and Sales Percentage" shall mean the (a) the marketing and sales expenses (including sales commissions) incurred by all resorts of the applicable Marriott Vacation Club International brand during a four week accounting period, divided by (b) the aggregate sales revenue for all resorts of the applicable Marriott Vacation Club International brand during such four week accounting period (expressed as a percentage).

"Material Adverse Effect" shall mean, with respect to any Person and any event or circumstance, a material adverse effect on (a) the business, properties, operations or condition (financial or otherwise) of such Person, (b) the ability of such Person to perform its respective obligations under any Facility Documents to which it is a party, (c) the validity or enforceability of, or collectability of amounts payable under, any Facility Documents to which it is a party, (d) the status, existence, perfection or priority of any Lien granted by such Person under any Facility Documents to which it is a party, or (e) the value, validity, enforceability or collectability of the Trust Estate.

"MI Credit Facility" means that certain U.S. $1,750,000,000 Second Amended and Restated Credit Agreement dated as of June 23, 2011, among Marriott International, Bank of America, N.A., as administrative agent, and the other financial institutions identified therein, as such agreement may be amended, supplemented, replaced, refinanced or otherwise modified or waived from time to time. In the event that such agreement or its successor is terminated without replacement, "MI Credit Facility" shall mean Marriott International's principal bank revolving credit agreement as in effect at the time of determination, and in the event that no such bank revolving credit agreement exists, the "MI Credit Facility" shall mean the MI Credit Facility as most recently in effect.

"Minimum Consolidated Tangible Net Worth Floor Covenant" shall mean the requirement that the Consolidated Tangible Net Worth of MVW must be, at all times, at least $700,000,000.

"Miscellaneous Payments" shall mean, with respect to any Timeshare Loan, any amounts received from or on behalf of the related Obligor representing assessments, payments relating to real property taxes, insurance premiums, maintenance fees and charges and condominium association fees and any other payments not owed under the related Obligor Note.

"Monthly Reports" shall have the meaning specified in Section 5.19(b) of the Indenture and Servicing Agreement.

"Monthly Servicer Report" shall have the meaning specified in Section 5.05 of the Indenture and Servicing Agreement.

"Moody's" shall mean Moody's Investors Service, Inc.

"MORI" shall mean Marriott Ownership Resorts, Inc., a Delaware corporation.

"MORI Affiliated Manager" shall mean MRHC or any other wholly-owned subsidiary of MORI.

"Mortgage" shall mean the original recorded mortgage, deed of trust or other act or instrument creating a first priority lien on a Timeshare Property securing a Mortgage Loan, or a copy thereof certified by the applicable recording office.

"Mortgage Loan" shall mean any Timeshare Loan that is not a Right-To-Use Loan. As used in the Facility Documents, the term "Mortgage Loan" shall include the related Obligor Note, Mortgage and other security documents contained in the related Timeshare Loan File.

"MRHC" shall mean, collectively, Marriott Resorts Hospitality Corporation, a wholly owned subsidiary of MORI, Marriott Resorts Hospitality (Bahamas) Limited, a wholly owned subsidiary of Marriott Resorts Hospitality Corporation or another Affiliate of MORI, as applicable, together with their respective successors and assigns.

"MVC Resort" shall mean a resort of any Marriott Vacation Club International brand, including but not limited to, The Ritz-Carlton Club, The Ritz-Carlton Destination Club, Marriott Vacation Club Destinations and Grand Residences by Marriott, in which a fractional interest in one or more residential units or dwellings thereof has been conveyed to the MVC Trust.

"MVC Resort Association" shall mean a timeshare association relating to any MVC Resort.

"MVC Trust" shall mean MVC Trust, a Florida land trust (Florida Land Trust No. 1082-0300-00) established pursuant to the MVC Trust Agreement.

"MVC Trust Agreement" shall mean that certain trust agreement, dated March 11, 2010, by and among MORI, First American Trust, FSB and MVC Trust Owners Association, a Florida corporation not for profit.

"MVC Trust Association" means MVC Trust Owners Association, Inc., a Florida not-for-profit corporation

"MVC Trustee" shall mean First American Trust, FSB, as Trustee of the MVC Trust.

"MVC Unit" shall mean a residential unit or dwelling at a MVC Resort.

"MVW" shall mean Marriott Vacations Worldwide Corporation, a Delaware corporation.

"1940 Act" shall mean the Investment Company Act of 1940, as amended.

"Net Hedge Payment" shall mean the net amount, if any, then payable by the Issuer to the Hedge Counterparty under a Hedge Agreement, excluding any Hedge Termination Payment.

"Non-Conduit Committed Purchaser" shall mean any Purchaser which is designated as a Non-Conduit Committed Purchaser on Schedule I to the Note Purchase Agreement or in the Assignment and Assumption Agreement pursuant to which such Purchaser became a party to the Note Purchase Agreement, and any permitted assignee thereof.

"Non-Extending Purchaser" means any Purchaser Group or Non-Conduit Committed Purchaser who shall not have agreed to an extension of its Facility Termination Date pursuant to Section 2.3(c) of the Note Purchase Agreement.

"Note Purchase Agreement" shall mean that note purchase agreement, dated the Closing Date, by and among the Issuer, the Seller, the Performance Guarantor, the Servicer, the Purchasers, Funding Agents and the Administrative Agent.

"Note Register" shall have the meaning specified in Section 2.03(a) of the Indenture and Servicing Agreement.

"Note Registrar" shall have the meaning specified in Section 2.03(a) of the Indenture and Servicing Agreement.

"Notes" shall mean the Issuer's Timeshare Loan-Backed Variable Funding Notes, Series 2011-1, issued pursuant to the Indenture and Servicing Agreement.

"Notes Increase Amount" shall have the meaning set forth in Section 2.2(a) of the Note Purchase Agreement.

"NPA Costs" means, as of any Payment Date, the Breakage and Other Costs due and payable on such Payment Date in accordance with the Note Purchase Agreement.

"Obligations" shall have the meaning set forth in Section 1(a)(ii) of the Performance Guaranty.

"Obligor" shall mean a Person obligated to make payments under a Timeshare Loan.

"Obligor Note" shall mean the original, executed promissory note or other instrument of indebtedness evidencing the indebtedness of an Obligor under a Timeshare Loan, which note or instrument shall be substantially in the form of Exhibit B attached to the Sale Agreement, together with any rider, addendum or amendment thereto, or any renewal, substitution or replacement of such note or instrument.

"Officer's Certificate" shall mean a certificate executed by a Responsible Officer of the related party.

"Official Body" shall mean any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

"Opinion of Counsel" shall mean a written opinion of counsel, in each case reasonably acceptable to the addressees thereof.

"Originator" shall mean, with respect to a Timeshare Loan, the original lender, mortgagee or similar party.

"Other Issuer" shall mean any Person other than the Issuer that has entered into a receivables purchase agreement, transfer and administration agreement or other similar agreement with the applicable Conduit.

"Outstanding" shall mean, with respect to the Notes, as of any date of determination, all Notes theretofore authenticated and delivered under the Indenture and Servicing Agreement except:

(a) Notes theretofore canceled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;

(b) Notes or portions thereof for whose payment money in the necessary amount has been theretofore irrevocably deposited with the Indenture Trustee in trust for the holders of such Notes for the payment of principal; and

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture and Servicing Agreement unless proof satisfactory to the Indenture Trustee is presented that any such Notes are held by a Person in

whose hands the Note is a valid obligation; provided, however, that in determining whether the holders of the requisite percentage of the Outstanding Note Balance have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Notes owned by the Issuer or any Affiliate of the Issuer or any entity consolidated in Marriott International's financial statements prior to the Spin-Off Date, or in MORI's and/or MVW's consolidated financial statements shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Notes that a Responsible Officer of the Indenture Trustee actually has notice are so owned shall be so disregarded.

"Outstanding Note Balance" shall mean, as of any date of determination, the Initial Outstanding Note Balance plus (i) the aggregate amount of Increases made with respect to the Notes pursuant to the Indenture and Servicing Agreement and the Note Purchase Agreement, less (ii) the aggregate amount of all principal payments on the Notes on or prior to such date of determination, less (iii) the principal amount of any Notes cancelled pursuant to Section 2.13 of the Indenture and Servicing Agreement; provided, that any principal payments required to be returned to the Issuer shall be reinstated to the Outstanding Note Balance. For purposes of consents, approvals, voting or other similar acts of the Noteholders under any of the Facility Documents, "Outstanding Note Balance" shall exclude amounts with respect to Notes or interests in Notes which are held by the Issuer or any Affiliate of the Issuer or any entity consolidated in Marriott International's financial statements prior to the Spin-Off Date or in MORI's and/or MVW's, consolidated financial statements.

"Owner" shall mean MVCO Series LLC, a Delaware limited liability company, or any subsequent owner of the beneficial interest in the Issuer.

"Owner Trustee" shall mean Wilmington Trust, National Association, or any successor thereof, acting not in its individual capacity but solely as trustee under the Trust Agreement.

"Owner Trustee Fee" shall equal $4,500 a year paid in accordance with Section 3.04 of the Indenture and Servicing Agreement.

"Participants" shall have the meaning set forth in Section 5.10(e) of the Note Purchase Agreement.

"Payment Date" shall mean the 20th day of each calendar month, or, if such date is not a Business Day, then the next succeeding Business Day, commencing in October 2011.

"PAC" shall mean an arrangement whereby an Obligor makes payments under the Timeshare Loan via pre-authorized debit.

"Percentage Interest" shall mean, as of any date with respect to any Purchaser Group or Non-Conduit Committed Purchaser, the percentage equivalent of a fraction, (i) the numerator of which is the outstanding principal amount on such date of the Note registered in the name of the Funding Agent for such Purchaser Group or such Non-Conduit Purchaser, as applicable and (ii) the denominator of which is the Outstanding Note Balance on such date.

"Performance Guarantor" shall mean (i) prior to the Spin-Off Date, both Marriott International and MVW or their respective successors, and (ii) on and after the Spin-Off Date, MVW or such successor.

"Performance Guaranty" shall mean that Performance Guaranty, dated as of September 1, 2011, given by the Performance Guarantor in favor of the Issuer, the Servicer, the Seller and the Indenture Trustee.

"Permitted Liens" shall mean, as to any Timeshare Property, (a) the lien of current real property taxes, maintenance fees, ground rents, water charges, sewer rents and assessments not yet due and payable, (b) covenants, conditions and restrictions, rights of way, easements and other matters of public record, none of which, individually or in the aggregate, materially interferes with the current use of the Timeshare Property or the security intended to be provided by the related Mortgage or with the Obligor's ability to pay his or her obligations when they become due or materially and adversely affects the value of the Timeshare Property and (c) the exceptions (general and specific) set forth in the related title insurance policy, none of which, individually or in the aggregate, materially interferes with the security intended to be provided by such Mortgage or with the Obligor's ability to pay his or her obligations when they become due or materially and adversely affects the value of the Timeshare Property.

"Permitted Transferee" shall mean any commercial paper conduit, bank, financial institution or other Person, as applicable (i) which is an existing Purchaser, (ii) the unsecured debt obligations of which are rated no lower than the applicable rating of the Purchaser from which it is purchasing an interest in a Note pursuant to Section 5.10 or (iii) to which the Issuer has consented becoming a Purchaser (such consent not to be unreasonably withheld).

"Person" shall mean an individual, partnership, limited liability company, corporation, joint stock company, trust (including a business trust), unincorporated association, joint venture, firm, enterprise, Official Body or any other entity.

"Post-Office Box" shall mean each post office box to which Obligors are directed to make payments in respect of the Timeshare Loans. A list of all Post-Office Boxes on the Closing Date has been provided by the Issuer (or its agent) to the Administrative Agent and the Indenture Trustee.

"Potential Amortization Event" means an event which, but for the lapse of time or the giving of notice or both, would constitute an Amortization Event.

"Potential Event of Default" means an event which, but for the lapse of time or the giving of notice or both, would constitute an Event of Default.

"Potential Servicer Event of Default" means an event which, but for the lapse of time or the giving of notice or both, would constitute a Servicer Event of Default.

"Pre-Completion Loan" shall mean any Weeks-Based Timeshare Loan for which the related Unit is not completed and located in or on the floor or building in the Resort specified in the related Additional Timeshare Loan Supplement, or is not ready for occupancy by timeshare owners. A Timeshare Loan shall cease to be a Pre-Completion Loan on the date on which the related Unit's construction has been completed in accordance with applicable brand standards and becomes available for occupancy by timeshare owners.

"Predecessor Servicer Work Product" shall have the meaning specified in Section 5.19 of the Indenture and Servicing Agreement.

"Prepayment Notice" shall have the meaning set forth in Section 10.01 of the Indenture and Servicing Agreement.

"Pricing Increase Notice" shall have the meaning set forth in Section 2.8(a) of the Note Purchase Agreement.

"Pricing Increase Rescission" shall have the meaning set forth in Section 2.8(a) of the Note Purchase Agreement.

"Principal Distribution Amount" shall mean an amount equal to the Borrowing Base Shortfall on such Payment Date.

"Processing Charges" shall mean any amounts due under an Obligor Note in respect of processing fees, service fees or late fees.

"Purchase Agreement" shall mean the agreement, dated as of September 1, 2011, by and between MORI and the Seller pursuant to which MORI sells the Timeshare Loans to the Seller.

"Purchase Contract" shall mean the purchase contract pursuant to which an Obligor purchased a Timeshare Property.

"Purchase Price" shall mean the original price of the Timeshare Property purchased by an Obligor.

"Purchasers" shall mean, collectively, the Conduits and the Committed Purchasers.

"Purchaser Addition Date" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Purchaser Assignment and Assumption Agreement" shall mean an Assignment and Assumption Agreement substantially in the form of Exhibit B to the Note Purchase Agreement.

"Purchaser Commitment Amount" shall mean (x) with respect to any Purchaser Group, the aggregate Commitments of the Alternate Purchasers which are members of such Purchaser Group and (y) with respect to any Non-Conduit Committed Purchaser, the Commitment of such Non-Conduit Committed Purchaser. The Purchaser Commitment Amount with respect to each Purchaser Group or Non-Conduit Committed Purchaser shall be reduced to zero on the Facility Termination Date with respect to such Purchaser Group or Non-Conduit Committed Purchaser.

"Purchaser Fees" shall have the meaning specified in the Fee Letter.

"Purchaser Group" shall mean, collectively, a Conduit and the Alternate Purchaser or Alternate Purchasers with respect to such Conduit.

"Purchaser Invested Amount" means, with respect to any Purchaser Group or Non-Conduit Committed Purchaser as of any date, such Purchaser Group's or Non-Conduit Committed Purchaser's Percentage Interest multiplied by the Outstanding Note Balance on such date.

"Purchaser Termination Date" shall mean, with respect to each Purchaser Group or Non-Conduit Committed Purchaser, the earlier of (i) the date on which an Amortization Event or an Event of Default occurs and (ii) two Business Days prior to the Facility Termination Date with respect to such Purchaser Group or Non-Conduit Committed Purchaser.

"Qualified Hedge Counterparty" means (a) a counterparty to a Hedge Agreement and which has a long-term unsecured debt rating of at least Baa2 from Moody's and a short-term unsecured debt rating of at least P-1 from Moody's, or (b) a counterparty to an existing Hedge Agreement who experiences a downgrade by Moody's below the ratings specified in clause (a) above but satisfies the Hedge Agreement Collateral Posting Requirements; provided that for purposes of this clause (b), a downgraded counterparty shall cease to be a Qualified Hedge Counterparty if such counterparty has not been upgraded to meet the requirements of clause (a) above within 60 days of such downgrade.

"Qualified Substitute Timeshare Loan" shall mean a Timeshare Loan which on the related Transfer Date is an Eligible Timeshare Loan.

"Rating Agencies" shall mean S&P and Moody's, or their permitted successors and assigns.

"RCC Resort" means a Resort operating under The Ritz-Carlton Club brand.

"Receivables" shall mean all funds, collections and other proceeds of a Timeshare Loan including without limitation (i) all scheduled payments or recoveries made in the form of money, checks, and like items to, or a wire transfer or an automated clearinghouse transfer received by the Issuer, the Servicer or the Indenture Trustee in respect of such Timeshare Loan, and (ii) all amounts received by the Issuer, the Servicer or the Indenture Trustee in respect of the Related Security for such Timeshare Loan.

"Recipient" shall have the meaning set forth in Section 2.6 of the Note Purchase Agreement.

"Record Date" shall mean, with respect to any Payment Date, the close of business on the last Business Day of the month preceding the month in which such Payment Date occurs.

"Records" shall mean all Timeshare Loan Files and other documents, books, records and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related property and rights) maintained with respect to Timeshare Loans and the related Obligors.

"Regulatory Change" shall have the meaning set forth in Section 4.2 of the Note Purchase Agreement.

"Related Additional Alternate Purchasers" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Related Commercial Paper" shall mean, with respect to any Conduit, the Commercial Paper of such Conduit, all or a portion of the proceeds of which were used to finance the acquisition or maintenance of an interest in the Notes.

"Related Security" shall mean with respect to any Timeshare Loan, (i) all of the Issuer's interest in the Timeshare Property arising under or in connection with the related Mortgage or Right-to-Use Agreement, and the related Timeshare Loan Files relating to such Timeshare Loan, but not including any Miscellaneous Payments, (ii) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Timeshare Loan, together with all mortgages, assignments and financing statements signed by an Obligor describing any collateral securing such Timeshare Loan, (iii) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Timeshare Loan, (iv) all other security and books, records and computer tapes relating to the foregoing and (v) all of the Issuer's right, title and interest in and to the Custodial Agreement and the Collection Account (or any other account into which collections in respect of the Timeshare Loans may be deposited from time to time).

"Relevant UCC" shall mean the Uniform Commercial Code as in effect in the applicable jurisdiction.

"Repurchase Price" shall mean with respect to any Timeshare Loan to be purchased by the Seller pursuant to the Sale Agreement, a cash price equal to the Loan Balance of such Timeshare Loan as of the date of such repurchase, together with all accrued and unpaid interest on such Timeshare Loan at the related coupon rate to but not including the due date in the then current Due Period; provided that the "Repurchase Price" with respect to any Defaulted Timeshare Loan repurchased by the Seller pursuant to the Sale Agreement prior to the date which is one year after the Closing Date, shall mean a cash price equal to the Loan Balance of such Defaulted Timeshare Loan as of the date of such repurchase.

"Repurchased Timeshare Loans" shall mean the most seasoned $30,000,000 of Timeshare Loans that were part of the Securitized Portfolio and were released from the related securitization pursuant to a clean-up call, optional redemption or similar mechanism and subsequently sold by the Seller to the Issuer pursuant to the Sale Agreement and included as Borrowing Base Loans.

"Request for Release" shall be a request signed by the Servicer in the form attached as Exhibit B to the Custodial Agreement.

"Required Cap Rate" means for any Interest Accrual Period and for any Hedge Agreement in the form of an interest rate cap, the weighted average coupon for the Borrowing Base Loans as of the last day of the related Due Period, less 8.50%.

"Required Facility Investors" shall mean at any time Purchaser Groups and/or Non-Conduit Committed Purchasers having Commitment Percentages aggregating more than 66 2/3%.

"Required Payments" shall mean with respect to any Payment Date, the items set forth in (i) through (xii) of Section 3.04(a) of the Indenture and Servicing Agreement without regard to Available Funds.

"Required Rating" shall have the meaning set forth in Section 3.7 of the Note Purchase Agreement.

"Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.02(b) of the Indenture and Servicing Agreement.

"Reserve Account Draw Amount" shall have the meaning specified in Section 3.02(b)(ii) of the Indenture and Servicing Agreement.

"Reserve Account Required Balance" shall mean for any date of determination, 0.50% of the Aggregate Loan Balance of the Borrowing Base Loans.

"Reserve Account Required Funding Date Deposit" means, as of any Funding Date, the amount required to be deposited on such Funding Date such that the amount on deposit in the Reserve Account is equal to the Reserve Account Required Balance. For purposes of calculating the Reserve Account Required Funding Date Deposit for a Funding Date, the Aggregate Loan Balance shall be measured as of the last day of the Due Period related to the immediately preceding Payment Date (or, with respect to the Additional Timeshare Loans conveyed on such Funding Date or Timeshare Loan conveyed during the same Due Period, the related Cut-off Date).

"Resort" shall mean any of the following resorts: Marriott's Aruba Ocean Club; Marriott's Aruba Surf Club; Marriott's Barony Beach Club; Marriott's BeachPlace Towers; Marriott's Canyon Villas; Marriott's Crystal Shores; Marriott's Cypress Harbour; Marriott's Desert Springs Villas; Marriott's Desert Springs Villas II; Marriott's Douglas at Streamside; Marriott's Evergreen at Streamside; Marriott's Fairway Villas; Marriott's Frenchman's Cove; Marriott Grand Residence Club, Lake Tahoe; Marriott's Grande Ocean Resort; Marriott's Grande Vista; Marriott's Heritage Club; Marriott's Harbour Lake; Marriott's Imperial Palms Villas; Marriott's Kauai Resort and Beach Club; Marriott's Kauai Lagoons – Kalanipu'u;

Marriott's Ko Olina Beach Club; Marriott's Lakeshore Reserve at Grande Lakes; Marriott's Grand Chateau; Marriott's Legends Edge at Bay Point; Marriott's Manor Club at Ford's Colony; Marriott's Maui Ocean Club; Marriott's Mountain Valley Lodge; Marriott's MountainSide; Marriott Vacation Club Destinations (Points); Marriott's Newport Coast Villas; Marriott's Ocean Pointe; Marriott's Oceana Palms; Marriott's OceanWatch at Grande Dunes; Marriott's Royal Palms; Marriott's Sabal Palms; Marriott's St. Kitts Beach Club; Marriott's Shadow Ridge; Marriott's Summit Watch; Marriott's SurfWatch; Marriott's Timber Lodge; Marriott's Villas at Doral; Marriott's Waiohai Beach Club; Marriott's Willow Ridge Lodge; The Ritz-Carlton Club, Aspen Highlands; The Ritz-Carlton Club, Bachelor Gulch; The Ritz-Carlton Club, Jupiter; The Ritz-Carlton Club, Lake Tahoe; The Ritz-Carlton Club, San Francisco; The Ritz-Carlton Club, St. Thomas; or the Ritz-Carlton Club, Vail.

"Resort Associations" shall mean any of the following associations: Aspen Highlands Condominium Association, Inc.; Association of Apartment Owners of Marriott's Kauai Resort and Beach Club; Association of Apartment Owners of Maui Ocean Club; Association of Owners of Waiohai Beach Club; Association of Owners of Kalanipu'u Condominium; Barony Beach Club Owners' Association, Inc.; BeachPlace Towers Condominium Association, Inc.; Canyon Villas Vacation Owners Association; Cooperatieve Vereniging Aruba Surf Club a/k/a Aruba Surf Club Cooperative Association; Cooperatieve Vereniging Marriott Vacation Club of Aruba a/k/a Marriott Vacation Club International of Aruba Cooperative Association; Crystal Shores Condominium Association, Inc.; Custom House Leasehold Condominium Association, LLC; Cypress Harbour Condominium Association, Inc.; Desert Springs Villas Timeshare Association; Desert Springs Villas Master Association; Desert Springs Villas II Timeshare Association; Douglas at Streamside Condominium Association; Eagle Tree Condominium Association, Inc.; Eagle Tree Property Owners Association, Inc. Evergreen at Streamside Condominium Association; Fairway Villas at Seaview Condominium Association, Inc.; Frenchman's Cove Condominium Owners' Association, Inc.; Grand Chateau Owners' Association, Inc.; Grande Ocean Resort Owners' Association, Inc.; Grande Vista of Orlando Condominium Association, Inc.; GRCLT Condominium, Inc.; Great Bay Condominium Owners Association, Inc.; Harbour Club Owners' Association, Inc.; HAB Condominium Association, Inc.; HAO Condominium Association, Inc; Heritage Club Owner's Association, Inc.; Highlands Resort Club Association, Inc.; Highlands Resort Condominium Association, Inc.; Hotel Breckenridge Condominium Association; Imperial Palm Villas Condominium Association, Inc.; Kalanipu'u Vacation Owners Association; Ko Olina Beach Club Vacation Owners Association; Lakeshore Reserve Condominium Association, Inc.; Legends Edge Condominium Association, Inc.; Manor Club at Ford's Colony Condominium Association; Manor Club at Ford's Colony Time-Share Association; Marriott's Kauai Beach Club Owners Association; Maui Ocean Club Vacation Owners Association; Monarch at Sea Pines Owners' Association, Inc.; Mountain Valley Lodge Resort Owners Association, Inc.; MountainSide Condominium Association, Inc.; Newport Coast Villas Condominium Association; Newport Coast Villas Timeshare Association; Newport Coast Villas Master Association; Oceana Palms Condominium Association, Inc., Ocean Pointe at Palm Beach Shores Condominium Association, Inc.; OceanWatch Villas Owners Association; RCC-BG Condominium Association, Inc.; Royal Palms of Orlando Condominium Association, Inc.; Sabal Palms of Orlando Condominium Association, Inc.; Shadow Ridge Condominium Association; Shadow Ridge Timeshare Association; Shadow Ridge Master Association; St. Kitts Beach Club Condominium

Association, Summit Watch Condominium Owners Association, Inc.; Summit Watch Resort Owners Association, Inc.; Sunset Pointe Owners' Association, Inc.; SurfWatch Owners Association; The Neighborhood Association, Inc.; Timber Lodge Condominium Association; Timber Lodge Timeshare Association; Villas at Doral Condominium Association, Inc.; Waiohai Beach Club Vacation Owners Association; WDL Vail Condominium Association, Inc.; WDL Vail Club Association, Inc.; 690 Market Club Owners Association, Inc.; and 690 Market Master Association, Inc.

"Responsible Officer" shall mean (a) when used with respect to the Indenture Trustee, any officer assigned to the Corporate Trust Office, including any Managing Director, Vice President, Assistant Vice President, Secretary, Assistant Secretary, Assistant Treasurer, any trust officer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by any of the above designated officers, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject; (b) when used with respect to the Servicer, any officer responsible for the administration or management of the Servicer's servicing department; and (c) with respect to any other Person, the Chairman of the Board, the President, a Vice President, the Treasurer, the Secretary, an Assistant Secretary, or the manager of such Person.

"Retained Interest" shall mean a material net economic interest of not less than 5% of the sum of the Loan Balances of the Timeshare Loans as required under and in accordance with Article 122a of the CRD.

"Right-to-Use Agreement" shall mean with respect to a Right-to-Use Loan, collectively (A) the various instruments, including a Resort's articles of association, a Resort's timeshare plan, a Resort's disclosure statement used in selling Units, any share purchase agreement with an Obligor associated with such Right-to-Use Loan, that among other things: (i) in consideration of the payment of a purchase price, including payment of the related Obligor Note, grants and conveys to the Obligor shares in the related Resort Association, which in turn grants the Obligor the license or right-to-use and occupy a Timeshare Property in a Resort, (ii) imposes certain obligations on the Obligor regarding payment of the related Obligor Note, the Obligor's use or occupancy of the Timeshare Property and the payment of a maintenance fee to the management company, and (iii) grants the holder thereof certain rights, including the rights to payment of the related Obligor Note, and to terminate the Right-to-Use Agreement or revoke the Obligor's rights under it, to reacquire any shares of the Resort's association, and thereafter to resell the license or right-to-use and occupy the related Timeshare Property to another Person, (B) the related Vacation Interest, and (C) the related Purchase Contract.

"Right-to-Use Loan" shall mean a Timeshare Loan that is subject to a Right-to-Use Agreement. As used in the Facility Documents, the term "Right-to-Use Loan" shall include the related Obligor Note, the Right-to-Use Agreement and other security documents contained in the related Timeshare Loan File.

"S&P" shall mean Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Sale Agreement" shall mean the agreement, dated as of September 1, 2011, by and between the Seller and the Issuer pursuant to which the Seller sells the Timeshare Loans to the Issuer.

"Schedule of Timeshare Loans" shall mean the list of Timeshare Loans attached to an Additional Timeshare Loan Supplement (in respect of the Purchase Agreement and Sale Agreement) and a Supplemental Grant (in respect of the Indenture and Servicing Agreement) in electronic format, as amended from time to time to reflect repurchases and substitutions pursuant to the terms of the Purchase Agreement, Sale Agreement and the Indenture and Servicing Agreement, which list shall set forth the following information with respect to each Timeshare Loan as of the related Cut-Off Date, in numbered columns:

1 Loan Number
2 Name of Obligor
3 Timeshare Estate Unit(s)/Week(s)/Number(s)/Beneficial Interest Number(s)
4 Interest Rate Per Annum
5 FICO score
6 State of Residence
7 Country of Residence
8 Date of Origination
9 Original Loan Balance
10 Maturity Date
11 Monthly Payment Amount
12 Original Term (in months)
13 Outstanding Loan Balance
14 Refinance
15 Right-to-Use Timeshare Estate
16 Pre-Completion Loan and Anticipated Completion Date

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Securitization Take-Out Date" shall mean the date of any Securitization Take-Out Transaction.

"Securitization Take-Out Transaction" shall mean any securitization or other financing of the assets securing the Notes whereby all or a portion of the Outstanding Note Balance of the Notes is repaid from the proceeds of such securitization or other financing.

"Securitized Portfolio" shall mean, as of any date, all timeshare loans originated by MORI or an Affiliate and financed by any special purpose entity and which are serviced by MORI including the timeshare loans in all term issuances, all warehouse facilities (other than the Notes) and other term securitization facilities that are outstanding as of such date.

"Securitized Portfolio Default Level" shall mean, for any Due Period, the quotient (expressed as a percentage) of (i)(A) the sum of the Loan Balances of all Timeshare Loans in the Securitized Portfolio that became Defaulted Timeshare Loans during such Due Period (other

than Defaulted Timeshare Loans for which the related seller has exercised its option, if any, to repurchase or substitute pursuant to the related transaction documents) minus (B) any remarketing proceeds received during such Due Period in respect of any Defaulted Timeshare Loans for which the related seller did not exercise its option to repurchase or substitute, divided by (ii) the aggregate Loan Balance of all Timeshare Loans in the Securitized Portfolio on the first day of such Due Period.

"Securitized Portfolio Delinquency Level" shall mean, for any Due Period, the quotient (expressed as a percentage) of the sum of all Loan Balances of all Timeshare Loans (exclusive of Timeshare Loans that became Defaulted Timeshare Loans on or before the last day of such Due Period) included in the Securitized Portfolio that are 61 days or more delinquent on the last day of such Due Period (as determined by the Servicer in accordance with the Servicing Standard) divided by the aggregate Loan Balance of all Timeshare Loans in the Securitized Portfolio on the last day of such Due Period.

"Securitized Portfolio Three Month Rolling Average Default Percentage" means for any Payment Date, the average of the Securitized Portfolio Default Levels for the last three Due Periods.

"Securitized Portfolio Three Month Rolling Average Delinquency Percentage" means for any Payment Date, the average of the Securitized Portfolio Delinquency Levels for the last three Due Periods.

"Seller" shall mean MORI SPC Series Corp., a Delaware corporation.

"Servicing Fee" shall mean for any Payment Date, the product of one-twelfth of 0.50% and the Aggregate Loan Balance as of the beginning of the related Due Period or, with respect to any subsequent servicer, as otherwise determined pursuant to Section 5.04 of the Indenture and Servicing Agreement.

"Servicer" shall mean MORI, and any successor servicer appointed in accordance with the terms of the Indenture and Servicing Agreement.

"Servicer Event of Default" shall have the meaning specified in Section 5.04 of the Indenture and Servicing Agreement.

"Servicing Officer" shall mean those officers of the Servicer involved in, or responsible for, the administration and servicing of the Timeshare Loans, as identified on the list of Servicing Officers furnished by the Servicer to the Indenture Trustee and the Noteholders from time to time.

"Servicing Standard" shall have the meaning specified in Section 5.01 of the Indenture and Servicing Agreement.

"Spin-Off Date" means the date of the closing of the spin-off of MVW from Marriott International in a manner consistent with the transactions described in the Form 10 filed by MVW with the Securities and Exchange Commission on June 28, 2011, as amended by Amendment No. 1 filed with the Securities and Exchange Commission on September 9, 2011, as may be further amended prior to the Closing Date.

"St. Kitts Mortgage Loan" shall mean a Mortgage Loan originated in connection with purchases of interests at St. Kitts Beach Club.

"Standard Definitions" shall mean these Standard Definitions.

"Stated Maturity" shall mean the Payment Date occurring in September 2033.

"Statutory Trust Statute" shall mean Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. § 3801, et seq., as the same may be amended from time to time.

"Step-Up CP Interest" shall mean, for any Interest Accrual Period with respect to any Purchaser Group, the excess of (i) the amount calculated for such Interest Accrual Period pursuant to subclause (a) of clause (x) of the definition of Carrying Costs with respect to such Purchaser Group over (ii) an amount equal to the product of (x) the average daily amount during such Interest Accrual Period of the portion of the Purchaser Invested Amount for such Purchaser Group funded by the Conduit with respect to such Purchaser Group, (y) a rate equal to the LIBOR Rate for the related Funding Period plus 1.00% and (z) the number of days in such Interest Accrual Period divided by 360.

"Structuring Agent" means Credit Suisse Securities (USA) LLC.

"Structuring Fee" shall have the meaning set forth in the Fee Letter.

"Subsidiary" shall mean any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned or controlled by such Person, one or more of the other subsidiaries of such Person or any combination thereof.

"Substitution Shortfall Amount" shall mean with respect to a substitution pursuant to Section 4.06 of the Indenture and Servicing Agreement, an amount equal to the excess, if any, of (a) the Loan Balance of the Timeshare Loan being replaced as of the related Transfer Date, together with all accrued and unpaid interest on such Timeshare Loan at the related coupon rate to but not including the due date in the related Due Period over (b) the Loan Balance of the Qualified Substitute Timeshare Loan as of the related Transfer Date. If on any Transfer Date, one or more Qualified Substitute Timeshare Loans are substituted for one or more Timeshare Loans, the Substitution Shortfall Amount shall be determined as provided in the preceding sentence on an aggregate basis.

"Successor Servicer" shall mean the Back-Up Servicer and its permitted successors and assigns, as provided in the Indenture and Servicing Agreement, upon succeeding to the responsibilities and obligations of the Servicer in accordance with Section 5.19 of the Indenture and Servicing Agreement.

"Supplemental Grant" shall mean with respect to any Additional Timeshare Loans and other related assets pledged to the Indenture Trustee pursuant to the Indenture, a Supplemental Grant substantially in the form attached as Exhibit C of the Indenture. The Supplemental Grant shall include a Schedule of Timeshare Loans for the related Additional Timeshare Loans and an updated Schedule of Timeshare Loans for all Borrowing Base Loans.

"Tape(s)" shall have the meaning specified in Section 5.19 of the Indenture and Servicing Agreement.

"Taxes" shall have the meaning set forth in Section 4.3 of the Note Purchase Agreement.

"Timeshare Loan" shall mean a Mortgage Loan, a Right-to-Use Loan or a Qualified Substitute Timeshare Loan subject to the lien of the Indenture and Servicing Agreement.

"Timeshare Loan Acquisition Price" shall mean on any date of determination, with respect to any Timeshare Loan, an amount equal to the fair market value of such Timeshare Loan as determined by MORI under the Purchase Agreement and by the Seller under the Sale Agreement, as applicable.

"Timeshare Loan Files" shall mean with respect to each Timeshare Loan and each Obligor:

(a) an original Obligor Note (or a Lost Note Affidavit and indemnity from the Seller with a copy of such Obligor Note attached thereto), executed by the Obligor, endorsed in the form "Pay to the order of , without recourse" (either directly on the Obligor Note or on an allonge thereto), by an Authorized Officer of the Seller showing a complete chain of endorsements from the original payee of the Obligor Note to the Seller;

(b)(x) if such Timeshare Loan is a Mortgage Loan (other than a St. Kitts Mortgage Loan), (i) an original Mortgage (or a copy thereof) with evidence that such Mortgage has been recorded in the appropriate recording office or (ii) until the original Mortgage has been returned to the originator of the Mortgage Loan by such recording office, a photocopy of an unrecorded Mortgage that has been delivered to such recording office, and the delivery of such copy of an original Mortgage or photocopy of an unrecorded Mortgage to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copy or photocopy is a true and correct copy of the original Mortgage, or (y) if such Timeshare Loan is a St. Kitts Mortgage Loan, a copy of the recorded or stamped Mortgage;

(c)(x) if such Timeshare Loan is a Mortgage Loan (other than a St. Kitts Mortgage Loan), original assignments of the Mortgage (which may be a part of a blanket assignment of more than one Timeshare Loan), from the originator of the Mortgage Loan to the Indenture Trustee in recordable form but unrecorded, signed by an Authorized Officer of the originator of the Mortgage Loan or (y) if such Timeshare Loan is a St. Kitts Mortgage Loan, copies of the recorded assignments of the Mortgage from the originator of the St. Kitts Mortgage Loan to the Issuer;

(d) if such Timeshare Loan is a St. Kitts Mortgage Loan, (i) an original certificate of title (or a copy thereof) with evidence that such certificate of title has been stamped by the office of the Registrar of Titles of the Island of Saint Christopher in favor of the Indenture Trustee or (ii) until the original certificate of title has been returned to the Custodian or Servicer by such office, a photocopy of the certificate of title that has been delivered to such office, and the delivery of such copy of the original certificate of title to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copy or photocopy is a true and correct copy of the original certificate of title;

(e) if such Timeshare Loan is a Mortgage Loan, an original lender's title insurance policy or master policy (or a copy thereof) referencing such Mortgage Loan, when available, and if a copy, the delivery thereof to the Custodian by the Issuer shall be deemed to be a certification by the Issuer that such copy is a true an correct copy of such lender's title insurance policy or master policy;

(f) an original or a copy of each guarantee, assumption, modification or substitution agreement, if any, which relates to the Timeshare Loan (including but not limited to the Obligor Note, Mortgage, Right-to-Use Agreement, as applicable), and if a copy, the delivery thereof to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copy is a true and correct copy of such guarantee assumption, modification or substitution agreement;

(g) if such Timeshare Loan is a Right-to Use Loan, the original related Right-to-Use Agreement and any related pledge and security agreements (or copies thereof), and if copies, the delivery thereof to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copies are true and correct copies of such Right-to-Use Agreement and related pledge and security agreements, provided, however, that each Timeshare Loan File shall not include any documents attached to or delivered to an Obligor with a Right-to-Use Agreement that are not signed by the parties to the Right-to-Use Agreement and are delivered in identical form to all Obligors (such as articles of association, a timeshare plan and a public disclosure statement) if copies of such documents have been delivered to the Custodian by the Issuer or the Servicer, and such delivery to the Custodian shall be deemed to be a certification by the Issuer that such copies are true and complete copies of such documents;

(h) if such Timeshare Loan is a Right-to Use Loan, a copy of the related Vacation Interest representing membership in the related timeshare association of the related Resort;

(i) an original fully executed Purchase Contract (or a copy thereof), and if a copy, the delivery thereof to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copy is a true and correct copy of such Purchase Contract, unless (i) the Timeshare Loan File represents the refinancing of a timeshare loan, in which event no related Purchase Contract shall be included or (ii) a complete Purchase Contract is not available, in which event such portions as are available shall be included in the Timeshare Loan File and the delivery of any portions of a Purchase Contract to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such portions constitute the only portions that are available; and

(j) all other documents related to such Timeshare Loan including any Trailing Documents immediately upon receipt by the Trustee.

"Timeshare Loan Servicing Files" shall mean, with respect to each Timeshare Loan and each Obligor a copy of the Timeshare Loan Files and all other papers and computerized records customarily maintained by the Servicer in servicing timeshare loans comparable to the Timeshare Loans.

"Timeshare Loan Update Memo" shall mean any memorandum executed by an authorized representative of Servicer and delivered to Custodian from time to time that provides additional or modified information in respect of any Timeshare Loan or Timeshare Loan File.

"Timeshare Property" shall mean Weeks-Based Timeshare Property or Beneficial Interests, as the case may be, and the rights granted thereunder to the Issuer (as assignee of the originator of such loan), which secure a Timeshare Loan.

"Trailing Document" shall mean any additional documentation related to a Timeshare Loan or supplemental to a Timeshare Loan File delivered to the Custodian following its initial receipt of the relevant Timeshare Loan File and immediately incorporated into such relevant Timeshare Loan File by the Custodian upon receipt.

"Transfer Date" shall mean with respect to a Qualified Substitute Timeshare Loan, the date on which the Issuer acquires such Qualified Substitute Timeshare Loan from the Seller and Grants such Qualified Substitute Timeshare Loan to the Indenture Trustee to be included as part of the Trust Estate.

"Transition Expenses" shall mean any documented costs and expenses (other than general overhead expenses) incurred by the Back-Up Servicer should it become the Successor Servicer as a direct consequence of the termination or resignation of the initial Servicer and the transition of the duties and obligations of the initial Servicer to the Successor Servicer.

"Trust Accounts" shall mean collectively, the Collection Account, the Reserve Account, the Control Accounts, the Hedge Collateral Account and such other accounts established by the Indenture Trustee pursuant to Section 3.01(a) of the Indenture and Servicing Agreement.

"Trust Agreement" shall mean that certain amended and restated trust agreement, dated the Closing Date, by and between the Owner and the Owner Trustee.

"Trust-Based Timeshare Loan" shall mean a Timeshare Loan secured by a Beneficial Interest.

"Trust Estate" shall have the meaning specified in the Granting Clause of the Indenture and Servicing Agreement.

"UCC" means, with respect to any jurisdiction, the uniform commercial code then in effect in such jurisdiction.

"Unit" shall mean a residential unit or dwelling at a Resort.

"Unused Fees" shall mean with respect to any Purchaser Group or any Non-Conduit Committed Purchaser, the product of:

(i) the Unused Rate; and

(ii) the excess of (x) its average daily Purchaser Commitment Amount during the related Interest Accrual Period over (y) its average daily Purchaser Invested Amount during the related Interest Accrual Period; and

(iii) the number of days in such Interest Accrual Period, divided by 360.

"Unused Rate" means 0.55%.

"Up-Front Fees" shall have the meaning specified in the Fee Letter.

"Usage Fees" shall mean shall mean with respect to any Purchaser Group or any Non-Conduit Committed Purchaser, the product of:

(i) the Usage Rate; and

(ii) its average daily Purchaser Invested Amount during the related Interest Accrual Period; and

(iii) the number of days in such Interest Accrual Period, divided by 360.

"Usage Rate" means the sum of (x) a rate of 1.25%, and (y) (i) upon the earlier of the occurrence of an Amortization Event or Facility Termination Date until an Event of Default has occurred and is continuing, 1.25% or (ii) if an Event of Default has occurred and is continuing, 2.00%.

"USAP" shall have the meaning specified in Section 5.05(c) of the Indenture and Servicing Agreement.

"Vacation Interest" shall mean the vacation certificate or stock certificate issued by and evidencing membership in a homeowner's association of a Resort pursuant to which the owner thereof has a license or right-to-use a Timeshare Property at a Resort.

"Vacation Ownership Business" means the development, sale, management, marketing, operation or financing of (1) timeshare, fractional, interval, vacation club, destination club, vacation membership, private membership club, private residence club, points club, and other forms of products, programs and services wherein purchasers acquire an ownership interest, use right or other entitlement to use one or more of certain determinable accommodations and associated facilities in a system of units and facilities on a recurring,

periodic basis and pay for such ownership interest, use right or other entitlement in advance (whether payments are made in lump-sum or periodically over time), and (2) associated exchange programs.

"Warehouse Portfolio" shall mean, as any date of determination, all Timeshare Loans owned by the Issuer.

"Warehouse Portfolio Default Level" shall mean, for any Due Period, the quotient (expressed as a percentage) of (i)(A) the sum of the Loan Balances of all Timeshare Loans in the Warehouse Portfolio that became Defaulted Timeshare Loans during such Due Period (other than Defaulted Timeshare Loans for which the Seller has exercised its option to repurchase or substitute pursuant to Section 6(b) of the Sale Agreement) minus (B) any remarketing proceeds received during such Due Period in respect of any Defaulted Timeshare Loans for which the Seller did not exercise its option to repurchase or substitute, divided by (ii) the Aggregate Loan Balance on the first day of such Due Period.

"Warehouse Portfolio Delinquency Level" shall mean, for any Due Period, the quotient (expressed as a percentage) of the sum of all Loan Balances of all Timeshare Loans (exclusive of Timeshare Loans that became Defaulted Timeshare Loans on or before the last day of such Due Period) included in the Warehouse Portfolio that are 61 days or more delinquent on the last day of such Due Period (as determined by the Servicer in accordance with the Servicing Standard) divided by the Aggregate Loan Balance on the last day of such Due Period.

"Warehouse Portfolio Three Month Rolling Average Default Percentage" means for any Payment Date, the average of the Warehouse Portfolio Default Levels for the last three Due Periods.

"Warehouse Portfolio Three Month Rolling Average Delinquency Percentage" means for any Payment Date, the average of the Warehouse Portfolio Delinquency Levels for the last three Due Periods.

"Weeks-Based Timeshare Loan" shall mean a Timeshare Loan secured by a Weeks-Based Timeshare Property.

"Weeks-Based Timeshare Property" shall mean the contractual rights regarding a Unit that is the subject of a Right-to-Use Agreement, or the timeshare fee or other estate regarding a Unit.

Rules of construction. Solely with respect to the definitions in this Schedule I to Standard Definitions, all references to "Performance Guarantor" shall not include Marriott International.

"Capital Expenditures": for any period, with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) or for construction, acquisition or remodeling that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of clauses (ii) and (iii) of the definition of the Financial Covenants, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents" meanss (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P or P-1 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this

definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; or (h) money market funds that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Consolidated Adjusted EBITDA": for any period, Consolidated EBITDA for such period, plus (to the extent taken into account in calculating Consolidated EBITDA for such period):

(a) any extraordinary or non-recurring non-cash expenses or losses including, for the avoidance of doubt, any extraordinary or non-recurring non-cash expenses disclosed in the form 8-K filed by Marriott International with the SEC on September 9, 2011;

(b) losses from dispositions of real estate that are not to traditional consumer purchasers; provided that the amounts referred to in clauses (a) and (b) shall not, in the aggregate, exceed $150,000,000.00 for any fiscal year of MVW;

(c) total non-cash product costs of MVW and its Subsidiaries on a consolidated basis for such period;

(d) any non-cash charges that occur in the 2011 fiscal year as a result of the transactions contemplated to occur on the Spin-Off Date ; and

(e) one-time cash charges related to the transactions contemplated to occur on the Spin-Off Date which were incurred prior to, at the time of, or no later than 120 days following, the consummation thereof or at the time of the consummation thereof; provided that the aggregate amount added by this clause (e) shall not exceed $20,000,000.

minus to the extent taken into account in calculating Consolidated Net Income for such period, the sum of:

(u) (i) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), including gains from dispositions of real estate that are not to traditional consumer purchasers; (ii) income tax credits (to the extent not netted from income tax expense); and (iii) any other non-operating, non-cash income (other than non-cash income associated with "financially reportable sales less than closed sales");

(v) any cash payments made during such period in respect of items described in clause (a) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income, all as determined on a consolidated basis;

(w) Developer Capital Spending of MVW and its Subsidiaries on a consolidated basis for such period (it being understood and agreed that Developer Capital Spending with respect to the Ritz-Carlton Vail during the fourth quarter of 2010 shall be excluded from all calculations of Consolidated Adjusted EBITDA);

(x) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of MVW or is merged into or consolidated with MVW or any of its Subsidiaries;

(y) the income of any Person (other than a Subsidiary of MVW) in which the MVW or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by MVW or such Subsidiary in the form of dividends or similar distributions; and

(z) the undistributed earnings or income of any Subsidiary of MVW (including any Special Purpose Subsidiary) or income attributable to any residual interest in any obligation of a Special Purpose Subsidiary to the extent that the declaration or payment of dividends or similar distributions or payment on account of such residual interest by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation or Requirement of Law applicable to such Subsidiary.

"Consolidated EBITDA": for any period, Consolidated Net Income for such period, plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of:

(a) GAAP income tax expense (or minus any benefit);

(b) GAAP interest expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness;

(c) depreciation and amortization expense; and

(d) amortization of intangibles (including, but not limited to, goodwill) and organization costs.

For the purposes of calculating Consolidated EBITDA for any Reference Period pursuant to any determination of a financial covenant involving the calculation of Consolidated EBITDA, (i) if at any time during such Reference Period MVW or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period and (ii) if during such Reference Period MVW or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Material Acquisition occurred on the first day of such Reference Period.

"Consolidated Interest Coverage Ratio": for any period, the ratio of (a) Consolidated Adjusted EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Coverage Ratio Covenant" shall mean a minimum Consolidated Interest Coverage Ratio of MVW on a rolling four quarter basis of not less than three times.

"Consolidated Interest Expense": for any period, total cash interest expense (including that attributable to Capital Lease Obligations) of the Performance Guarantor and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Performance Guarantor and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements and related derivatives in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP and dividends paid on the Preferred Stock).

"Consolidated Net Income": for any period, the consolidated net income (or loss) of MVW and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Worth" means, at any date, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of MVW under stockholders' equity at such date.

"Consolidated Tangible Net Worth" means at any date, (a) Consolidated Net Worth, minus (b) the net book value of all assets on the consolidated balance sheet of MVW used to calculate Consolidated Net Worth that would be treated as intangible assets under GAAP (including goodwill, trademarks, trade names, service marks, service names, copyrights, patents, organizational expenses and the excess of any equity in any Subsidiary over the cost of the investment in such Subsidiary), all as determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of MVW and its Subsidiaries at such date, determined using consolidation principles in accordance with GAAP, minus (for the avoidance of doubt without regard to undrawn letters of credit) the lesser of (x) the aggregate amount of all Unrestricted cash and Cash Equivalents of MVW, MORI and the Subsidiary Guarantors at such date minus $40,000,000 and (y) $40,000,000.

"Consolidated Total Debt to Consolidated Adjusted EBITDA Covenant" shall mean a maximum ratio of Consolidated Total Debt of MVW to Consolidated Adjusted EBITDA of MVW on a rolling four quarter basis, of 6.0x through March 31, 2013, 5.25x through December 31, 2014 and 4.75x thereafter.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound

"Developer Capital Spending": for any period, Capital Expenditures of MVW and its Subsidiaries on a consolidated basis that are attributable to the acquisition of completed Time Share Interests or development of Time Share Interests during such period.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by MVW in good faith; for the avoidance of doubt, the inclusion of a "cap" or other limit on the maximum total exposure under any such Guarantee Obligation shall not, in and of itself, mean that the liability is either "stated" or "determinable."

"Indebtedness": of any Person at any date, without duplication:

(a) all indebtedness of such Person for borrowed money;

(b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business); provided that, for the avoidance of doubt, any obligation to pay for Marriott Rewards points that arises prior to the effective date of the transactions contemplated to occur on the Spin-Off Date and the payment of which is deferred pursuant to the documents relating to the transactions contemplated to occur on the Spin-Off Date shall be Indebtedness).

(c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments,

(d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);

(e) all Capital Lease Obligations of such Person (other than operating leases);

(f) all obligations of such Person, including recorded loss contingency under GAAP, as an account party or applicant under or in respect of: (i) bankers acceptances, (ii) surety bonds (excluding surety bonds that support, or are in lieu of, obligations to escrow funds or that are performance bonds, in each case that have not been drawn), and (iii) the outstanding face amount of letters of credit;

(g) the liquidation value of all redeemable preferred Capital Stock of such Person;

(h) all Guarantee Obligations of such Person in respect of obligations that constitute Indebtedness of the kind referred to in clauses (a) through (g) above; and

(i) all obligations that constitute Indebtedness of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation.

The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such indebtedness is non-recourse to such Person. For the avoidance of doubt, Indebtedness of the type described in the preceding sentence shall not be considered to be recourse to a Person if recourse is contingent upon the occurrence of specified events that have not yet occurred in circumstances in which the occurrence of such events is within the control of such Person (e.g., provisions commonly known as "bad boy" provisions). Notwithstanding anything herein to the contrary, Indebtedness shall not include (i) any payment obligation or other liability of such Person under the Marriott International, Inc. Executive Deferred Compensation Plan, a non-qualified deferred compensation plan within the meaning of IRC Section 409A and (ii) any

amounts relating to full membership agreements in The Ritz-Carlton Golf Club & Spa, Jupiter (Florida) which are refundable, without interest, to full members in good standing after thirty years of continuous membership and which do not, in any case, have a redemption date earlier than the year 2029.

"In-Process Property": real property owned by MVW or its Subsidiaries for which the Preliminary Construction Stage has commenced; provided that for the avoidance of doubt, raw land shall not be considered In-Process Property. For purposes hereof, the "Preliminary Construction Stage has commenced" when each of the following is true regarding the applicable real property: (a) the engineering and design work is complete; (b) all material construction contracts relating to the applicable real property have been executed; (c) the portion of the site related to the real property has been cleared, prepared and excavated; and (d) construction of the building substructure has commenced.

"Material Acquisition" means any acquisition of property or series of related acquisitions of property that:

(a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person; and

(b) involves the payment of consideration by MVW and its Subsidiaries in excess of $200,000,000.

"Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to MVW or any of its Subsidiaries in excess of $200,000,000.

"Minimum Consolidated Tangible Net Worth Covenant" shall mean the requirement that the Consolidated Tangible Net Worth of MVW is not less than the sum of (i) 80% of the Consolidated Tangible Net Worth set forth on MVW's balance sheet in the third fiscal quarter of fiscal year 2011 plus (ii) in respect of each fiscal quarter that has elapsed following the Closing Date, 80% of any increase in Consolidated Tangible Net Worth during such fiscal quarter attributable to Net Cash Proceeds received from the issuance of equity during such fiscal quarter.

"Net Cash Proceeds" shall mean in connection with the issuance or sale of Capital Stock, the cash proceeds received from such issuance, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"Non-Recourse Debt" means Indebtedness of a Person: (a) as to which none of MVW or it Subsidiaries provides any credit support of any kind or is directly or indirectly liable and (b) which does not provide any recourse against any of the assets of MVW or its Subsidiaries. Notwithstanding the foregoing, (i) the provision of Standard Securitization Undertakings in connection with a Qualified Securitization Transaction shall not invalidate the status of the Indebtedness of such Time Share SPV that is otherwise classified as Non-Recourse Debt pursuant to the terms of this definition and (ii) Indebtedness shall not be considered to be

recourse to a Person if recourse is contingent upon the occurrence of specified events that have not yet occurred in circumstances in which the occurrence of such events is within the control of such Person (*e.g.*, provisions commonly known as "bad boy" provisions).

"Preferred Stock" means the issued and outstanding preferred stock of MVW US Holdings, Inc., par value $0.01 per share.

"Qualified Securitization Transaction" means any transaction or series of transactions previously entered into or that may be entered into by MVW or any Subsidiaries pursuant to which MVW or such Subsidiary sells, assigns, conveys, participates, contributes to capital or otherwise transfers to (i) a Time Share SPV (in the case of a transfer by MVW or such Subsidiary) or (ii) any other Person (in the case of a transfer by a Time Share SPV), or may grant a security interest in or pledge, any Time Share Receivables or interests therein (whether now existing or arising in the future) of MVW or any Subsidiary, and any assets related thereto, including, without limitation, all collateral securing such Time Share Receivables, all contracts and contract rights, purchase orders, security interests, financing statements or other documentation in respect of such Time Share Receivables and all guarantees, indemnities, warranties or other documentation or other obligations in respect of such accounts receivable, any other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitization transactions involving receivables similar to such receivables and any collections or proceeds of any of the foregoing.

"Reference Period" means the period of four consecutive Fiscal Quarters of MVW then most recently ended.

"Requirement of Law": as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restricted" shall mean, when referring to cash or Cash Equivalents of MVW or any of its Subsidiaries, that such cash or Cash Equivalents (i) appear (or would be required to appear) as "restricted" on a combined or consolidated balance sheet, as applicable, of MVW or of any such Subsidiary, (ii) are subject to any Lien in favor of any Person or (iii) are not otherwise generally available for use by MVW or such Subsidiary.

"Special Purpose Subsidiary": means any (i) Time Share SPV and (ii) trust, property owning company and similar entity that is formed for the purpose of protecting the consumer purchasers of vacation ownership interests from the insolvency or bankruptcy of MVW or any of its Subsidiaries.

"Standard Securitization Undertakings": means representations, warranties, covenants, indemnities and performance guarantees of MVW or any of its Subsidiaries to a Time Share SPV or to its order or of a Time Share SPV to an entity issuing Non-Recourse Debt or its order and servicing obligations entered into by MVW or any such Subsidiary (other than a Time

Share SPV) and the provision of cash or Cash Equivalents to pay fees and expenses reasonably related thereto, in each case which are reasonably customary in securitization transactions for the relevant asset being securitized

"Subsidiary": means as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of MVW. Notwithstanding the foregoing "Subsidiary" shall not include a resort or property owner's association which is organized primarily to administer the affairs of the underlying resort or property

"Swap Agreement": means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement or any combination thereof involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of MVW or any of its Subsidiaries shall be a "Swap Agreement".

"Time Share Interest" means (i) inventory available to occupy as a dwelling or accommodation, and which may be coupled with an estate in real estate or limited to a right to use real estate without an estate or ownership interest, pursuant to any time share arrangement, plan, scheme, or similar device, in any legal form or structure (including units physically located within a project, that have received certificates of occupancy and that are currently used for sales purposes and/or administrative purposes) or (ii) any real property interest completed and available to occupy as a dwelling or accommodation and intended by MVW to be dedicated to any such time share arrangement.

"Time Share Receivables" means note receivables arising from the financing of the sale of timeshare intervals and fractional products to a retail customer.

"Time Share SPV": means an entity intended to be bankruptcy-remote and which is formed for the purpose of engaging in securitization transactions and the indebtedness of which is Non-Recourse Debt.

"Unrestricted" shall mean, when referring to cash or Cash Equivalents of the MVW or any of its Subsidiaries, that such cash or Cash Equivalents are not Restricted.

EXHIBIT A

FORM OF NOTES

THIS VARIABLE FUNDING NOTE, SERIES 2011-1 (THIS "**NOTE**"), WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, IN MINIMUM DENOMINATIONS OF $1,000,000 AND IN INTEGRAL MULTIPLES OF $1,000 IN EXCESS THEREOF, AND ONLY (I) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR (II) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) AND (II) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

THE PRINCIPAL AMOUNT OF THIS NOTE WILL BE REDUCED FROM TIME TO TIME BY PRINCIPAL PAYMENTS ON THIS NOTE. IN ADDITION, THE PRINCIPAL AMOUNT OF THIS NOTE MAY BE INCREASED IN ACCORDANCE WITH THE INDENTURE AND SERVICING AGREEMENT AND THE NOTE PURCHASE AGREEMENT. ANYONE ACQUIRING THIS NOTE MAY ASCERTAIN THE OUTSTANDING PRINCIPAL BALANCE OF THIS NOTE BY INQUIRY OF THE INDENTURE TRUSTEE.

MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1

TIMESHARE LOAN BACKED VARIABLE FUNDING NOTE, SERIES 2011-1

Date:
Principal Amount: Up to $[ ]
No. [ ]

FOR VALUE RECEIVED, Marriott Vacations Worldwide Owner Trust 2011-1, a Delaware statutory trust (the "**Issuer**"), hereby promises to pay to [ ] (the "**Holder**") or its assigns, the principal sum not to exceed [ ] Dollars ($[ ]) in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Amended and Restated Indenture and Servicing Agreement, dated as of September 1, 2011 (as amended from time to time in accordance with the terms thereof, the

"**Indenture and Servicing Agreement**"), by and among the Issuer, Marriott Ownership Resorts, Inc., as servicer and Wells Fargo Bank, National Association, as indenture trustee (in such capacity, the "**Indenture Trustee**"), and as back-up servicer, and to pay interest thereon on each Payment Date in accordance with Sections 2.10 and 3.04 of the Indenture and Servicing Agreement. Capitalized terms used but not defined herein shall have the meanings given them in "Standard Definitions" attached as Annex A to the Indenture and Servicing Agreement.

By its holding of this Note, the Holder shall be deemed to accept the terms of the Indenture and Servicing Agreement and agree to be bound thereby.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee referred to herein by manual signature, this Note shall not be entitled to any benefit under the Indenture and Servicing Agreement or be valid or obligatory for any purpose.

This Note is one of a duly authorized issue of notes of the Issuer designated as its "Notes" and issued under the Indenture and Servicing Agreement.

This Note is secured by the pledge to the Indenture Trustee under the Indenture and Servicing Agreement of the Trust Estate and recourse is limited to the extent set forth in the Indenture and Servicing Agreement. The amounts owed under this Note shall not include any recourse to the Indenture Trustee or any affiliates thereof.

If certain Events of Default under the Indenture and Servicing Agreement have been declared or occur, the Outstanding Note Balance of this Note may be declared immediately due and payable or payments of principal may be accelerated in the manner and with the effect provided in the Indenture and Servicing Agreement. Notice of such declaration will be given by mail to holder(s) of this Note, as his/her/their name(s) and address(es) appear in the Note Register, as provided in the Indenture and Servicing Agreement. Subject to the terms of the Indenture and Servicing Agreement, upon payment of such principal amount together with all accrued interest, the obligations of the Issuer with respect to the payment of principal and interest on this Note shall terminate.

The Indenture and Servicing Agreement permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the holders of the Notes under the Indenture and Servicing Agreement at any time by the Issuer and the Indenture Trustee with the consent of such holders of the percentages specified in the Indenture and Servicing Agreement at the time Outstanding. The Indenture and Servicing Agreement also contains provisions permitting such holders of specified percentages in Outstanding Note Balance of the Notes, at the time Outstanding, on behalf of all the holders, to waive compliance by the Issuer with certain provisions of the Indenture and Servicing Agreement and certain past defaults under the Indenture and Servicing Agreement and their consequences. Any such consent or waiver by the holder of this Note shall be conclusive and binding upon such holder and upon all future holders of this Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

This Note may be issued only in registered form and only in minimum denominations of at least $1,000,000 and integral multiples of $1,000 in excess thereof; provided that the foregoing shall not restrict or prevent the transfer in accordance with Section 2.03 of the Indenture and Servicing Agreement of any Note having a remaining Outstanding Note Balance of other than an integral multiple of $1,000, or the issuance of a single Note with a remaining Outstanding Note Balance less than $1,000,000. The holder of this Note is deemed to acknowledge that the Notes may be purchased and transferred only in minimum denominations of $1,000,000 and integral multiples of $1,000 in excess thereof and that this Note (or any beneficial interests herein) may not be transferred in an amount less than such authorized denominations or which would result in the holder of this Note having a beneficial interest below such authorized denominations.

The Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note may be overdue, and neither the Issuer, the Indenture Trustee nor any such agent shall be affected by notice to the contrary.

No transfer of this Note or interest herein may be made unless that transfer is made pursuant to an effective registration statement under the Securities Act and an effective registration or a qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification because such transfer is in compliance with Rule 144A under the Securities Act, to a person who the transferor reasonably believes is a Qualified Institutional Buyer (as defined in Rule 144A) that is purchasing for its own account or for the account of a Qualified Institutional Buyer and to whom notice is given that such transfer is being made in reliance upon Rule 144A under the Securities Act as certified by such transferee in a letter in the form of Exhibit B attached to the Indenture and Servicing Agreement; and in accordance with any applicable securities laws of any state of the United States and any applicable jurisdiction. None of the Issuer, the Servicer or the Indenture Trustee is obligated to register or qualify the Notes under the Securities Act or any other securities law or to take any action not otherwise required under the Indenture and Servicing Agreement to permit the transfer of any Note without registration.

The Holder of this Note may be required to exchange it for an Exchange Note under the terms of Section 2.13 of the Indenture and Servicing Agreement.

As provided in the Indenture and Servicing Agreement, the principal amount of this Note will be due and payable in full on the earlier of (i) the Mandatory Redemption Date and (ii) the Stated Maturity.

The Indenture and Servicing Agreement and this Note shall be deemed to be contracts made under the laws of the State of New York and shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York.

Section 13.04 of the Indenture and Servicing Agreement is incorporated herein by reference.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed by the manual signature of its duly Authorized Officer.

Dated:

MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1

By: WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee

By: _____
Name: Rita Marie Ritrovato
Title: Assistant Vice President

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within mentioned Indenture and Servicing Agreement.

Dated:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: _____
Name: Benjamin Jordan
Title: Vice President

EXHIBIT B
FORM OF INVESTOR REPRESENTATION LETTER

INVESTOR REPRESENTATION LETTER

MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1
Timeshare Loan Backed Variable Funding Notes, Series 2011-1

Marriott Vacations Worldwide Owner Trust 2011-1
c/o Wilmington Trust, National Association, as Owner Trustee
1220 North Market Street
Suite 202
Wilmington, DE 19801

Wells Fargo Bank, National Association, as Indenture Trustee
Sixth & Marquette
MAC N9311-161
Minneapolis, Minnesota 55479

Ladies and Gentlemen:

(the "**Purchaser**") hereby represents and warrants to you in connection with its purchase of $ in principal amount of the above-captioned notes (the "**Notes**") as follows:

1. The Purchaser (i) is a qualified institutional buyer, and has delivered to you the certificate substantially in the form attached hereto as Annex I or Annex II, as applicable, and (ii) is aware that the sale to it is being made in reliance on Rule 144A of the Securities Act of 1933, as amended (the "**Securities Act**"), and (iii) is acquiring the Notes for its own account or for the account of a qualified institutional buyer. The Purchaser is purchasing the Notes for investment purposes and not with a view to, or for, offer or sale in connection with a public distribution or in any other manner that would violate the Securities Act or applicable state securities laws.

2. The Purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred in minimum denominations of $1,000,000 and in integral multiples of $1,000 in excess thereof, and only (i) to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A of the Securities Act, or (ii) pursuant to an effective registration statement under the Securities Act, in each of cases (i) and (ii) in accordance with any applicable securities laws of any State of the United States and any other applicable jurisdiction, and that (B) the Purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of such Notes from it of the resale restrictions referred to in (A) above.

3. The Purchaser understands that the Notes will, unless otherwise agreed by the Issuer and the Holder thereof, bear a legend substantially to the following effect.

THIS VARIABLE FUNDING NOTE, SERIES 2011-1 (THIS "NOTE"), WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, IN MINIMUM DENOMINATIONS OF $1,000,000 AND IN INTEGRAL MULTIPLES OF $1,000 IN EXCESS THEREOF, AND ONLY (I) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (II) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) AND (II) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

4. If the Purchaser is purchasing any Notes as a fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and has full power to make acknowledgments, representations and agreements contained herein on behalf of such account(s).

5. The Purchaser has received all information, if any, requested by the Purchaser, has had full opportunity to review such information and has received information necessary to verify such information. The Purchaser represents that in making its investment decision to acquire the Notes, the Purchaser has not relied on representations, warranties, opinions, projections, financial or other information or analysis, if any, supplied to it by any person, including the addressees of this letter.

6. The Purchaser (i) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and (ii) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment.

7. The Purchaser understands that the Issuer, the Administrative Agent and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements contained in this letter and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by it are no longer accurate, it will promptly notify the Issuer and the Administrative Agent. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements contained in this letter on behalf of such account.

8. The Notes may not be sold or transferred to, and each Purchaser by its purchase of the Notes shall be deemed to have represented and covenanted that it is not acquiring the Notes for or on behalf of or with the assets of, and will not transfer the Notes to, any employee benefit plan as defined in Section 3 (3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is subject to Title I of ERISA or any other "plan" as defined in Section 4975(e) (1) of the Internal Revenue Code of 1986, as amended (the "**Code**"), that is subject to Section 4975 of the Code or any entity whose underlying assets include plan assets by reason of an employee benefit plan's or plan's investment in such entity, or any plan that is subject to any substantially similar provision of federal, state or local law ("**Similar Law**"), except that such purchase for or on behalf of or with assets of a plan shall be permitted:

(i) to the extent such purchase is made by or on behalf of a bank collective investment fund maintained by the Purchaser in which no plan (together with any other plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total assets in such collective investment fund, and the other applicable conditions of Prohibited Transaction Class Exemption 91-38 issued by the Department of Labor are satisfied as of the date of acquisition of the Notes and all such conditions will continue to be satisfied thereafter;

(ii) to the extent such purchase is made by or on behalf of an insurance company pooled separate account maintained by the Purchaser in which no plan (together with any other plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total of all assets in such pooled separate account, and the other applicable conditions of Prohibited Transaction Class Exemption 90-1 issued by the Department of Labor are satisfied as of the date of acquisition of the Notes and all such conditions will continue to be satisfied thereafter;

(iii) to the extent such purchase is made on behalf of a plan by a "qualified professional asset manager", as such term is described and used in Prohibited Transaction Class Exemption 84-14 issued by the Department of Labor, and the assets of such plan when combined with the assets of other plans established or maintained by the same employer (or affiliate thereof) or employee organization and managed by such qualified professional asset manager do not represent more than 20% of the total client assets managed by such qualified professional asset manager at the time of the transaction, and the other applicable conditions of such exemption are otherwise satisfied as of the date of acquisition of the Notes and all such conditions will continue to be satisfied thereafter;

(iv) to the extent such plan is a governmental plan (as defined in Section 3(32) of ERISA) which is not subject to the provisions of Title I of ERISA or Sections 401 and 501 of the Code;

(v) to the extent such purchase is made by or on behalf of an insurance company general account in which the reserves and liabilities for the general account contracts held by or on behalf of any plan, together with any other plans maintained by the same employer (or its affiliates) or employee organization, do not exceed 10% of the total reserves and

liabilities of the insurance company general account (exclusive of separate account liabilities), plus surplus as set forth in the National Association of Insurance Commissioners Annual Statement filed with the state of domicile of the insurer, in accordance with Prohibited Transaction Class Exemption 95-60, and the other applicable conditions of such exemption are otherwise satisfied as of the date of acquisition of the Notes and all such conditions will continue to be satisfied thereafter;

(vi) to the extent such purchase is made by an in-house asset manager within the meaning of Part IV(a) of Prohibited Transaction Class Exemption 96-23 and such manager has made or properly authorized the decision for such plan to purchase Notes, under circumstances such that Prohibited Transaction Class Exemption 96-23 is applicable to the purchase, holding and disposition of such Notes and all of the other applicable conditions of such exemption are otherwise satisfied as of the date of acquisition of such Notes and all such conditions will continue to be satisfied thereafter; or

(vii) to the extent such purchase will not otherwise give rise to a transaction described in Section 406 of ERISA or Section 4975(c)(1) of the Code for which a statutory, regulatory or administrative exemption is unavailable or be a violation of Similar Law.

The Purchaser, if described in the preceding clauses, further represents and agrees that it is not sponsored (within the meaning of Section 3(16)(B) of ERISA) by the Issuer, MORI, the Seller, the Indenture Trustee or the Administrative Agent, or by any affiliate of any such person.

9. The Purchaser acknowledges that, under the Indenture, Notes (or beneficial interests therein) may be purchased and transferred only in authorized denominations — i.e., a minimum denomination of $1,000,000 and integral multiplies of $1,000 in excess thereof. The Purchaser covenants that the Purchaser will neither (i) transfer Notes (or beneficial interests therein) in less than the authorized denominations nor (ii) transfer Notes (or beneficial interests therein) where the result would be to reduce the Purchaser's remaining holdings of Notes (or beneficial interests therein) below the authorized denominations.

10. By execution hereof, the Purchaser agrees to be bound, as Noteholder, by all of the terms, covenants and conditions of the Indenture and Servicing Agreement and the Notes.

The representations and warranties contained herein shall be binding upon the heirs, executors, administrators and other successors of the undersigned. If there is more than one signatory hereto, the obligations, representations, warranties and agreements of the undersigned are made jointly and severally.

Executed at , , this day of , 20 .

_____

Purchaser's Signature

_____

Purchaser's Name and Title (Print)

_____

Address of Purchaser

_____

Purchaser's Taxpayer Identification or
Social Security Number

ANNEX 1 TO EXHIBIT B

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Transferees Other Than Registered Investment Companies]

The undersigned hereby certifies as follows to [name of Transferor] (the "**Transferor**"), Marriott Vacations Worldwide Owner Trust 2011-1, Wells Fargo Bank, National Association, as Note Registrar, with respect to the Note being transferred (the "**Transferred Note**") as described in the Investor Representation Letter to which this certification relates and to which this certification is an Annex:

1. As indicated below, the undersigned is the chief financial officer, a person fulfilling an equivalent function, or other executive officer of the entity purchasing the Transferred Note (the "**Purchaser**").

2. The Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("**Rule 144A**") because (i) the Purchaser owned and/or invested on a discretionary basis $ in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A) [Purchaser must own and/or invest on a discretionary basis at least $100,000,000 in securities unless Purchaser is a dealer, and, in that case, Purchaser must own and/or invest on, a discretionary basis at least $10,000,000 in securities.] and (ii) the Purchaser satisfies the criteria in the category marked below.

☐ Corporation, etc. The Purchaser is a corporation (other than a bank, savings and loan association or similar institution), business trust, partnership, or any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

☐ Bank. The Purchaser (a) is a national bank or a banking institution organized under the laws of any State, U.S. territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official or is a foreign bank or equivalent institution, and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto, as of a date not more than 16 months preceding the date of sale of the Certificate in the case of a U.S. bank, and not more than 18 months preceding such date of sale for a foreign bank or equivalent institution.

☐ Savings and Loan. The Purchaser (a) is a savings and loan association, building and loan association, cooperative bank, homestead association or similar institution, which is supervised and examined by a State or Federal authority having supervision over any such institutions or is a foreign savings and loan association or equivalent institution and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto, as of a date not more than 16 months preceding the date of sale of the Certificate in the case of a U.S. savings and loan association, and not more than 18 months preceding such date of sale for a foreign savings and loan association or equivalent institution.

☐ Broker-dealer. The Purchaser is a dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

☐ Insurance Company. The Purchaser is an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a State, U.S. territory or the District of Columbia.

☐ State or Local Plan. The Purchaser is a plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of the State or its political subdivisions, for the benefit of its employees.

☐ ERISA Plan. The Purchaser is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.

☐ Investment Advisor. The Purchaser is an investment advisor registered under the Investment Advisers Act of 1940.

☐ Other. (Please supply a brief description of the entity and a cross-reference to the paragraph and subparagraph under subsection (a)(1) of Rule 144A pursuant to which it qualifies. Note that registered investment companies should complete Annex 2 rather than this Annex 1.)_____

_____

_____

_____

3. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Purchaser, (ii) securities that are part of an unsold allotment to or subscription by the Purchaser, if the Purchaser is a dealer, (iii) bank deposit notes and certificates of deposit, (iv) loan participations, (v) repurchase agreements, (vi) securities owned but subject to a repurchase agreement and (vii) currency, interest rate and commodity swaps. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Purchaser, the Purchaser did not include any of the securities referred to in this paragraph.

4. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Purchaser, the Purchaser used the cost of such securities to the Purchaser, unless the Purchaser reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published, in which case the securities were valued at market. Further, in determining such aggregate amount, the Purchaser may have included securities owned by subsidiaries of the Purchaser, but only if such subsidiaries are consolidated with the Purchaser in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Purchaser's direction. However, such securities were not included if the Purchaser is a majority-owned, consolidated subsidiary of another enterprise and the Purchaser is not itself a reporting company under the Securities Exchange Act of 1934.

5. The Purchaser acknowledges that it is familiar with Rule 144A and understands that the parties to which this certification is being made are relying and will continue to rely on the statements made herein because one or more sales to the Purchaser may be in reliance on Rule 144A.

Will the Purchaser be purchasing the Transferred Note only for the Purchaser's own account?

☐ Yes ☐ No

6. If the answer to the foregoing question is "no", then in each case where the Purchaser is purchasing for an account other than its own, such account belongs to a third party that is itself a "qualified institutional buyer" within the meaning of Rule 144A, and the "qualified institutional buyer" status of such third party has been established by the Purchaser through one or more of the appropriate methods contemplated by Rule 144A.

7. The Purchaser will notify each of the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice is given, the Purchaser's purchase of the Transferred Note will constitute a reaffirmation of this certification as of the date of such purchase. In addition, if the Purchaser is a bank or savings and loan as provided above, the Purchaser agrees that it will furnish to such parties any updated annual financial statements that become available on or before the date of such purchase, promptly after they become available.

_____

Print Name of Purchaser

By: _____

Name: _____

Title: _____

ANNEX 2 TO EXHIBIT B

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Purchasers That Are Registered Investment Companies]

The undersigned hereby certifies as follows to [name of Transferor] (the "**Transferor**"), Marriott Vacations Worldwide Owner Trust 2011-1, Wells Fargo Bank, National Association, as Note Registrar, with respect to the Note being transferred (the "**Transferred Note**") as described in the Investor Representation Letter to which this certification relates and to which this certification is an Annex:

1. As indicated below, the undersigned is the chief financial officer, a person fulfilling an equivalent function, or other executive officer of the entity purchasing the Transferred Note (the "**Purchaser**") or, if the Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("**Rule 144A**") because the Purchaser is part of a Family of Investment Companies (as defined below), is an executive officer of the investment adviser (the "**Adviser**").

2. The Purchaser is a "qualified institutional buyer" as defined in Rule 144A because (i) the Purchaser is an investment company registered under the Investment Company Act of 1940, and (ii) as marked below, the Purchaser alone owned and/or invested on a discretionary basis, or the Purchaser's Family of Investment Companies owned, at least $100,000,000 in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year. For purposes of determining the amount of securities owned by the Purchaser or the Purchaser's Family of Investment Companies, the cost of such securities was used, unless the Purchaser or any member of the Purchaser's Family of Investment Companies, as the case may be, reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published, in which case the securities of such entity were valued at market.

☐ The Purchaser owned and/or invested on a discretionary basis $ in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

☐ The Purchaser is part of a Family of Investment Companies which owned in the aggregate $ in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

3. The term "Family of Investment Companies" as used herein means two or more registered investment companies (or series thereof) that have the same investment adviser or investment advisers that are affiliated (by virtue of being majority owned subsidiaries of the same parent or because one investment adviser is a majority owned subsidiary of the other).

4. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Purchaser or are part of the Purchaser's Family of Investment Companies, (ii) bank deposit notes and certificates of deposit, (iii) loan participations, (iv) repurchase agreements, (v) securities owned but subject to a repurchase agreement and (vi) currency, interest rate and commodity swaps. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Purchaser, or owned by the Purchaser's Family of Investment Companies, the securities referred to in this paragraph were excluded.

5. The Purchaser is familiar with Rule 144A and understands that the parties to which this certification is being made are relying and will continue to rely on the statements made herein because one or more sales to the Purchaser will be in reliance on Rule 144A.

Will the Purchaser be purchasing the Transferred Note only for the Purchaser's own account?

☐ Yes ☐ No

6. If the answer to the foregoing question is "no", then in each case where the Purchaser is purchasing for an account other than its own, such account belongs to a third party that is itself a "qualified institutional buyer" within the meaning of Rule 144A, and the "qualified institutional buyer" status of such third party has been established by the Purchaser through one or more of the appropriate methods contemplated by Rule 144A.

7. The undersigned will notify the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice, the Purchaser's purchase of the Transferred Note will constitute a reaffirmation of this certification by the undersigned as of the date of such purchase.

_____

Print Name of Purchaser or Adviser

_____

By: _____

Name: _____

Title: _____

IF AN ADVISER:

_____

Print Name of Purchaser

Date:

EXHIBIT C

FORM OF SUPPLEMENTAL GRANT

SUPPLEMENTAL GRANT NO. OF ADDITIONAL TIMESHARE LOANS dated as of , by and among MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1, a statutory trust organized under the laws of the State of Delaware (the "Issuer"), MARRIOTT OWNERSHIP RESORTS, INC. ("MORI"), a Delaware corporation, as servicer (the "Servicer") and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as indenture trustee (the "Indenture Trustee") and as back-up servicer (in such capacity, the "Back-Up Servicer").

WITNESSETH:

WHEREAS, the Issuer, the Servicer, the Indenture Trustee and the Back-Up Servicer are parties to the Amended and Restated Indenture and Servicing Agreement, dated as of September 1, 2011 (as amended or otherwise modified from time to time, the "Indenture and Servicing Agreement");

WHEREAS, the Issuer wishes to pledge to the Indenture Trustee, for the benefit of the Noteholders and the Hedge Counterparty, all of the Issuer's rights, title and interest, whether now owned or hereafter acquired and any and all benefits accruing to the Issuer from the Timeshare Loans and Related Security designated herein to be included as Additional Timeshare Loans and part of the Trust Estate;

NOW, THEREFORE, the Issuer, the Servicer, the Indenture Trustee and the Back-Up Servicer agree as follows:

1. Defined Terms. All capitalized terms used herein shall have the meanings ascribed to them in the Indenture and Servicing Agreement unless otherwise defined herein.

"Cut-Off Date" shall mean, with respect to the Additional Timeshare Loans, .

"[Funding][Transfer] Date" shall mean, with respect to the Additional Timeshare Loans, .

2. Schedule of Timeshare Loans. The Issuer hereby delivers to the Indenture Trustee Schedule I which contains a true and complete list of the Additional Timeshare Loans pledged to the Indenture Trustee under this Supplemental Grant. The list of Additional Timeshare Loans contained in the accompanying certificate is hereby incorporated into and made a part of this Supplemental Grant and shall become a part of and supplement the Schedule of Timeshare Loans.

3. Grant of Additional Timeshare Loans.

The Issuer hereby pledges to the Indenture Trustee, for the benefit of the Noteholders and the Hedge Counterparty, all of the Issuer's right, title and interest in and to the following whether now owned or hereafter acquired and any and all benefits accruing to the Issuer from, (i) all Additional Timeshare Loans and Additional Conveyed Timeshare Loan Assets acquired by the Issuer under the Sale Agreement, (ii) the Receivables in respect of such Additional Timeshare Loans due on and after the related Cut-Off Date, (iii) the related Timeshare Loan Files, (iv) all Related Security in respect of each such Additional Timeshare Loan, (v) all of its rights and remedies relating to such Additional Timeshare Loans under the Sale Agreement, (vi) all of its rights and remedies relating to such Additional Timeshare Loans under the Custodial Agreement, (vii) all of its rights and remedies relating to such Additional Timeshare Loans under the Performance Guaranty, and (viii) proceeds of the foregoing (including, without limitation, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind, and other forms of obligations and receivables which at any time constitute all or part or are included in the proceeds of any of the foregoing) (collectively, the "Additional Trust Estate").

In connection with the foregoing pledge and if necessary, the Issuer agrees to authorize, record and file one or more financing statements (and continuation statements or other amendments with respect to such financing statements when applicable) with respect to the Additional Trust Estate meeting the requirements of applicable law in such manner and in such jurisdictions as are necessary to perfect the pledge of the Additional Trust Estate to the Indenture Trustee, and to deliver a file-stamped copy of such financing statements and continuation statements (or other amendments) or other evidence of such filing to the Indenture Trustee.

In connection with the foregoing pledge, the Issuer further agrees, on or prior to the date of this Supplemental Grant, to cause the portions of its computer files relating to the Additional Pledged Loans pledged on such date to the Indenture Trustee to be clearly and unambiguously marked to indicate that each such Additional Timeshare Loan and Related Security have been pledged on such date to the Indenture Trustee pursuant to the Indenture and Servicing Agreement and this Supplemental Grant.

4. Acknowledgement by the Indenture Trustee. The Indenture Trustee acknowledges the pledge of the Additional Trust Estate, and the Indenture Trustee accepts the Additional Trust Estate in trust hereunder in accordance with the provisions hereof the Indenture and Servicing Agreement.

The Indenture Trustee hereby acknowledges that, prior to or simultaneously with the execution and delivery of this Supplemental Grant, the Issuer delivered to the Indenture Trustee Schedule I listing the Additional Timeshare Loans as described in Section 2 of this Supplemental Grant and such list of Additional Timeshare Loans is attached hereto as Schedule I.

5. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Indenture Trustee on the [Funding][Transfer] Date that each representation and warranty to be made by it on such [Funding][Transfer] Date pursuant to the Indenture and Servicing Agreement is true and correct, and that each such representation and warranty is hereby incorporated herein by reference as though fully set out in this Supplemental Grant.

6. Ratification of the Indenture and Servicing Agreement. The Indenture and Servicing Agreement is hereby ratified, and all references to the Indenture and Servicing Agreement shall be deemed from and after the [Funding][Transfer] Date to be references to the Indenture and Servicing Agreement as supplemented and amended by this Supplemental Grant. Except as expressly amended hereby, all the representations, warranties, terms, covenants and conditions of the Indenture and Servicing Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or consent to non-compliance with any term or provision of the Indenture and Servicing Agreement.

7. Counterparts. This Supplemental Grant may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Supplemental Grant by facsimile or other electronic transmission (i.e., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart hereof and deemed an original.

8. GOVERNING LAW. THIS SUPPLEMENTAL GRANT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

IN WITNESS WHEREOF, the Issuer, the Servicer, the Indenture Trustee and the Back-Up Servicer have caused this Supplemental Grant to be duly executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

MARRIOTT VACATIONS WORLDWIDE OWNER TRUST, 2011-1, as Issuer

By: MARRIOTT OWNERSHIP RESORTS, INC., as Administrator

By: _____

Name:

Title:

MARRIOTT OWNERSHIP RESORTS, INC., as Servicer

By: _____

Name:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee and Back-Up Servicer

By: _____

Name:

Title:

EXHIBIT D

FUNDING DATE CERTIFICATE

FUNDING DATE CERTIFICATE OF

MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1

[ ], 20[ ]

In connection with that certain amended and restated indenture and servicing agreement, dated as of September 1, 2011 (the "**Indenture and Servicing Agreement**"), by and among Marriott Vacations Worldwide Owner Trust 2011-1, a Delaware statutory trust, as issuer (the "**Issuer**"), Marriott Ownership Resorts, Inc., a Delaware corporation, as servicer ("**MORI**"), and Wells Fargo Bank, National Association, as indenture trustee and back-up servicer, the Issuer hereby certifies that:

1. As of the [Funding Date][Transfer Date] on [ ], 20[ ], all of the conditions set forth in Section 4.03(b) of the Indenture and Servicing Agreement shall have been satisfied.

Capitalized terms used but not defined herein shall have the meanings specified in the Indenture and Servicing Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first written above.

MARRIOTT VACATIONS WORLDWIDE
OWNER TRUST 2011-1, as Issuer

By: Marriott Ownership Resorts, Inc., as Administrator

By: _____
Name:
Title:

EXHIBIT E

[Reserved]

EXHIBIT F

FORM OF SERVICER'S OFFICER CERTIFICATE

OFFICER'S CERTIFICATE

The undersigned, an officer of Marriott Ownership Resorts, Inc. (the "**Servicer**"), based on the information available on the date of this Certificate, does hereby certify as follows:

1. I am an officer of the Servicer who has been authorized to issue this officer's certificate on behalf of the Servicer.

2. I have reviewed the data contained in the Monthly Servicer Report and the computations reflected in the Monthly Servicer Report attached hereto as Schedule A are true, correct and complete.

3. Each of the CRD Marriott Entities are consolidated for accounting purposes.

4. A CRD Marriott Entity continues to hold the Retained Interest as detailed in Section 3.1(kk) of the Note Purchase Agreement.

5. The CRD Marriott Entity holding the Retained Interest has not sold or subjected the Retained Interest to any credit risk mitigation or any short positions or any other hedge in a manner which would be contrary to Article 122a(1) of the CRD.

MARRIOTT OWNERSHIP RESORTS, INC.

By: _____
Name:
Title:

Schedule A

EXHIBIT G

FORM OF ARUBA NOTICE

(Date)

Name
Address
City, State, Zip
Country

Re: Marriott's Aruba Ocean Club—Loan #

Dear (name):

As a valued Aruba Ocean Club Owner, you are very important to us and we are committed to keeping you informed about any business that affects you. In keeping our promise, we wish to inform you of a recent change that affects the loan for your ownership at Marriott's Aruba Ocean Club, but does not affect the way it will be serviced.

Marriott Vacation Club International of Aruba N.V., the owner of your loan, pursuant to an instrument of transfer, transferred and assigned all of its right, title and interest to the loan to Marriott Ownership Resorts, Inc., a Delaware corporation ("MORI"). MORI, pursuant to a purchase agreement, sold all of its right, title and interest to the loan to MORI SPC Series Corp., a Delaware corporation ("MORI SPC"). After these transfers, MORI SPC, pursuant to a sale agreement, transferred and assigned all of its right, title and interest to the loan to Marriott Vacations Worldwide Owner Trust 2011-1 (the "Issuer"), and the Issuer, pursuant to an indenture, transferred and assigned all of its right, title and interest to the loans to Wells Fargo Bank, National Association, as indenture trustee for the benefit of note holders pursuant to the indenture.

We want to assure you that Marriott Vacation Club International will continue to provide service for all aspects of your loan. The transfer in no way affects how you make your payments, and we appreciate your making them as usual. Nor does it affect your membership in the Marriott Vacation Club International of Aruba Cooperative Association or the usage of your Aruba Ocean Club property.

The transfer of loans to other lenders is a routine procedure in our industry and will not affect our business relationship. If you wish to speak to a Marriott Vacation Club International representative, please call our offices at 800-845-4226 or 801-468-4089. Our hours are Monday through Friday, 9 a.m. to 8 p.m., Eastern Time. We welcome any questions you may have.

Thank you for being a member of the Marriott Vacation Club International family. It is always our pleasure to assist you in any way we can.

Sincerely,

David Matern
Vice President, Marriott Ownership Resorts, Inc.
On behalf of MVCI, MORI and MORI SPC

(Date)

Name
Address
City, State, Zip
Country

Re: Marriott's Aruba Surf Club—Loan #

Dear (name):

As a valued Aruba Surf Club Owner, you are very important to us and we are committed to keeping you informed about any business that affects you. In keeping our promise, we wish to inform you of a recent change that affects the loan for your ownership at Marriott's Aruba Surf Club, but does not affect the way it will be serviced.

MVCI Finance C.V., the owner of your loan, pursuant to an instrument of transfer, transferred and assigned all of its right, title and interest to the loan to Marriott Ownership Resorts, Inc., a Delaware corporation ("MORI"). MORI, pursuant to a purchase agreement, sold all of its right, title and interest to the loan to MORI SPC Series Corp., a Delaware corporation ("MORI SPC"). After these transfers, MORI SPC, pursuant to a sale agreement, transferred and assigned all of its right, title and interest to the loan to Marriott Vacations Worldwide Owner Trust 2011-1 (the "Issuer"), and the Issuer, pursuant to an indenture, transferred and assigned all of its right, title and interest to the loans to Wells Fargo Bank, National Association, as indenture trustee for the benefit of note holders pursuant to the indenture.

We want to assure you that Marriott Vacation Club International will continue to provide service for all aspects of your loan. The transfer in no way affects how you make your payments, and we appreciate your making them as usual. Nor does it affect your membership in the Aruba Surf Club Cooperative Association or the usage of your Aruba Surf Club property.

The transfer of loans to other lenders is a routine procedure in our industry and will not affect our business relationship. If you wish to speak to a Marriott Vacation Club International representative, please call our offices at 800-845-4226 or 801-468-4089. Our hours are Monday through Friday, 9 a.m. to 8 p.m., Eastern Time. We welcome any questions you may have.

Thank you for being a member of the Marriott Vacation Club International family. It is always our pleasure to assist you in any way we can.

Sincerely,

David Matern
Vice President, Marriott Ownership Resorts, Inc.
On behalf of MVCI, MORI and MORI SPC

EXHIBIT H

TRADE NAMES

Jurisdiction	Assumed Name
Alabama	Marriott Vacation Club International (MVCI)
Arizona	Marriott Vacation Club International
California	GRAND RESIDENCES BY MARRIOTT
California	Marriott Vacation Club International
California	Marriott Vacation Club International (MVCI)
Colorado	Grand Residences by Marriott
Colorado	Marriott Vacation Club International
Connecticut	Marriott Vacation Club International
Delaware	Marriott Vacation Club International
Florida	Crowne Plaza Oceanfront
Florida	Faldo Golf Institute by Marriott
Florida	Flagler’s
Florida	Grand Residences by Marriott
Florida	Grande Pines Golf Club
Florida	Horizons by Marriott Vacation Club
Florida	International Golf Club
Florida	Marriott Vacation Club International
Florida	The Pool Patio and Grill
Georgia	Marriott Vacation Club International
Hawaii	Grand Residences by Marriott
Hawaii	Marriott’s Waiohai Beach Resort
Hawaii	Marriott Vacation Club International

Jurisdiction	Assumed Name
Illinois	Horizon’s by Marriott Vacation Club
Illinois	Marriott Vacation Club International
Kentucky	Horizon’s by Marriott Vacation Club
Kentucky	Marriott Vacation Club International, Corp.
Maryland	Marriott Vacation Club International
Massachusetts	Marriott Vacation Club International
Minnesota	Horizon’s by Marriott Vacation Club
Minnesota	Marriott Vacation Club International
Missouri	Big Time Tickets
Missouri	Horizon’s by Marriott Vacation Club
Nebraska	Horizon’s by Marriott Vacation Club
Nevada	Marriott Vacation Club International
New Hampshire	Marriott Vacation Club International
New Jersey	Horizon’s by Marriott Vacation Club
New Jersey	Marriott Vacation Club International
New York	Horizon’s by Marriott Vacation Club
New York	Marriott Vacation Club International
North Carolina	Marriott Vacation Club International
Ohio	Horizon’s by Marriott Vacation Club
Ohio	Marriott Vacation Club International
Oregon	Marriott Vacation Club International
Rhode Island	Marriott Vacation Club International
South Carolina	Marriott Vacation Club International

Jurisdiction	Assumed Name
Tennessee	HMVC
Texas	Horizon’s by Marriott Vacation Club
Texas	Marriott Vacation Club International
Utah	Marriott’s Mountainside Resort
Utah	Marriott’s Summit Watch Resort
Utah	Marriott Vacation Club International
Virginia	Marriott Vacation Club International
Washington	Marriott Vacation Club International

Exhibit I

Data Conversion Layout

[**See attached Excel File**]

Data as of date Loan ID Loan Code Investor name Brand proj_id Project_Description open_dt Purchase Amount Orig Bal Prin Bal Original Term Rate Payment Next payment due date collateral collateral_co Estimated CO Date Borrower country

Borrower state Code Borrower state FICO contr_id Remaining Term foreign_flg Total closing costs Financed Closing Costs Days delinquent Delinquency Bucket down $ down % refinance bldng_id Points

Exhibit J

Exchange Notes Pool Criteria

In each case, as determined on the date of the release of the related Timeshare Loans pursuant to Section 4.07(c) of the Indenture and Servicing Agreement:

1. Each pool must be in compliance with its applicable definition of Borrowing Base.

2. The weighted average coupon of the Aggregate Loan Balances for each pool must not differ by more than 0.25%.

3. The weighted average life to maturity of the Aggregate Loan Balances for each pool must not differ by more than three months.

4. The weighted average FICO scores of the Aggregate Loan Balances for each pool minus the Loan Balances for any Defaulted Timeshare Loans, Delinquent Timeshare Loans and Defective Timeshare Loans, must not differ by more than 10.

5. The Outstanding Note Balance as a percentage of the Borrowing Base for each pool must not differ by more than 2.00%.

6. The Excluded Loan Balance for each pool as a percentage of the related Aggregate Loan Balance must not differ by more than 2.00%.

7. The aggregate amount of Timeshare Loans with any scheduled monthly payment of interest or principal (or any portion thereof) delinquent more than 60 days delinquency as a percentage of the Aggregate Loan Balances in each pool must not differ by more than 0.5%.

Exhibit 10.13

Execution Copy

SALE AGREEMENT

This SALE AGREEMENT (this "**Agreement**"), dated as of September 1, 2011, is by and among MORI SPC Series Corp., a Delaware special purpose corporation (the "**Seller**"), and Marriott Vacations Worldwide Owner Trust 2011-1, a Delaware statutory trust (the "**Issuer**"), and their respective permitted successors and assigns.

W I T N E S S E T H:

WHEREAS, on the date hereof, (i) pursuant to this Agreement, from time to time, the Seller will sell and the Issuer will purchase Timeshare Loans, and (ii) pursuant to that certain indenture and servicing agreement, dated as of September 1, 2011 (the "**Indenture and Servicing Agreement**"), by and among the Issuer, Marriott Ownership Resorts, Inc., a Delaware corporation, as servicer (in such capacity, the "**Servicer**") and Wells Fargo Bank, National Association, a national banking association, as indenture trustee (in such capacity, the "**Indenture Trustee**") and back-up servicer (in such capacity, the "**Back-up Servicer**"), the Issuer intends to pledge, among other things, such Timeshare Loans to the Indenture Trustee to secure the Issuer's Timeshare Loan Backed Variable Funding Notes, Series 2011-1 (the "**Notes**");

WHEREAS, the Seller may provide Qualified Substitute Timeshare Loans for Timeshare Loans previously sold to the Issuer hereunder; and

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

SECTION 1. Definitions; Interpretation. Capitalized terms used but not defined herein shall have the meanings specified in "Standard Definitions" attached hereto as Annex A.

SECTION 2. Acquisition of Timeshare Loans.

(a) Timeshare Loans. On each Funding Date or Transfer Date, in return for the Timeshare Loan Acquisition Price for each of the Timeshare Loans to be sold on such Funding Date or Transfer Date, as applicable, the Seller does hereby transfer, assign, sell and grant to the Issuer, without recourse (except as provided in Section 6 and Section 8 hereof), any and all of the Seller's right, title and interest in and to (i) each Timeshare Loan listed on the Schedule of Timeshare Loans related to each Additional Timeshare Loan Supplement, (ii) the Receivables in respect of such Timeshare Loans due on and after the related Cut-Off Date, (iii) the related Timeshare Loan Files, (iv) all Related Security in respect of each such Timeshare Loan, (v) all rights and remedies of the Seller pursuant to the Purchase Agreement, and (vi) all income, payments, proceeds and other benefits and rights related to any of the foregoing (the "**Conveyed Timeshare Loan Assets**"). The excess amount, if any, between the Timeshare Loan Acquisition Price for a Timeshare Loan and the amount of cash received by the Seller from the Issuer on the related Funding Date or Transfer Date, as applicable, from the proceeds of the Notes, will be a deemed capital contribution to the Issuer

(through the Owner, a wholly-owned subsidiary of the Seller). Upon such sale, the ownership of such Timeshare Loan and all collections allocable to principal and interest thereon due after the related Cut-Off Date and all other property interests or rights conveyed pursuant to and referenced in this Section 2(a) shall immediately vest in the Issuer, its successors and assigns. The Seller shall not take any action inconsistent with such ownership nor claim any ownership interest in any Timeshare Loan for any purpose whatsoever other than for consolidated financial and federal and state income tax reporting.

(b) Delivery of Timeshare Loan Files. In connection with the sale, transfer, assignment and conveyance of any Timeshare Loans hereunder, the Issuer hereby directs the Seller and the Seller hereby agrees to deliver or cause to be delivered to the Custodian all related Timeshare Loan Files no later than the applicable Funding Date or Transfer Date, as the case may be.

(c) Collections. The Seller shall deposit or cause to be deposited all collections that are received by it in respect of the Timeshare Loans conveyed hereunder on and after the related Cut-Off Date in the Collection Account.

(d) Limitation of Liability. Neither the Issuer nor any subsequent assignee of the Issuer shall have any obligation or liability with respect to any Timeshare Loan nor shall the Issuer or any subsequent assignee have any liability to any Obligor in respect of any Timeshare Loan. No such obligation or liability is intended to be assumed by the Issuer or any subsequent assignee herewith and any such obligation or liability is hereby expressly disclaimed.

SECTION 3. Intended Characterization; Grant of Security Interest. It is the intention of the parties hereto that each transfer of Timeshare Loans to be made pursuant to the terms hereof shall constitute a sale by the Seller to the Issuer of such Timeshare Loans and the related property described in Section 2 hereof and not a loan secured by such Timeshare Loans and the related property. In the event, however, that a court of competent jurisdiction were to hold that any such transfer constitutes a loan and not a sale, it is the intention of the parties hereto (i) that the Seller shall be deemed to have Granted to the Issuer as of the date hereof a first priority perfected security interest in all of the Seller's right, title and interest in, to and under each Timeshare Loan whether now owned or hereafter acquired, and the related property as described in Section 2 hereof and (ii) this Agreement shall constitute a security agreement under applicable law. In the event of the characterization of any such transfer as a loan, the amount of interest payable or paid with respect to such loan under the terms of this Agreement shall be limited to an amount which shall not exceed the maximum nonusurious rate of interest allowed by the applicable state law or any applicable law of the United States permitting a higher maximum nonusurious rate that preempts such applicable state law, which could lawfully be contracted for, charged or received (the "**Highest Lawful Rate**"). In the event any payment of interest on any such loan exceeds the Highest Lawful Rate, the parties hereto stipulate that (a) to the extent possible given the term of such loan, such excess amount previously paid or to be paid with respect to such Timeshare Loans be applied to reduce the principal balance of such Timeshare Loans, and the provisions thereof immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new

document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder and (b) to the extent that the reduction of the principal balance of, and the amounts collectible under, such loan and the reformation of the provisions thereof described in the immediately preceding clause (a) is not possible given the term of such loan, such excess amount will be deemed to have been paid with respect to such loan as a result of an error and upon discovery of such error or upon notice thereof by any party hereto such amount shall be refunded by the recipient thereof.

The characterization of the Seller as "debtor" and the Issuer as "secured party" in any financing statement required hereunder is solely for protective purposes and shall in no way be construed as being contrary to the intent of the parties that this transaction be treated as a sale to the Issuer of the Seller's entire right, title and interest in and to the property specified in the first sentence of this Section 3.

SECTION 4. Conditions Precedent to Acquisition of Timeshare Loans. The obligations of the Issuer to purchase any Timeshare Loans hereunder shall be subject to the satisfaction of the following conditions:

(a) With respect to each Funding Date and Transfer Date, all representations and warranties of the Seller contained in Section 5(a) hereof shall be true and correct on the related Funding Date and Transfer Date, as applicable, as if made on such date, and all representations and warranties as to the Timeshare Loans contained in Section 5(b) hereof and all information provided in the Schedule of Timeshare Loans in respect of the Timeshare Loans (including the Qualified Substitute Timeshare Loans conveyed on such Transfer Date) shall be true and correct on such Funding Date and Transfer Date, as the case may be.

(b) On or prior to each Funding Date and Transfer Date, as the case may be, the Seller shall have delivered or shall have caused the delivery of the related Timeshare Loan Files to the Custodian in accordance with Section 2(b) hereof and the Custodian shall have delivered a receipt therefor pursuant to the Custodial Agreement on or prior to the Funding Date or the Transfer Date, as applicable.

(c) The Seller shall have delivered all other information theretofore required or reasonably requested by the Issuer to be delivered by the Seller or performed all other obligations required to be performed as of the Funding Date or Transfer Date, as the case may be, including all filings, recordings and/or registrations as may be necessary in the opinion of the Issuer or the Indenture Trustee to establish and preserve the right, title and interest of the Issuer or the Indenture Trustee, as the case may be, in the related Timeshare Loans.

(d) On or before the Closing Date, the Issuer, the Servicer, the Back-Up Servicer and the Indenture Trustee shall have entered into the Indenture and Servicing Agreement and on any Funding Date, the Indenture and Servicing Agreement shall be in full force and effect.

(e) Each Timeshare Loan conveyed on a Funding Date shall be an Eligible Timeshare Loan.

(f) Each of the conditions precedent under Section 4.03 of the Indenture and Servicing Agreement and Section 2.2 of the Note Purchase Agreement shall have been satisfied.

(g) Each Qualified Substitute Timeshare Loan replacing a Timeshare Loan shall satisfy each of the criteria specified in the definition of "Qualified Substitute Timeshare Loan" and each of the conditions in Section 6 herein and in Section 4.06 of the Indenture and Servicing Agreement for substitution of Timeshare Loans shall have been satisfied.

(h) The Seller and the Issuer shall have duly entered, executed and delivered an Additional Timeshare Loan Supplement in the form attached hereto as Exhibit D.

(i) The Seller shall have delivered to the Issuer copies of UCC financing statements covering such Additional Timeshare Loan if necessary to perfect the Issuer's first priority interest in such Additional Timeshare Loans and the related assets.

(j) The Seller shall have delivered such other certificates and opinions as shall be reasonably requested by the Issuer or its assignee.

SECTION 5. Representations and Warranties and Certain Covenants of the Seller.

(a) The Seller represents and warrants to the Issuer and the Indenture Trustee for the benefit of the Noteholders, on each Funding Date and Transfer Date (with respect to the Timeshare Loans or the Qualified Substitute Timeshare Loans transferred on such Funding Date or Transfer Date) as follows:

(i) Due Incorporation; Valid Existence; Good Standing. The Seller is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation; and is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations under this Agreement makes such qualification necessary, except where the failure to be so qualified will not have a material adverse effect on the business of the Seller or its ability to perform its obligations under this Agreement or any other Facility Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans.

(ii) Possession of Licenses, Certificates, Franchises and Permits. The Seller holds, and at all times during the term of this Agreement will hold, all material licenses, certificates, franchises and permits from all governmental authorities necessary for the conduct of its business, and has

received no notice of proceedings relating to the revocation of any such license, certificate, franchise or permit, which singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially and adversely affect its ability to perform its obligations under this Agreement or any other Facility Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans.

(iii) Corporate Authority and Power. The Seller has, and at all times during the term of this Agreement will have, all requisite corporate power and authority to own its properties, to conduct its business, to execute and deliver this Agreement and all documents and transactions contemplated hereunder and to perform all of its obligations under this Agreement and any other Facility Document to which it is a party or under the transactions contemplated hereunder or thereunder. The Seller has all requisite corporate power and authority to acquire, own, transfer and convey the Timeshare Loans to the Issuer.

(iv) Authorization, Execution and Delivery; Valid and Binding. This Agreement and all other Facility Documents and instruments required or contemplated hereby to be executed and delivered by the Seller have been duly authorized, executed and delivered by the Seller and, assuming the due execution and delivery by, the other party or parties hereto and thereto, constitute legal, valid and binding agreements enforceable against the Seller in accordance with their respective terms subject, as to enforceability, to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy, insolvency, or reorganization of the Seller and to general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law. This Agreement constitutes a valid transfer of the Seller's interest in the Timeshare Loans to the Issuer or the valid creation of a first priority perfected security interest in the Timeshare Loans in favor of the Issuer.

(v) No Violation of Law, Rule, Regulation, etc. The execution, delivery and performance by the Seller of this Agreement and any other Facility Document to which the Seller is a party do not and will not (A) violate any of the provisions of the certificate of incorporation or bylaws of the Seller, (B) violate any provision of any law, governmental rule or regulation currently in effect applicable to the Seller or its properties or by which the Seller or its properties may be bound or affected, including, without limitation, any bulk transfer laws, (C) violate any judgment, decree, writ, injunction, award, determination or order currently in effect applicable to the Seller or its properties or by which the Seller or its properties are bound or affected, (D) conflict with, or result in a breach of, or constitute a default under, any of the provisions of any indenture, mortgage, deed of trust, contract or other instrument to which the Seller is a party or by which it is bound or (E) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, mortgage, deed of trust, contract or other instrument.

(vi) Governmental Consent. No consent, approval, order or authorization of, and no filing with or notice to, any court or other Governmental Authority in respect of the Seller is required which has not been obtained in connection with the authorization, execution, delivery or performance by the Seller of this Agreement or any of the other Facility Documents to which it is a party or under the transactions contemplated hereunder or thereunder, including, without limitation, the transfer of the Timeshare Loans and the creation of the security interest of the Issuer therein pursuant to Section 3 hereof.

(vii) Defaults. The Seller is not in default under any material agreement, contract, instrument or indenture to which the Seller is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body, in each case, which would have a material adverse effect on the transactions contemplated hereunder or on the business, operations, financial condition or assets of the Seller, and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body.

(viii) No Adverse Change. Since the end of its most recent, audited fiscal year, there has been no change in the business, operations, financial condition, properties or assets of the Seller which would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Facility Document to which it is a party or materially adversely affect the transactions contemplated under this Agreement or any such other Facility Documents, provided, that the parties hereto acknowledge the separation of MVW and its subsidiaries from Marriott International contemplated on the Spin-Off Date, if consummated substantially in accordance with the terms set forth in the Form 10 filed by MVW with the Securities and Exchange Commission on June 28, 2011, as amended by Amendment No. 1 filed with the Securities and Exchange Commission on September 9, 2011, does not, solely in and of itself, constitute a material adverse change.

(ix) Insolvency. The Seller will be solvent at all relevant times prior to, and will not be rendered insolvent by, the transfer of the Timeshare Loans hereunder. On the Closing Date, or a Funding Date or Transfer Date, as applicable, the Seller will not engage in any business or transaction for which any property remaining with the Seller would constitute an unreasonably small amount of capital.

(x) Pending Litigation or Other Proceedings. There is no pending or, to the best of the Seller's knowledge, threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting the Seller which, if decided adversely, would materially and adversely affect (i) the condition (financial or otherwise), business or operations of the Seller, (ii) the ability of the Seller to perform its

obligations under, or the validity or enforceability of, this Agreement or any other Facility Document to which it is a party, (iii) any Timeshare Loans or title of any Obligor to any Timeshare Properties, or (iv) the Issuer's ability to foreclose or otherwise enforce the liens of the Timeshare Loans, including the right to revoke or otherwise terminate the Right-to-Use Agreements and the rights of the Obligors to use and occupy the related Timeshare Property.

(xi) Information. No document, certificate or report furnished or required to be furnished by or on behalf of the Seller pursuant to this Agreement, in its capacity as the Seller, contains or will contain when furnished any untrue statement of a material fact or fails, or will fail, to state a material fact necessary in order to make the statements contained therein not misleading. There are no facts known to the Seller which, individually or in the aggregate, materially adversely affect, or which (aside from general economic trends) may reasonably be expected to materially adversely affect in the future, the financial condition or assets or business of the Seller, or which may impair the ability of the Seller to perform its obligations under this Agreement and any other Facility Document to which it is a party, which have not been disclosed herein or therein or in the certificates and other documents furnished to the Issuer by or on behalf of the Seller pursuant hereto or thereto specifically for use in connection with the transactions contemplated hereby or thereby.

(xii) Foreign Tax Liability. The Seller is not aware of any Obligor under a Timeshare Loan who has withheld any portion of payments due under such Timeshare Loan because of the requirements of a foreign taxing authority, and no foreign taxing authority has contacted the Seller concerning a withholding or other foreign tax liability.

(xiii) Employee Benefit Plan Liability. As of the Closing Date and each Funding Date and Transfer Date, as applicable, (i) with respect to any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA) sponsored, maintained or contributed to by Seller or any of its Commonly Controlled Affiliates (as defined below), other than any Seller Multiemployer Plan (as defined below), no "accumulated funding deficiency" (as such term is defined under Section 302 of ERISA or Section 412 of the Code), whether or not waived, with respect to any plan year beginning prior to January 1, 2008, or with respect to any plan year beginning after December 31, 2007, no unpaid "minimum required contribution" (as such term is defined under Section 303 of ERISA or Section 430 of the Code) exists, and, to the Seller's knowledge, no event has occurred or circumstance exists that may result in an unpaid minimum required contribution as of the last day of the current plan year of any such plan; (ii) the Seller and each of its Commonly Controlled Affiliates has made all undisputed contributions required under each multiemployer plan (as such term is defined in Section 3(37) of ERISA) (a "**Multiemployer Plan**") to which the Seller or any of its Commonly Controlled Affiliates contributes or in which the Seller or any of its Commonly Controlled Affiliates participates (a "**Seller Multiemployer Plan**"); and (iii) the aggregate outstanding liability of the Seller

and its Commonly Controlled Affiliates for disputed contributions required under all Seller Multiemployer Plans collectively does not exceed $500,000 in the aggregate. As of each Funding Date or Transfer Date, the aggregate outstanding liability of the Seller and its Commonly Controlled Affiliates for any partial or complete withdrawal from any Multiemployer Plans collectively does not exceed $10 million, and, to the Seller's knowledge, no event has occurred or circumstance exists that presents a risk that the aggregate outstanding liability of the Seller and its Commonly Controlled Affiliates for any partial or complete withdrawal from, or the partition, termination, reorganization or insolvency of, any Multiemployer Plans could collectively exceed $10 million. For purposes of this subsection (xiii), "**Commonly Controlled Affiliates**" means those direct or indirect affiliates of the Seller that would be considered a single employer with the Seller under Section 414(b), (c), (m), or (o) of the Code.

(xiv) Taxes. The Seller has filed all tax returns (federal, state and local) which it reasonably believes are required to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges due from the Seller or is contesting any such tax, assessment or other governmental charge in good faith through appropriate proceedings or such failure will not have a material adverse effect on the rights and interests of the Issuer. The Seller knows of no basis for any material additional tax assessment for any fiscal year for which adequate reserves have not been established. The Seller intends to pay all such taxes, assessments and governmental charges when due.

(xv) Place of Business. The places of business where the Servicer on behalf of the Seller keeps its records concerning the Timeshare Loans will be 1200 U.S. Highway 98 South, Lakeland, Florida 33801 and 6649 Westwood Boulevard, Orlando, Florida 32821 (or such other place specified by the Seller by written notice to the Issuer and the Indenture Trustee). The principal place of business and chief executive office of the Seller is located at 6649 Westwood Boulevard, Orlando, Florida 32821 (or such other place specified by the Seller by written notice to the Issuer and the Indenture Trustee).

(xvi) Securities Laws. The Seller is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No portion of the Timeshare Loan Acquisition Price for each of the Timeshare Loans will be used by the Seller to acquire any security in any transaction which is subject to Section 13 or Section 14 of the Securities Exchange Act of 1934, as amended.

(xvii) Ownership of the Seller. Effective on the Closing Date, one-hundred percent (100%) of the outstanding voting stock of the Seller is directly owned (both beneficially and of record) by Marriott International. Such stock is validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire capital stock from the Seller. Following the Spin-off Date, one-hundred percent (100%) of the outstanding voting stock of the

Seller will be directly owned (both beneficially and of record) by MVW US Holdings, Inc., a Delaware corporation, which will be a direct wholly-owned subsidiary of MVW.

(b) The Seller hereby: (i) represents and warrants that immediately prior to the transfer of any Timeshare Loan to the Issuer, the Seller had full legal and equitable title to such Timeshare Loan, free and clear of any liens and encumbrances and (ii) makes the representations and warranties contained in Schedule I hereto for the benefit of the Issuer and the Indenture Trustee for the benefit of the Noteholders with respect to each Timeshare Loan as of the related Funding Date and as of each Transfer Date (with respect to each Timeshare Loan and Qualified Substitute Timeshare Loan transferred on such Funding Date or Transfer Date), as applicable.

(c) It is understood and agreed that the representations and warranties set forth in this Section 5 shall survive the sale of each Timeshare Loan to the Issuer and any assignment of such Timeshare Loan by the Issuer to the Indenture Trustee for the benefit of the Noteholders and shall continue so long as any such Timeshare Loan shall remain outstanding until such time as such Timeshare Loan is repurchased or a Qualified Substitute Timeshare Loan is provided pursuant to Section 6 hereof. The Seller acknowledges that it has been advised that the Issuer intends to assign all of its right, title and interest in and to each Timeshare Loan and its rights and remedies under this Agreement to the Indenture Trustee for the benefit of the Noteholders. The Seller agrees that, upon any such assignment, the Indenture Trustee may enforce directly, without joinder of the Issuer (but subject to any defense that the Seller may have under this Agreement) all rights and remedies hereunder.

(d) With respect to any representations and warranties contained in Section 5(a) and Section 5(b) hereof which are made to the best of the Seller's knowledge, if it is discovered that any representation and warranty is inaccurate and such inaccuracy materially and adversely affects the value of a Timeshare Loan or the interests of the Issuer or any assignee thereof, then notwithstanding the Seller's lack of knowledge of the accuracy of such representation and warranty at the time such representation or warranty was made, such inaccuracy shall be deemed a breach of such representation or warranty for purposes of the repurchase or substitution obligations described herein.

SECTION 6. Repurchases and Substitutions.

(a) Mandatory Repurchases and Substitutions for Breaches of Representations and Warranties. Upon the discovery by the Seller or the Issuer of a breach of any of the representations and warranties in Section 5(a) or Section 5(b) hereof which materially and adversely affects the value of a Timeshare Loan or the interests of the Issuer or any subsequent assignee of the Issuer (including the Indenture Trustee for the benefit of the Noteholders) therein, the party discovering such breach shall give prompt written notice thereof to the others and the Performance Guarantor; provided that with respect to any Trust-Based Timeshare Loan, no breach of any representation or warranty set forth in clauses (aa), (cc), (ff), (kk), (mm), or (oo) of Schedule I hereto will be deemed to materially and adversely affect the value of such Timeshare Loan or the

interests of the Issuer or any subsequent assignee of the Issuer therein unless such breach materially and adversely affects the MVC Trust. Within 60 days from the date the Seller is notified of, or otherwise discovers, such breach, the Seller shall eliminate or otherwise cure in all material respects the circumstance or condition which has caused such representation or warranty to be incorrect or either (i) repurchase such Timeshare Loan at the Repurchase Price, or (ii) provide one or more Qualified Substitute Timeshare Loans for such Timeshare Loan and pay the related Substitution Shortfall Amount, if any.

Notwithstanding the foregoing, (A) the failure to deliver a policy of lender's title insurance in respect of a Timeshare Loan shall not constitute a breach of representation or warranty in respect of such Timeshare Loan if (i) the Timeshare Loan File contains a commitment to issue a policy of lender's title insurance, and (ii) if such actual policy is delivered not later than the 90th day following the Funding Date or the Transfer Date, as the case may be, and (B) the failure to provide evidence that a Mortgage or certificate of title has been recorded and/or stamped, as the case may be, in the appropriate recording office shall not constitute a breach of representation or warranty in respect of such Timeshare Loan if such evidence is provided not later than the 90th day following the Funding Date or the Transfer Date, as the case may be; provided, however, that if such policy of lender's title insurance was delayed because the related original Mortgage (or a copy thereof) had not been received from the appropriate recording office prior to the 80th day following the Funding Date or Transfer Date, as the case may be, then such 90-day periods in (A)(ii) and (B) shall be extended to a date 30 days after such receipt.

(b) Optional Repurchases and Substitutions of Timeshare Loans. On any date, the Seller shall have the option, but not the obligation, to either (i) repurchase a Defaulted Timeshare Loan from the Issuer for a price equal to the Repurchase Price therefor, or (ii) substitute one or more Qualified Substitute Timeshare Loans for a Defaulted Timeshare Loan and pay the related Substitution Shortfall Amount, if any; provided, however, the aggregate Cut-Off Date Loan Balance of Defaulted Timeshare Loans that may be repurchased and of Defaulted Timeshare Loans that may be substituted pursuant to this Section 6(b) shall be limited on any date to 20% of the highest aggregate Loan Balance of all Timeshare Loans owned by the Issuer since the Closing Date or, if a Securitization Take-Out shall have occurred, the related Securitization Take-Out Date, less the aggregate Cut-Off Date Loan Balance of all Defaulted Timeshare Loans previously repurchased or substituted at the Seller's option.

(c) Payment of Repurchase Prices and Substitution Shortfall Amounts. The Issuer hereby directs and the Seller hereby agrees to remit all amounts in respect of Repurchase Prices and Substitution Shortfall Amounts in immediately available funds to the Collection Account. In the event that more than one Timeshare Loan is substituted pursuant to Sections 6(a) or (b) hereof on any Transfer Date, the Substitution Shortfall Amounts and the Loan Balances of Qualified Substitute Timeshare Loans shall be calculated on an aggregate basis for all substitutions made on such Transfer Date.

(d) Schedule of Timeshare Loans. The Issuer hereby directs, and the Seller hereby agrees, on each date on which a Timeshare Loan has been repurchased or substituted, to provide the Issuer and the Indenture Trustee with a revised Schedule of

Timeshare Loans reflecting the removal of such Timeshare Loans and subjecting any Qualified Substitute Timeshare Loans to the provisions of this Agreement.

(e) Officer's Certificate. The Seller shall, on each Transfer Date, certify in writing to the Issuer and the Indenture Trustee that (i) each new Timeshare Loan meets all the criteria of the definition of "Qualified Substitute Timeshare Loan", (ii) the Timeshare Loan Files for such Qualified Substitute Timeshare Loans have been delivered to the Custodian and (iii) the Timeshare Loan Servicing Files for such Qualified Substitute Timeshare Loan have been delivered to the Servicer.

(f) Release. In connection with any repurchase or substitution of one or more Timeshare Loans contemplated by this Section 6, upon satisfaction of the conditions contained in this Section 6, the Issuer shall execute and deliver (or shall cause the Issuer to execute and deliver) such instruments of transfer or assignment presented to it by the Seller, in each case without recourse, as shall be necessary to vest in the Seller the legal and beneficial ownership of such Timeshare Loans; provided that with respect to a release of a Timeshare Loan that is substituted by a Qualified Substitute Timeshare Loan, the Issuer shall not execute and deliver or cause the execution and delivery of such releases and instruments of transfer or assignment until the Indenture Trustee and the Servicer receive a receipt from the Custodian for such Qualified Substitute Timeshare Loan. The Issuer shall cause the Custodian to release the related Timeshare Loan Files to the Seller or its designee.

(g) Sole Remedy. It is understood and agreed that the obligations of the Seller to cure, repurchase or substitute Timeshare Loans contained in Section 6(a) hereof and the obligation of the Seller to indemnify pursuant to Section 8 hereof shall constitute the sole remedies for the breaches of any representation or warranty with respect to the Timeshare Loans contained in Section 5(a) or Section 5(b) hereof.

SECTION 7. Additional Covenants of the Seller. The Seller hereby covenants and agrees with the Issuer as follows:

(a) The Seller will comply in all material respects with all applicable laws, rules, regulations and orders and preserve and maintain its corporate existence, rights, franchises, qualifications and privileges except to the extent that the failure so to comply with such laws, rules and regulations or the failure so to preserve and maintain such existence, rights, franchises, qualifications and privileges could not reasonably be expected to materially adversely affect the collectibility of the Timeshare Loans or the ability of the Seller to perform its obligations under this Agreement and any of the Facility Documents to which it is a party.

(b) On or prior to each Funding Date or a Transfer Date, as applicable, the Seller shall indicate in its computer files and other records that each Timeshare Loan has been sold to the Issuer and subsequently pledged by the Issuer to the Indenture Trustee for the benefit of the Noteholders.

(c) The Seller shall respond to any inquiries with respect to ownership of a Timeshare Loan by stating that such Timeshare Loan has been sold to the Issuer and that the Issuer is the owner of such Timeshare Loan and that such Timeshare Loan has been pledged by the Issuer to the Indenture Trustee for the benefit of the Noteholders.

(d) On or prior to a Funding Date or a Transfer Date, as applicable, the Seller shall file, at its own expense, financing statements in favor of the Issuer, and, if applicable, the Indenture Trustee for the benefit of the Noteholders with respect to the Timeshare Loans meeting the requirements of state law in such manner and in such jurisdictions as are necessary or appropriate to perfect the acquisition of the Timeshare Loans by the Issuer from the Seller, and shall deliver file-stamped copies of such financing statements to the Issuer and the Indenture Trustee for the benefit of the Noteholders.

(e) The Seller agrees from time to time, at its expense, promptly to execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that the Issuer or the Indenture Trustee may reasonably request, to perfect, protect or more fully evidence the sale of the Timeshare Loans, or to enable the Issuer or the Indenture Trustee to exercise and enforce its rights and remedies hereunder or under any Timeshare Loan including but not limited to powers of attorney, UCC financing statements and assignments of Mortgage and Right-to-Use Agreement. The Seller hereby appoints the Issuer and the Indenture Trustee as attorney-in-fact, which appointment is coupled with an interest and is therefore irrevocable, to act on behalf and in the name of the Seller to enforce obligations of the Seller hereunder.

(f) Any change in the legal name of the Seller and any use by it of any tradename, fictitious name, assumed name or “doing business as” name occurring after the Closing Date shall be promptly disclosed in writing to the Issuer and the Indenture Trustee.

(g) Upon the discovery or receipt of notice of a breach of any of its representations or warranties and covenants contained herein, the Seller shall promptly disclose to the Issuer and the Indenture Trustee, in reasonable detail, the nature of such breach.

(h) The Seller shall within one Business Day transfer to the Issuer or its assignee, as applicable, any payment it receives in respect of the Timeshare Loans.

(i) In the event that the Seller or the Issuer or any assignee of the Issuer should receive actual notice of any transfer taxes arising out of the transfer, assignment and conveyance of a Timeshare Loan, on written demand by the Issuer, or upon the Seller otherwise being given notice thereof, the Seller shall pay, and otherwise indemnify and hold the Issuer and any of its assignees harmless, on an after-tax basis, from and against any and all such transfer taxes.

(j) The Seller will keep its principal place of business and chief executive office and the office where it keeps its records concerning the Timeshare Loans

at the address of the Seller listed herein or, upon 30 days' prior written notice to the Issuer and the Indenture Trustee, at any other location in jurisdictions where all actions reasonably requested by the Issuer or the Indenture Trustee to protect and perfect the interest in the Timeshare Loans, Obligor Notes and Right-to-Use Agreements under the applicable UCC have been taken and completed within 10 days of such notice. The Seller also will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Seller in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Timeshare Loans (including, without limitation, records adequate to permit the daily identification of each Obligor Note and all payments made with regard to the related Timeshare Loans).

(k) The Seller shall authorize and file such continuation statements and any other documents reasonably requested by the Issuer or the Indenture Trustee or which may be required by law to preserve and protect the interest of the Issuer or the Indenture Trustee hereunder in and to the Timeshare Loans.

(l) The Seller agrees from time to time, at its expense, promptly to execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that the Issuer or the Indenture Trustee may reasonably request, to perfect, protect or more fully evidence the Timeshare Loans, or to enable the Issuer or the Indenture Trustee to exercise and enforce its rights and remedies hereunder or under any of the other Facility Documents to which it is a party.

(m) The Seller authorizes the Issuer and the Indenture Trustee to file continuation statements, and amendments thereto, relating to the Timeshare Loans, the underlying Obligor Notes and all payments made with regard to the Timeshare Loans without the signature of the Seller where permitted by law. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law. The Issuer confirms that it is not its present intention to file a photocopy or other reproduction of this Agreement as a financing statement, but reserves the right to do so if, in its good faith determination, there is at such time no reasonable alternative remaining to it.

(n) In the event that the Seller shall have received any insurance proceeds and such proceeds are not payable to an Obligor, the Seller shall promptly remit such insurance proceeds to the Indenture Trustee for deposit into the Collection Account.

SECTION 8. Indemnification.

(a) The Seller agrees to indemnify the Issuer, the Indenture Trustee, the Administrative Agent, the Funding Agents and the Noteholders (each an "**Indemnified Party**", collectively, the "**Indemnified Parties**") against (x) any and all claims, losses, liabilities, (including legal fees and related costs) that such Indemnified Parties may sustain directly or indirectly related to any inaccuracy or breach of the representations and warranties of the Seller under Section 5 hereof and (y) a failure by

the Seller to perform any of its obligations under the Facility Documents ("**Indemnified Amounts**") excluding, however (i) Indemnified Amounts to the extent resulting from the gross negligence or willful misconduct on the part of such Indemnified Party; (ii) any recourse for any uncollectible Timeshare Loan not related to a breach of representation or warranty by the Seller; (iii) recourse to the Seller for a Defaulted Timeshare Loan so long as the same is replaced or repurchased pursuant to Section 6 hereof; (iv) income, franchise or similar taxes with respect to such Indemnified Party arising out of or as a result of this Agreement or the transfer of the Timeshare Loans; (v) Indemnified Amounts attributable to any violation by an Indemnified Party of any requirement of law related to an Indemnified Party; or (vi) the operational or administration expenses of an Indemnified Party generally and not related to the enforcement of this Agreement. The Seller shall (x) promptly notify the Issuer and the Indenture Trustee if a claim is made by a third party with respect to this Agreement or the Timeshare Loans, and relating to (i) the failure by the Seller to perform its duties in accordance with the terms of this Agreement or (ii) a breach of the Seller's representations, covenants and warranties contained in this Agreement, and (y) assume (with the consent of the related Indemnified Party, which consent shall not be unreasonably withheld) the defense of any such claim and pay all expenses in connection therewith, including counsel fees, and promptly pay, discharge and satisfy any judgment, order or decree which may be entered against it or the related Indemnified Party in respect of such claim. If the Seller shall have made any indemnity payment pursuant to this Section 8 and the recipient thereafter collects from another Person any amount relating to the matters covered by the foregoing indemnity, the recipient shall promptly repay such amount to the Seller.

(b) The obligations of the Seller under this Section 8 to indemnify the Indemnified Parties shall survive the termination of this Agreement and continue until the Notes are paid in full or otherwise released or discharged.

SECTION 9. No Proceedings. The Seller hereby agrees that it will not, directly or indirectly, institute, or cause to be instituted, or join any Person in instituting, against the Issuer or any Resort, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law so long as there shall not have elapsed one year plus one day since the latest maturing Notes issued by the Issuer.

SECTION 10. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing and mailed or telecommunicated, or delivered as to each party hereto, at its address set forth under its name on the signature page hereof or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall not be effective until received by the party to whom such notice or communication is addressed.

SECTION 11. No Waiver; Remedies. No failure on the part of the Seller, the Issuer or any assignee thereof to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any other remedies provided by law.

SECTION 12. Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Seller, the Issuer and their respective successors and permitted assigns. Any assignee shall be an express third party beneficiary of this Agreement, entitled directly to enforce this Agreement. The Seller may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of the Issuer and any of its assignees. The Issuer may, and intends to, assign all of its rights hereunder to the Indenture Trustee for the benefit of the Noteholders and the Seller consents to any such assignment. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until its termination; provided, however, that the rights and remedies with respect to any breach of any representation and warranty made by the Seller pursuant to Section 5 hereof and the repurchase or substitution and indemnification obligations shall be continuing and shall survive any termination of this Agreement but such rights and remedies may be enforced only by the Issuer and the Indenture Trustee.

SECTION 13. Amendments; Consents and Waivers. No modification, amendment or waiver of, or with respect to, any provision of this Agreement, and all other agreements, instruments and documents delivered thereto, nor consent to any departure by the Seller from any of the terms or conditions thereof shall be effective unless it shall be in writing and signed by each of the parties hereto and the written consent of the Indenture Trustee for the benefit of the Noteholders is given. The Issuer shall provide the Indenture Trustee with such proposed modifications, amendments or waivers. Any waiver or consent shall be effective only in the specific instance and for the purpose for which given. No consent by the Indenture Trustee shall, in itself, entitle Seller to any other consent in similar or other circumstances. The Seller acknowledges that in connection with the intended pledge by the Issuer of all of its right, title and interest in and to each Timeshare Loan to the Indenture Trustee for the benefit of the Noteholders, the Issuer, as Issuer, intends to issue the Notes, the proceeds of which will be used by the Issuer to purchase the Timeshare Loans conveyed hereunder.

SECTION 14. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation, shall not in any way be affected or impaired thereby in any other jurisdiction. Without limiting the generality of the foregoing, in the event that a Governmental Authority determines that the Issuer may not purchase or acquire Timeshare Loans, the transactions evidenced hereby shall constitute a loan and not a purchase and sale, notwithstanding the otherwise applicable intent of the parties hereto, and the Seller shall be deemed to have granted to the Issuer as of the date hereof, a first priority security interest in all of the Seller's right, title and interest in, to and under such Timeshare Loan and the related property as described in Section 2 hereof.

SECTION 15. GOVERNING LAW; CONSENT TO JURISDICTION.

(a) THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK.

(b) THE SELLER AND THE ISSUER HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY AND EACH WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO THE ADDRESS SET FORTH ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID. THE SELLER AND THE ISSUER EACH HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION 15 SHALL AFFECT THE RIGHT OF THE SELLER OR THE ISSUER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY OF THEM TO BRING ANY ACTION OR PROCEEDING IN THE COURTS OF ANY OTHER JURISDICTION.

SECTION 16. Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 17. Execution in Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and both of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or other electronic transmission (i.e., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart hereof and deemed an original.

SECTION 18. Owner Trustee. It is expressly understood and agreed by the parties hereto that (a) this Agreement is executed and delivered by Wilmington Trust, N.A. not individually or personally but solely as Owner Trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made or on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by Wilmington Trust, N.A., but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on Wilmington Trust, N.A., individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto, and (d) under no circumstances shall Wilmington Trust, N.A. be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Agreement or any other related document. Notwithstanding the foregoing, Wilmington Trust, N.A. shall not be relieved of any of its duties and obligations under the Administration Agreement or the Trust Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Sale Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

MORI SPC SERIES CORP., as Seller

By: /s/ Jean Pierre Parisien

Name:	Jean Pierre Parisien
Title:	Vice President
Address:	10400 Fernwood Road Bethesda, Maryland 20817
Telephone:	(301) 380-3153
Facsimile:	(301) 380-5067

MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1

By: WILMINGTON TRUST, NATIONAL ASSOCIATION, not individually, but solely in its capacity as Owner Trustee

By: /s/ Rita Marie Ritrovato

Name:	Rita Marie Ritrovato
Title:	Assistant Vice President
Address:	1220 North Market Street, Suite 202 Wilmington, Delaware 19801
Telephone:	(302) 255-4966
Facsimile:	(302) 661-2266

Schedule I

(a) All federal, state or local laws, rules or regulations, including, without limitation, those relating to usury, truth-in-lending, real estate settlement procedure, land sales, the offer and sale of securities, consumer credit protection and equal credit opportunity or disclosure, applicable to the Timeshare Loan or the sale of the Timeshare Property securing the related Obligor Note have been complied with in all material respects. The applicable rescission period with respect to the Timeshare Loan has expired, and the Timeshare Loan was not originated in, or is subject to the laws of, any jurisdiction under which the transfer, conveyance or assignment of such Timeshare Loan would be unlawful, void or voidable.

(b) If the Timeshare Loan is a Mortgage Loan, the Timeshare Property constitutes a fee interest in real property at one of the Resorts or a real property interest in the MVC Trust and the related Mortgage has been duly filed and recorded (or is in the process of being recorded) with all appropriate governmental authorities in all jurisdictions in which such Mortgage is required to be filed and recorded to create a valid, binding and enforceable first priority perfected security interest on the related Timeshare Property subject only to Permitted Liens. If the Timeshare Loan is a Right-to-Use Loan, the related Timeshare Property is a Unit at a Resort and the related Right-to-Use Agreement grants the related Obligor the right to use and occupy such Unit and the related Right-to-Use Agreement has been duly filed and recorded with all governmental authorities in all jurisdictions in which the related Right-to-Use Agreement is required to be filed and recorded to enable the Seller and its assigns to enforce the revocation and termination rights granted in the Right-to-Use Agreement.

(c) Immediately prior to the transfer pursuant to Section 2 of this Agreement of the Timeshare Loan from the Seller to the Issuer, the Seller will own full legal and equitable title to such Timeshare Loan, free and clear of any lien, charge, encumbrance or participation or ownership interest in favor of any other Person, other than the Permitted Liens. All of the Seller's right, title and interest in and to such Timeshare Loan has been validly and effectively transferred to the Issuer or a valid first priority security interest in, and/or the right of revocation and termination provided in the related Right-to-Use Agreement with respect to, the related Obligor Note has been created or assigned in favor of the Issuer.

(d) Each of the related Mortgage, related Right-to-Use Agreement, related Obligor Note, and each other document in the related Timeshare Loan File is genuine and the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law), and is not subject to any dispute, right of setoff, recoupment, counterclaim, or defense of any kind, whether arising out of transactions concerning such Timeshare Loan or otherwise, and no such right has been asserted with respect thereto.

(e) All parties to the related Mortgage or the related Right-to-Use Agreement and the related Obligor Note had legal capacity to enter into such Mortgage or Right-to-Use Agreement and Obligor Note and to execute and deliver such related Mortgage or the related Right-to-Use Agreement and related Obligor Note, and such related Mortgage, related Right-to-Use Agreement and related Obligor Note have been duly and properly executed by such parties. No amendments to such related Mortgage or the related Right-to-Use Agreement, related Obligor Note or any other document in the related Timeshare Loan File were required as a result of any mergers involving the Seller or its predecessors to maintain the rights of the Seller or its predecessors thereunder as a mortgagee or party to a Right-to-Use Agreement. The related Obligor has not been released, in whole or in part, from any of its obligations in respect of the Timeshare Loan. No Obligor Note has been satisfied, canceled, rescinded or subordinated, in whole or in part, and no instrument has been executed that would effect any such satisfaction, release, cancellation, subordination or rescission.

(f) At the time the originator made the related Obligor Note secured by a Mortgage or a Right-to-Use Agreement to the related Obligor, such Obligor had good and marketable fee simple title to the Timeshare Property or Right-to-Use Agreement securing such Obligor Note, free and clear of all Liens, except for Permitted Liens.

(g) The related Mortgage or Right-to-Use Agreement, as the case may be, contains customary and enforceable provisions so as to render the rights and remedies of the holder thereof adequate for the practical realization against the related Timeshare Property of the benefits of the security interests or other remedies intended to be provided thereby, including by judicial foreclosure or other applicable remedies. There is no exemption available to the related Obligor which would interfere with the mortgagee's right to foreclose such related Mortgage, if applicable, or the Issuer's or Servicer's right to enforce the revocation and termination rights in the related Right-to-Use Agreement, other than that which may be available under applicable bankruptcy, debt relief, homestead statutes or the Servicemembers Civil Relief Act of 2003, or a similar, applicable law of the country in which the Obligor is located, if other than the United States.

(h) The related Obligor Note is not and has not been secured by any collateral except the Lien of the related Mortgage or rights and remedies in the related Right-to-Use Agreement, as the case may be.

(i) (x) The related Mortgage or Right-to-Use Agreement, as applicable, for (A) each jurisdiction in which a Resort is located, and (B) the jurisdiction under which the Beneficial Interests are issued and (y) the related Obligor Note for (A) each jurisdiction in which a Resort is located and (B) each jurisdiction in which Beneficial Interests are sold, are substantially in the respective forms set forth as Exhibit B hereto.

(j) All entries with respect to such Timeshare Loan (including if it is a Qualified Substitute Timeshare Loan) as set forth on the related Schedule of Timeshare Loans are true and correct.

(k) All of the related Timeshare Loan Servicing Files for such Timeshare Loan have on or prior to the Funding Date or Transfer Date, as applicable, have been obtained by the Servicer and all the related Timeshare Loan Files are complete (as required in the definition of "Timeshare Loan Files") in all material respects and are in the possession of the Custodian.

(l) The Mortgage, if any, is covered by a form of lender's title insurance policy issued by a title insurer qualified to do business in the jurisdiction where the related Timeshare Property or, with respect to a Beneficial Interest, the MVC Trust, is located, insuring the Seller and its successors and assigns, as to the first priority perfected Lien of the Mortgage, subject only to Permitted Liens, in an amount equal to or greater than the Loan Balance of such Obligor Note on the Funding Date or Transfer Date, as the case may be. Such lender's title insurance policy is in full force and effect. No claims have been made under such lender's title insurance policy, and no prior holder of such Mortgage, including the Seller, has done or omitted to do anything which would impair the coverage of such lender's title insurance policy.

(m) The Seller has not taken (or omitted to take), and has no notice that the related Obligor has taken (or omitted to take), any action that would impair or invalidate the coverage provided by any hazard, title or other insurance policy, if any, relating to such Obligor Note or the related Timeshare Property.

(n) The related Obligor Note evidences a fully amortizing debt obligation which bears a fixed rate of interest, provides for substantially level monthly payments of principal and interest (other than the final payment thereon), and is payable in United States dollars.

(o) The related Obligor Note has an original term to stated maturity of twenty years or less.

(p) A minimum of one payment due under the Timeshare Loan has been made on the related Obligor Note prior to the related Cut-Off Date.

(q) Such Timeshare Loan is not more than 30 days delinquent on any payment of principal or interest.

(r) All applicable intangible taxes, documentary stamp taxes and state and local taxes were paid in respect of such Timeshare Loan.

(s) Interest is calculated on the related Obligor Note on a simple interest basis.

(t) The proceeds of the Timeshare Loan has been fully disbursed and no additional performance by the Seller is required.

(u) The terms of the related Mortgage, Right-to-Use Agreement, if applicable, and Obligor Note have not been modified in any material respect (unless by a writing contained in the related Timeshare Loan Files) and in no event to avoid delinquency or default.

(v) The related Obligor Note, if secured by a Mortgage, is principally and directly secured by an interest in real property.

(w) The related Obligor Note was originated by MORI or one of its wholly-owned subsidiaries or Affiliates in the ordinary course of its, its subsidiary's or its Affiliate's business in connection with the initial sale or resale of a timeshare estate or the right to use and occupy a Timeshare Property, all in accordance with the Credit and Collection Policy in effect at such time of origination.

(x) The related Timeshare Property, or the right to use and occupy the related Timeshare Property, or the shares of a Resort Association or the MVC Trust Association, as applicable, granting the right to use and occupy the related Timeshare Property, are assignable upon liquidation of the Obligor Note to which it relates without the consent of the related Resort Association or MVC Trust Association, as applicable, or any other Person and there are no other restrictions on resale thereof, except that as to a Resort Association that is a cooperative association, such right of assignment may be exercisable by the Seller or any Affiliate of the Seller as agent of the Resort Association.

(y) The related Obligor is not (i) a Person (other than an individual) that is affiliated with the Seller, the Servicer, or any of their respective affiliates, or (ii) a Governmental Authority.

(z) With respect to a Weeks-Based Timeshare Loan, (i) the related Resort Association was duly organized and, to the best of the Seller's knowledge, is validly existing and in good standing in the state of its organization, (ii) a MORI Affiliated Manager manages the related Resort and, if there is a related Resort Association, performs services for such Resort Association, pursuant to agreements between such MORI Affiliated Manager and such Resort Association, each of such agreements being in full force and effect, (iii) any agreements mentioned in the preceding clause (ii) include services that are substantially similar to the services described in the true and correct copy of a management agreement between such MORI Affiliated Manager and one of the Resort Associations, which has been furnished to the Issuer, and (iv) such MORI Affiliated Manager and the related Resort Association have performed in all material respects all obligations under any such agreements and are not in material default thereunder.

(aa) With respect to a Trust-Based Timeshare Loan, (i) each MVC Resort Association and the MVC Trust Association was duly organized and, to the best of the Seller's knowledge, is validly existing and in good standing in the state of its

organization, (ii) a MORI Affiliated Manager manages all of the MVC Resorts and, if there is a related MVC Resort Association, performs services for such MVC Resort Association, pursuant to agreements between MORI Affiliated Manager and such MVC Resort Association, each of such agreements being in full force and effect, (iii) any agreements mentioned in the preceding clause (ii) include services that are substantially similar to the services described in the true and correct copy of a management agreement between such MORI Affiliated Manager and one of the MVC Resort Associations, which has been furnished to the Issuer, and (iv) such MORI Affiliated Manager and the related MVC Resort Association have performed in all material respects all obligations under any such agreements and are not in material default thereunder.

(bb) With respect to a Weeks-Based Timeshare Loan, (i) the related Resort procures casualty and property insurance through the related Resort Association, if any, or through the Seller or an Affiliate of the Seller, which property insurance includes coverage due to covered damage or loss for the full replacement value thereof or, if not available on commercially reasonable terms, the maximum amount that the Servicer, in accordance with the Servicing Standard, determines is available on commercially reasonable terms, and, to the extent that the Servicer has determined, in accordance with the Servicing Standard, that such coverage is not available on commercially reasonable terms, the Seller has provided (or caused the Servicer to provide) written notice to the Issuer of such determination, (ii) in the event that the related Unit should suffer any loss covered by property damage insurance, upon receipt of any Insurance Proceeds, such Resort Association, or the Seller or an Affiliate of the Seller, are required, during the time such Unit is covered by such insurance, under the applicable governing instruments of the Resort Association or otherwise, either to repair or rebuild the portions of the applicable Resort or to pay such proceeds to the holders of any Mortgages secured by a timeshare estate in the portions of the applicable Resort, and (iii) if the related Resort is located in the United States and is located in a high hazard flood plain, the related Resort Association maintains flood insurance in an amount not less than the maximum level available under the National Flood Insurance Program.

(cc) With respect to a Trust-Based Timeshare Loan, (i) each MVC Resort procures casualty and property insurance through the related MVC Resort Association, if any, or through the Seller or an Affiliate of the Seller, which property insurance includes coverage due to covered damage or loss for the full replacement value thereof or, if not available on commercially reasonable terms, the maximum amount that the Servicer, in accordance with the Servicing Standard, determines is available on commercially reasonable terms, and, to the extent that the Servicer has determined, in accordance with the Servicing Standard, that such coverage is not available on commercially reasonable terms, the Seller has provided (or caused the Servicer to provide) written notice to the Issuer of such determination, (ii) in the event that any MVC Unit should suffer any loss covered by property damage insurance, upon receipt of any Insurance Proceeds, such MVC Resort Association, or the Seller or an Affiliate of the Seller, are required, during the time such MVC Unit is covered by such insurance, under the applicable governing instruments of the MVC Resort Association or otherwise, either to repair or rebuild the portions of the applicable MVC Resort or to pay such proceeds to

the owners (including the MVC Trust) of, or any mortgagees with respect to, the timeshare estates in the portions of the applicable MVC Resort, and (iii) for each MVC Resort which is located in the United States in a high hazard flood plain, the related MVC Resort Association maintains flood insurance in an amount not less than the maximum level available under the National Flood Insurance Program.

(dd) If such Timeshare Loan is a Mortgage Loan, it requires the related Obligor to pay all taxes, insurance premiums and maintenance costs with respect to the related Timeshare Property or, in the case of Timeshare Loans related to Timeshare Properties in the State of Virginia, requires that the Obligor timely pay and perform its obligations under, and shall not violate the terms and provisions of any declaration or other document recorded in the real estate records where the related Resort is located for purposes of creating and governing the rights of owners of Timeshare Properties related thereto, as may be in effect from time to time (each, as "**Declaration**") and any rules and regulations promulgated in connection therewith. If such Timeshare Loan is a Right-to-Use Loan, it requires the related Obligor to pay all maintenance costs with respect to the related Timeshare Property. There are no delinquent taxes, ground rents, water charges, sewer rents, assessments outstanding with respect to the related Timeshare Property, and there are no other material outstanding Liens affecting the related Timeshare Property, other than Permitted Liens.

(ee) With respect to a Weeks-Based Timeshare Loan, the related Timeshare Property and related Resort are free of material damage and waste and there is no proceeding pending or, to the best knowledge of the Seller, threatened for the total or partial condemnation or taking of such Timeshare Property or Resort by eminent domain.

(ff) The MVC Resorts are, in the aggregate, free of material damage and waste and there is no proceeding pending or, to the best knowledge of the Seller, threatened for the total or partial condemnation or taking of any MVC Resort by eminent domain.

(gg) No consent, approval, order or authorization of, and no filing with or notice to, any court or Governmental Authority in respect of the related Obligor is required which has not been obtained in connection with the transfer of such Timeshare Loan to the Issuer.

(hh) The Timeshare Loan was not selected using selection procedures reasonably believed by the Seller to be adverse to the Issuer.

(ii) Other than with respect to any Pre-Completion Loans related to the Resorts specified on the related Additional Timeshare Loan Supplement, with respect to a Weeks-Based Timeshare Loan, (i) the Unit related to the Timeshare Loan has been completed in all material respects as required by applicable federal, state and local laws, free of all defects that could give rise to any claims thereunder; (ii) to the extent required by applicable law, valid certificates of occupancy for such Unit has been issued and are currently outstanding; and (iii) the Seller and its commonly controlled Affiliates have complied in all material respects with all obligations and duties incumbent upon the

developers of the related Resort including the related Declarations and similar applicable documents for the related Resort. If the Timeshare Loan is a Pre-Completion Loan related to the Resorts specified on the related Additional Timeshare Loan Supplement the related Unit is expected to be an Available Unit by the Anticipated Completion Date specified thereon.

(jj) With respect to a Weeks-Based Timeshare Loan, (i) no practice, procedure or policy employed by the related Resort Association in the conduct of its business violates any law, regulation, judgment or agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire, health, sanitation, air pollution, ecological, environmental and toxic wastes, applicable to such Resort Association or MORI Affiliated Manager which, if enforced, would reasonably be expected to (A) have a material adverse impact on such Resort Association or the ability of such Resort Association or MORI Affiliated Manager to do business, (B) have a material adverse impact on the financial condition of such Resort Association or MORI Affiliated Manager, or (C) constitute grounds for the revocation of any license, charter, permit or registration which is material to the conduct of the business of the Resort Association or MORI Affiliated Manager, (ii) the related Resort and the present use thereof does not violate any applicable environmental, zoning or building laws, ordinances, rules or regulations of any governmental authority, or any covenants or restrictions of record, so as to materially adversely affect the value or use of such Resort or the performance by the related Resort Association of its obligations pursuant to and as contemplated by the terms and provisions of the related Declaration, (iii) there is no condition presently existing and no event has occurred or failed to occur prior to the date hereof, concerning the related Resort relating to any hazardous or toxic materials or condition, asbestos or other environmental or similar matters which would reasonably be expected to materially and adversely affect the present use of such Resort or the financial condition or business operations of the related Resort Association, or the value of such Timeshare Loan.

(kk) With respect to a Trust-Based Timeshare Loan, (i) no practice, procedure or policy employed by any MVC Resort Association or the MVC Trust Association in the conduct of its business violates any law, regulation, judgment or agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire, health, sanitation, air pollution, ecological, environmental and toxic wastes, applicable to such MVC Resort Association, the MVC Trust Association or MORI Affiliated Manager, which, if enforced, would reasonably be expected to (A) have a material adverse impact on such Resort Association or the MVC Trust Association, as applicable, or the ability of such MVC Resort Association or the MVC Trust Association, as applicable, or MORI Affiliated Manager to do business, (B) have a material adverse impact on the financial condition of such MVC Resort Association, the MVC Trust Association or MORI Affiliated Manager, or (C) constitute grounds for the revocation of any license, charter, permit or registration which is material to the conduct of the business of such MVC Resort Association, the MVC Trust Association or MORI Affiliated Manager, (ii) neither any MVC Resort nor the present use thereof violates any applicable environmental, zoning or building laws, ordinances, rules or regulations of any

governmental authority, or any covenants or restrictions of record, so as to materially adversely affect the value or use of such MVC Resort or the performance by the related MVC Resort Association or MVC Trust Association, as applicable, of its obligations pursuant to and as contemplated by the terms and provisions of the related Declaration, (iii) there is no condition presently existing and no event has occurred or failed to occur prior to the date hereof, concerning any MVC Resort relating to any hazardous or toxic materials or condition, asbestos or other environmental or similar matters which would reasonably be expected to materially and adversely affect the present use of such MVC Resort or the financial condition or business operations of the related MVC Resort Association, the MVC Trust Association or the value of such Timeshare Loan.

(ll) With respect to a Weeks-Based Timeshare Loan, the related Resort has made all filings and holds all material licenses, permits and registrations which are required under the laws of each jurisdiction in which the nature of its activities make such filings, licenses, permits or registrations necessary.

(mm) With respect to a Trust-Based Timeshare Loan, the MVC Resorts have made all filings and holds all material licenses, permits and registrations which are required under the laws of each jurisdiction in which the nature of its activities make such filings, licenses, permits or registrations necessary.

(nn) With respect to a Weeks-Based Timeshare Loan, the capital reserves and maintenance fee levels of the Resort Association related to the related Resort are adequate in light of the operating requirements of such Resort Association.

(oo) With respect to a Trust-Based Timeshare Loan, the capital reserves and maintenance fee levels of the MVC Resort Associations are adequate in light of the operating requirements thereof.

(pp) Each of the assignments of Mortgage and each endorsement of the related Obligor Note constitutes a duly executed, legal, valid, binding and enforceable assignment or endorsement, as the case may be, of such related Mortgage and related Obligor Note, and all monies due or to become due thereunder, and all proceeds thereof.

(qq) The related Mortgage is and will be prior to any Lien on, or other interests relating to, the related Timeshare Property (other than the Permitted Liens).

(rr) The Timeshare Loan and the related Obligor Note (i) is not in default due to the Obligor's failure to have timely made one or more payments owed on the Obligor Note, (ii) is not guaranteed by the Seller or any Affiliate thereof, (iii) does not contain a provision that permits the Obligor Note to be converted into, or exchanged for, any legal or beneficial ownership interest in any asset, or has a provision under which one or more payments thereunder are determined in reference or are contingent upon the value of any asset, (iv) does not have the timing or amount of payments under the Obligor Note determined by reference to, or is contingent on, the timing or amount of payments made on debt issued by the Seller or any affiliate thereof, (v) is not a partial

interest in a debt instrument (such as a stripped bond or a stripped coupon) and (vi) is not traded on an established securities market.

(ss) The related Obligor has made a down payment of at least 10% of the Purchase Price for the related Timeshare Property, as applicable.

(tt) If the related Obligor is a Domestic Obligor, such Obligor has a FICO score of at least 600.

(uu) With respect to a Weeks-Based Timeshare Loan relating to the Aruba Surf Club or the Aruba Ocean Club, a notice has been delivered or will be delivered within 45 days of the Funding Date or Transfer Date, as applicable, to the related Obligor indicating that such Weeks-Based Timeshare Loan has been transferred to the Issuer and the Trustee.

(vv) No broker is, or will be, entitled to any commission or compensation in connection with the transfer of the Timeshare Loan.

(ww) The Timeshare Loan does not, when aggregated with all other Timeshare Loans conveyed on the Funding Date or Transfer Date, as applicable and the Borrowing Base Loans, as of the Funding Date or Transfer Date, as applicable, cause any of the following to fail to be true:

(1) the weighted average FICO score of the Obligors with respect to the Borrowing Base Loans is at least 700; and

(2) the weighted average interest rate of the Borrowing Base Loans (excluding any Repurchased Timeshare Loans) is equal to or greater than 12.00%; provided that the weighted average interest rate of the Repurchased Timeshare Loans shall be equal to or greater than 9.00%.

(xx) With respect to (i) a Trust-Based Timeshare Loan or (ii) a Weeks-Based Timeshare Loan relating to a Resort located in the State of South Carolina, such Timeshare Loan was originated on or after December 5, 2005.

(yy) With respect to (i) a Trust-Based Timeshare Loan or (ii) a Weeks-Based Timeshare Loan relating to a Resort located in the State of Nevada, such Timeshare Loan was not originated between November 13, 2008 and January 1, 2009.

(zz) No payment due under the Timeshare Loan has been made, directly or indirectly, by MORI, the Servicer or any of their Affiliates.

(aaa) With respect to a Trust-Based Timeshare Loan, the MVC Trust is a Florida land trust validly established pursuant to Section 689.071, Florida Statutes, and the MVC Trust Agreement.

(bbb) With respect to a Trust-Based Timeshare Loan, all timeshare fee or other estates in MVC Units held by the MVC Trustee (i) have been properly conveyed to

the MVC Trustee, (ii) are owned by the MVC Trustee with full legal and equitable title thereto, free and clear of all liens and (iii) have a certificate of occupancy.

(ccc) With respect to a Trust-Based Timeshare Loan, no party is in default under the MVC Trust Agreement or has caused the one-to-one right to use night requirement ratio to fail to be maintained with respect to the Trust Property.

(ddd) The Timeshare Loan does not relate to a Timeshare Property in Units 5221, 5222, 5231, 5232, 5233, 5234, 5241, 5242, 5243 and 5244 in the SurfWatch Horizontal Property Regime.

(eee) A local counsel opinion acceptable to the Administrative Agent with respect to the Timeshare Loan and related documents in the related jurisdiction has been delivered to the Administrative Agent, each Funding Agent and each Non-Conduit Committed Purchaser.

Exhibit A

Schedule of Timeshare Loans

[Electronic Schedule of Timeshare Loans on file with Indenture Trustee].

Exhibit B

Form of Obligor Note, Mortgage and Right-to-Use Agreement

See Attached

CALIFORNIA SAMPLE (RCDC)

UPON CLOSE OF ESCROW OF THE PURCHASE TO WHICH THIS NOTE APPLIES, BORROWER(S) HEREBY AUTHORIZE(S) ESCROW HOLDER/CLOSING AGENT OR HOLDER TO COMPLETE THIS NOTE BY INSERTING THE DATE OF THE NOTE AND APPLICABLE DATES FOR PAYMENT COMMENCEMENT DATE, MATURITY DATE AND DATE FOR EACH MONTHLY PAYMENT

NOTE SECURED BY DEED OF TRUST

Account #: _____

Date: _____

US $_____
(Amount Financed)

FOR VALUE RECEIVED, THE UNDERSIGNED, AND IF MORE THAN ONE, JOINTLY AND SEVERALLY, ("**Borrower**") promises to pay to the order of The Ritz-Carlton Development Company, Inc., a Delaware corporation, or its assigns ("**Holder**"), at 6649 Westwood Blvd., Orlando, Florida 32821, the principal sum of _____ U.S. Dollars (U.S. $ _____), plus interest at the rate of _____ percent (_____%) annually, calculated on the basis of a 360-day year, at the Holder's address set forth above or at such other place as the Holder may designate from time to time, in _____ consecutive monthly installments of _____ U.S. Dollars (U.S. $_____) each, with the first such installment being due and payable on _____ and each successive installment being due and payable on the _____ day of each month thereafter, with the remaining unpaid principal balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____ (the "Maturity Date"). Interest at the above rate will begin to accrue one month prior to the month in which the first installment is due, on the day of the prior month which corresponds to the day of the month that the first installment is due.

This Note is secured by a Deed of Trust of even date herewith ("**Deed of Trust**") to First American Title Insurance Company, as trustee, creating a lien on the property described therein ("**Property**") purchased by Borrower pursuant to a Purchase Agreement ("**Purchase Agreement**"). The Deed of Trust (including, without limitation, its acceleration, collection and allocation of payment provisions) is incorporated herein by reference.

At the option of Holder, the entire principal balance outstanding and accrued interest thereon will become immediately due and payable without further notice upon: (a) the failure of Borrower to pay when due any monthly installment under this Note; (b) the failure of Borrower to comply with any other term or provision of this Note, the Purchase Agreement or the Deed of Trust within 10 days following written notice thereof from Holder to Borrower (in the manner specified in the Deed of Trust); (c) the insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower; or (d) the discovery by Holder of a misrepresentation made on behalf of Borrower to obtain credit or an extension of credit.

Holder may exercise its option to accelerate during any default by Borrower regardless of any prior forbearance. If any sums due under this Note are not paid when due, whether at maturity or by acceleration, the Holder will be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, reasonable attorney's fees, including, without limitation, those incurred in all bankruptcy and probate proceedings, and regardless of whether any suit or proceeding is filed and reasonable collection agency fees.

Each monthly payment shall be tendered with an $8.75 service fee. Borrower will pay Holder (i) a late charge of the greater of $6.00 or 6.0% of the installment due for any monthly installment not received by Holder within 10 days after the due date, and (ii) a returned check charge as reasonably established by Holder from time to time for each occurrence of the return to Holder for any reason of any check, draft or order. Late charges will be deducted from the next payment received. No late charge will be imposed more than once for the same late payment of an installment.

Borrower may prepay this Note in whole or in part at any time without penalty or premium. Any partial prepayment shall be applied by Lender to either accrued and unpaid interest or to outstanding principal, at Lender's discretion, and will not postpone the due date or change the amount of any subsequent monthly installments.

Presentment, notice of dishonor and protest are waived by all makers, sureties, guarantors and endorsers hereof. This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and will be binding upon them and their successors and assigns.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

THIS NOTE IS GOVERNED BY, CONSTRUED UNDER AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

SIGNATURE(S)

RECORDING REQUESTED BY **CALIFORNIA SAMPLE (RCDC)**

AND WHEN RECORDED MAIL TO

Order No.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

UPON CLOSE OF ESCROW OF THE PURCHASE TO WHICH THIS DEED OF TRUST APPLIES, TRUSTOR(S) HEREBY AUTHORIZE(S) ESCROW HOLDER/CLOSING AGENT OR HOLDER OF THE NOTE TO COMPLETE THIS DEED OF TRUST AND THE NOTE AS PROVIDED FOR IN THE CONTRACT FOR PURCHASE PURSUANT TO WHICH THE FRACTIONAL INTEREST(S) WERE ACQUIRED BY TRUSTORS

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This DEED OF TRUST (this "Deed of Trust") is made on _____ by _____, herein called TRUSTOR, whose address is _____ in favor of First American Title Insurance Company**,** a California corporation, herein called TRUSTEE, for the benefit of The Ritz-Carlton Development Company, Inc., a Delaware corporation (solely as nominee for Lender, as hereinafter defined, and Lender's successors and assigns), herein called BENEFICIARY and LENDER, as context requires. Beneficiary is organized and existing under the laws of Delaware, and has an address of 6649 Westwood Blvd., Orlando, Florida 32821, and telephone number of _____.

Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that property located in the County of Placer, California, and described in Exhibit "A" attached hereto.

TOGETHER with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits;

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain part of the property covered by this Deed of Trust (collectively, the "Property");

For the purpose of securing (1) payment of the sum of $_____ with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Lender, and extensions or renewals thereof (collectively, the "Note"); (2) the performance of each agreement of Trustor incorporated by reference or contained herein or reciting it is so secured; and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or Trustor's successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

1. To protect the security of this Deed of Trust, and with respect to the Property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in that certain Fictitious Deed of Trust with Assignment of Rents recorded in the Official Records of Placer County as Document No. 2009-0083293-00 recorded on September 28, 2009, (the "Fictitious Deed of Trust"), and it is mutually agreed that each and all of the provisions set forth in the Fictitious Deed of Trust shall inure to the benefit of and bind the parties hereto with respect to the Property. The agreements, terms and provisions contained in said Fictitious Deed of Trust are incorporated by reference herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein. Trustor hereby acknowledges that Trustor has been provided a complete copy of the Fictitious Deed of Trust at or prior to the time of the execution of this Deed of Trust.

2. Trustor acknowledges and agrees that all sums received by Lender from Trustor will be applied first to (i) any outstanding sums due from Trustor to Lender under the Purchase Agreement, including without limitation any initial or additional deposits or closing costs payable by Trustor, (ii) then to amounts payable to Beneficiary by Trustor under paragraph 6 hereof, (iii) then to advances, if any, made by the Lender pursuant to paragraph 5 of the Fictitious Deed of Trust , (iv) then to the costs, fees, expenses and other amounts

incurred and advanced by the Lender in the enforcement of its rights hereunder, including, without limitation, costs and reasonable attorney's fees described herein, (v) then to unpaid service fees, (vi) then to interest, (vii) then to principal, and (viii) then to unpaid late charges and/or returned check charges, if any. Trustor also acknowledges and agrees that such application will not reduce, delay, excuse, waive or otherwise affect the amounts and due dates of all sums to be paid by Trustor to Lender under the Note or this Deed of Trust. Trustor further acknowledges and agrees that, in the event that the funds delivered or intended to be delivered to Lender pursuant to the Note are applied to such sums as are due as set forth at (i) through (viii) above, Holder, at Holder's sole option, may elect to (a) immediately demand payment of any monthly installment payments which are applied in whole or in part to the sums due under (i) through (viii) above, or (b) extend the term of the Note to accommodate such additional monthly installments as are necessary to make up any monthly payments thus applied.

3. Lender may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

4. Except as expressly permitted in Article I Paragraph 9 of the Fictitious Deed of Trust, if Trustor shall sell, convey or alienate the Property, or any part thereof, or any interest therein, or shall be divested of any title or interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Lender being first had and obtained, Lender shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

5. Trustor understands and agrees that Trustee holds only legal title to the interests granted by Trustor in this Deed of Trust; but, if necessary to comply with law or custom, Beneficiary has the right to direct Trustee (as nominee for Lender and Lender's successors and assigns) to exercise any or all of those interests, including, but not limited to the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing or canceling this Deed of Trust.

6. As further protection of the security of this Deed of Trust, and with respect to the property above described, subject to applicable law, upon written request by Beneficiary to Trustor(s), Trustor(s) shall pay to Beneficiary on the day when monthly installments of principal and interest are payable under the Note Secured by Deed of Trust dated as of the date hereof ("Note"), until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth or such other fractional increments which total 100% of the Basic Assessment, Tax Assessment and/or any other similar assessments (the "Assessments") applicable to the subject property, as reasonably estimated initially and from time to time by Beneficiary on the basis of assessments and bills and reasonable estimates thereof.

7. If Beneficiary exercises the foregoing right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency. Beneficiary shall apply the Funds, upon receipt of the appropriate bill or bills, to pay the Assessments. Beneficiary may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said Assessments and bills, unless Beneficiary pays to Trustor(s) interest on the Funds and applicable law permits Beneficiary to make such a charge. Unless applicable law requires, Beneficiary shall not be required to pay Trustor(s) any interest on earnings on the Funds. Beneficiary shall give to Trustor(s), without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Deed of Trust.

8. If the amount of the Funds held by Beneficiary, together with the future monthly installments of Funds payable prior to the due date of applicable Assessments shall exceed the amount required to pay such applicable Assessments as they fall due, such excess shall be, at the option of Trustor(s), either promptly repaid to Trustor(s) or credited to Trustor(s) on monthly installments of Funds. If the amount of the Funds held by Beneficiary shall not be sufficient to pay applicable Assessments as they fall due, Trustor(s) shall pay to Beneficiary any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Beneficiary to Trustor(s) requesting payment thereof.

9. Upon payment in full of all sums secured by this Deed of Trust, Beneficiary shall promptly refund to Trustor(s) any Funds held by Beneficiary. If the subject property is sold or is otherwise acquired by Beneficiary, Beneficiary shall apply, no later than immediately prior to the sale of the subject property or its acquisition by Beneficiary, any Funds then held by Beneficiary as a credit against the sums secured by this Deed of Trust.

The undersigned Trustor requests that a copy of any notice of default, any notice of sale or any other notice hereunder be mailed to Trustor at the address set forth above.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date written below.

TRUSTOR(S):

Name _____ Name _____

Signature: _____ Signature: _____

Date: _____ Date: _____

State of)
) ss.
County of)

On _____ before me, _____ (here insert name and title of the officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s)on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"

A Timeshare Estate, as defined in California Business and Professions Code Section 11212(x)(i), being composed of Parcels A and B and as identified as follows:

PARCEL A:

An undivided 1/12th interest in Club Interest Unit Number _____, Club Interest Number _____, as described in that certain Declaration of Covenants, Conditions and Restrictions and Reservations of Easements for the Highlands Resort West Parcel Condominium, dated as of May 30, 2008 and recorded June 9, 2008 as Instrument No. 2008-0046599-00 in the Official Records of the County of Placer, State of California, as it may be amended from time to time (the "Condominium Declaration"), as depicted on the "Amended Phase 1 Condominium Plan for Lot 3 of Tract No. 961 in the Unincorporated area of the County of Placer, State of California," filed for record on September 28, 2009 as Instrument No. 2009-0083292-00, in the Office of the County Recorder, County of Placer, State of California, as amended and supplemented from time to time.

TOGETHER WITH an undivided 1/12th interest in all rights, restrictions, privileges and easements appurtenant to said Unit.

TOGETHER WITH an undivided 1/12th share of the Common Areas allocated to said Unit, as more specifically set forth in Exhibit "D" of the Condominium Declaration.

PARCEL B:

(Include in <u>Rotating</u> Week legals) The exclusive right and easement to use and occupy a _____ bedroom Unit Type, as a "Club Interest Owner," further described as Rotating Club Interest Number _____, which includes the right to use during two (2) weeks of rotating calendar use, identified as weeks _____ and _____, and one (1) Floating Week, identified as week _____, all as described in and subject to that certain Declaration of Covenants, Conditions and Restrictions for Highlands Resort West Parcel Club, dated as of May 30, 2008 and recorded June 9, 2008 as Instrument No. 2008-0046600-00, in the Official Records of the County of Placer, State of California, as it may be amended from time to time (the "Club Declaration"), and subject to all rights, restrictions, privileges and easements set forth in the Club Declaration.

(Include in <u>Fixed</u> Week legals) The exclusive right and easement to use and occupy a _____ bedroom Unit Type, as a "Club Interest Owner," during two (2) weeks of fixed calendar use, identified as Fixed Weeks _____ and _____, and one (1) Floating Week, identified as week _____, all as described in and subject to that certain Declaration of Covenants, Conditions and Restrictions for Highlands Resort West Parcel Club, dated as of May 30, 2008 and recorded June 9, 2008 as Instrument No. 2008-0046600-00, in the Official Records of the County of Placer, State of California, as it may be amended from time to time (the "Club Declaration"), and subject to all rights, restrictions, privileges and easements set forth in the Club Declaration.

As more fully and particularly set forth in the Governing Instruments, to which reference is made in the Club Declaration, the weeks that are identified in the legal description for rotating use and floating use do not entitle the Club Interest Owner to use and occupy a Club Interest Unit during those particular weeks. Rotating use shall occur as set forth in the applicable Club Calendar and floating use shall be unassigned until Purchaser reserves and has confirmed usage, all in accordance with the Governing Instruments.

TOGETHER WITH non-exclusive easements for ingress, egress, use and enjoyment, subject to the provisions of the Club Declaration, over the "Common Area" (as the quoted term is defined in the Club Declaration), all as more particularly set forth in Article II of the Club Declaration.

EXCEPTING FROM SAID PARCEL A, the exclusive right to use and occupy said Parcel A during all "Use Periods" and "Maintenance Periods", designated by the association under Article VI of the Condominium Declaration.

COLORADO SAMPLE (RCDC)

Upon closing of the purchase to which this Note applies, the undersigned hereby authorize(s) closing agent or Holder to complete this Note by inserting the applicable dates for commencement of payments due hereunder, the monthly payment date and the final payment date. DO NOT DESTROY THIS NOTE. When paid, this Note, with the Deed of Trust securing the same, must be surrendered to the Trustee for cancellation before release will be made.

IF THIS FORM IS USED IN A CONSUMER CREDIT TRANSACTION, CONSULT LEGAL COUNSEL. THIS IS A LEGAL INSTRUMENT. IF NOT UNDERSTOOD, LEGAL, TAX OR OTHER COUNSEL SHOULD BE CONSULTED BEFORE SIGNING.

PROMISSORY NOTE

_____, 20 __ Reference No._____

US $_____ _____

___, CO

FOR VALUE RECEIVED, the undersigned _____ ("Borrower") promises to pay to the order of THE RITZ-CARLTON DEVELOPMENT COMPANY, INC., whose address is P.O. Box 24747, Lakeland, FL 33802, (said party, or any other party to whom this Note may be transferred and assigned, is hereinafter called the "Note Holder"), or order, the principal sum of _____ and No/100 U.S. Dollars (US $_____), together with interest on the unpaid balance from the date of this Note, until paid, at the rate of _____ percent (_____%) per annum. Interest shall be calculated by applying the stated annual rate against the unpaid principal for the actual number of days elapsed divided by a 360-day year. Principal and interest shall be payable, without offset, in lawful money of the United States at the Note Holder's address set forth above, or such other place as the Note Holder may, from time to time, designate, in _____ consecutive monthly installments of _____ No/100 U.S. Dollars (US $_____), beginning on the _____ day of _____, 20__, and continuing thereafter on the same day of each month, with the remaining unpaid balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

Each monthly payment shall be tendered with a $8.75 service fee. Borrower shall pay to the Note Holder a late charge of five percent (5%) for any monthly installment not received by the Holder within ten (10) days after the date the installment is due. Such late charge is in addition to, and not in lieu of or diminution of, any other rights and remedies of the Note Holder under this Note, OR APPLICABLE LAW. Each monthly payment will be applied in the order specified in the Deed of Trust.

The Principal balance may be prepaid, in whole or in part at any time, or from time to time, without penalty. Any prepayment shall include interest to the date the prepayment is made. Partial prepayments shall be applied to the installments in the inverse order of their maturity. There will be no changes in the due date or in the amount of the monthly payment unless the Note Holder agrees in writing to those changes.

The makers, sureties, guarantors and endorsers hereof severally waive presentment for payment, demand and notice of dishonor and nonpayment of this Note, and consent to any and all extensions of time, renewals, waivers or modifications that may be granted by the Note Holder hereof with respect to the payment or other provisions of this Note, and to the release of any security, or any part thereof, with or without substitution. This Note shall be the joint and several obligations of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their respective heirs, personal representatives, successors and assigns. All persons or entities signing this Note waive any rights which they might otherwise have under Section 13-50-101, 13-50-102, or 13-50-103, Colorado Revised Statutes (or under any corresponding current or future law) by reason of any release of fewer than all of the parties of this Note.

The indebtedness evidenced by this Note is secured by a Deed of Trust, dated of even date herewith, and until released, said Deed of Trust contains additional rights of the Note Holder. Such rights may cause Acceleration of the indebtedness evidenced by this Note, as described below. Reference is made to said Deed of Trust for such additional terms. Said Deed of Trust grants the Note Holder rights in the Property identified as follows:

> An undivided _____ interest in Fractional Unit _____, as described in that certain Declaration of Fractional Ownership Plan for WDL Vail Club, recorded October 25, 2010, at Reception No. 201021513 as amended and supplemented from time to time (the "Fractional Declaration") and in that certain Condominium Declaration for WDL Vail, recorded September 10, 2010, at Reception No. 201017882 as amended and supplemented from time to time (the "Condominium Declaration") and according to the Map for WDL Vail recorded September 10, 2010, at Reception No. 201017883 as amended and supplemented from time to time (the "Condominium Map"), all in the office of the Clerk and Recorder of Eagle County, Colorado, including an undivided _____ interest in, and subject to, all rights, restrictions, privileges and

easements appurtenant to said Fractional Unit. The Fractional Interest includes rights to use and occupy a Fractional Unit in accordance with the Governing Instruments (as defined in the Fractional Declaration), and is initially subject to the Club Membership Program

known as The Ritz-Carlton Club Membership Program with a Usage Program which provides for a Club Allocation for the use of twenty-one (21) days per year in accordance with the Governing Instruments.

The Club Membership Program Documents further describe the Fractional Interests as:

Interest Number _____, providing three (3) weeks of use pursuant to the Governing Instruments, and subject to all rights, restrictions, privileges and easements set forth in the Fractional Declaration.

At the option of the Note Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower upon: (a) failure of Borrower to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than thirty (30) days from the date such notice is mailed) from the Note Holder to Borrower; (b) the insolvency (however evidenced), or the institution, of proceedings in bankruptcy by or against Borrower; (c) the sale (or lease with option to purchase) or transfer of all or any part of the Property or any interest therein without the prior written consent of the Note Holder, excluding a transfer by devise, descent or by operation of law upon the death of a joint tenant therein; (d) a casualty or condemnation of the Property without restoration as described in the Deed of Trust; or (e) failure of Borrower(s) to comply with the covenants of the Deed of Trust after notice and failure to cure (if applicable) as provided in the Deed of Trust.

The Note Holder may exercise its option to accelerate during any default by Borrower regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Note Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, attorney fees, whether or not action be instituted hereon.

Any notice to Borrower provided for in this Note shall be deemed to have been given after mailing same by U.S. mail, postage prepaid (or such other more expeditious method as may be appropriate in the case of foreign addressees, as Note Holder may choose in its discretion), addressed to Borrower at the address stated below, or to such other address as Borrower may designate by written notice to the Note Holder. Any notice to the Note Holder shall be deemed to have been given by mailing such notice by U.S. certified mail, return receipt requested, (or in the case of a notice originating in a foreign country, by such other method that results in the Note Holder acknowledging in writing receipt of the notice), at 1200 US Hwy 98 S. Ste. 10, Lakeland, FL 33801, or at such other address as may be designated by written notice to Borrower.

“Borrower” and “Note Holder” as used herein, includes all parties shown as such. Whenever the context permits, singular shall include plural and one gender shall include all.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Note Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Note Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Note Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Note Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

This Note shall be governed by, construed under, and enforced in accordance with, the laws of the State of Colorado. Borrower consents to jurisdiction and venue in the state and federal courts within the State of Colorado.

[CAUTION: SIGN ORIGINAL NOTE ONLY/RETAIN COPY]

BORROWER'S ADDRESS:

Borrower	
Borrower	
Borrower	

KEEP THIS NOTE IN A SAFE PLACE. THE ORIGINAL OF THIS NOTE MUST BE EXHIBITED TO THE PUBLIC TRUSTEE IN ORDER TO RELEASE A DEED OF TRUST SECURING PAYMENT PURSUANT TO THIS NOTE.

THIS NOTE (AND THE DEED OF TRUST SECURING THE SAME) CONTAINS ACCELERATION PROVISIONS.

COLORADO SAMPLE (RCDC)

After Recording Return To:

_____

_____

_____

_____

IF THIS FORM IS USED IN A CONSUMER CREDIT TRANSACTION, CONSULT LEGAL COUNSEL. THIS IS A LEGAL INSTRUMENT. IF NOT UNDERSTOOD, LEGAL, TAX OR OTHER COUNSEL SHOULD BE CONSULTED BEFORE SIGNING.

UPON CLOSING OF THE PURCHASE TO WHICH THIS PURCHASE MONEY DEED OF TRUST APPERTAINS, THE UNDERSIGNED HEREBY AUTHORIZES CLOSING AGENT TO COMPLETE THIS PURCHASE MONEY DEED OF TRUST BY INSERTING THE APPLICABLE DATES.

PURCHASE MONEY DEED OF TRUST

THIS DEED OF TRUST, made this _____, 20____, by the Grantor _____ (hereinafter, "**Borrower**"), whose address is _____, to the Public Trustee of Eagle County, Colorado ("**Trustee**") for the benefit of the Lender, THE RITZ-CARLTON DEVELOPMENT COMPANY, INC., a Delaware corporation, whose legal address is P.O. Box 24747, Lakeland, FL 33802 (hereinafter, "**Lender**"). ("**Borrower**" as used herein, includes all parties shown as such. Whenever the context permits, singular shall include plural and one gender shall include all.)

WHEREAS, Borrower is indebted to Lender in the principal sum of _____ U.S. Dollars (US $_____), which indebtedness is evidenced by Borrower's Promissory Note of even date herewith ("**Note**"), providing for equal monthly installments of principal and interest, with the balance of the indebtedness, due and payable, if not sooner paid, on _____.

This Deed of Trust is given to secure to Lender (i) the repayment of the indebtedness evidenced by the Note, with interest thereon, the repayment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust, and the performance of the covenants and agreements of Borrower herein contained, (ii) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 20 hereof ("**Future Advances**") and (iii) the performance of the covenants and agreements of Borrower herein contained, Borrower irrevocably grants, conveys, transfers, assigns and warrants to Trustee, IN TRUST FOREVER, for the benefit of Lender, with power of sale, the following-described property located in the County of Eagle, State of Colorado (the "Property"):

> An undivided _____ interest in Fractional Unit _____, as described in that certain Declaration of Fractional Ownership Plan for WDL Vail Club, recorded October 25, 2010, at Reception No. 201021513 as amended and supplemented from time to time (the "**Fractional Declaration**") and in that certain Condominium Declaration for WDL Vail, recorded September 10, 2010, at Reception No. 201017882 as amended and supplemented from time to time (the "**Condominium Declaration**") and according to the Map for WDL Vail recorded September 10, 2010, at Reception No. 201017883 as amended and supplemented from time to time (the "**Condominium Map**"), all in the office of the Clerk and Recorder of Eagle County, Colorado, including an undivided _____ interest in, and subject to, all rights, restrictions, privileges and easements appurtenant to said Fractional Unit. The Fractional Interest includes rights to use and occupy a Fractional Unit in accordance with the Governing Instruments (as defined in the Fractional Declaration), and is initially subject to the Club Membership Program known as The Ritz-Carlton Club Membership Program with a Usage Program which provides for a Club Allocation for the use of twenty-one (21) days per year in accordance with the Governing Instruments.

The Club Membership Program Documents further describe the Fractional Interests as:

> Interest Number _____, providing three (3) weeks of use pursuant to the Governing Instruments, and subject to all rights, restrictions, privileges and easements set forth in the Fractional Declaration.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declaration, easements, or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property. Borrower further agrees and covenants to abide by the terms and provisions attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

Borrower	Borrower
Borrower	Borrower

STATE OF _____)

COUNTY OF _____)

This foregoing instrument was acknowledged before me this _____ day of _____, 20___, by _____.

WITNESS my hand and official seal.
My Commission Expires: _____

Notary Public

440722v2 Borrower Initials_____ _____

9.30.10

ADDITIONAL COVENANTS AND TERMS

Borrower and Lender covenant and agree as follows:

1. **Payment of Principal, Interest, Late Charges and Service Fees.** Borrower shall promptly pay when due all payments due under the Note. Except as otherwise provided by applicable law, all payments accepted and applied by Lender under the Note and Sections 1 and 2 hereof, shall be applied in the following order of priority: (a) amounts due under Section 2 hereof, (b) amounts due under Section 7 hereof; (c) costs, fees, expenses and other amounts incurred and advanced by the Lender in enforcement of its rights under the Note and this Deed of Trust including, without limitation, reasonable attorney's fees, (d) unpaid service fees due under the Note; (e) interest due under the Note; (f) principal due under the Note; (g) unpaid late charges, if any; (h) interest due under Section 20 hereof and then (i) principal due under Section 20 hereof.

2. **Funds for Taxes, Assessments and Insurance.** Subject to applicable law, upon written request by Lender to Borrower, Borrower shall pay to Lender on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "**Funds**") equal to one-twelfth of the annual expenses for taxes, assessments and insurance, including, without limitation, for (i) Basic Assessments, (ii) assessments of every kind and nature, (iii) Membership Dues pertaining to the Ritz-Carlton Membership Program, (iv) insurance premiums, and (v) any other amount due ("**Common Expenses**") under the Condominium Declaration or the Fractional Declaration, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If Lender exercises the foregoing right, the Funds shall be held in an institution, the deposits or accounts of which are insured or guaranteed by a federal or state agency. Lender shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes, assessments, insurance premiums and Common Expenses. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays to Borrower interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Lender shall not be required to pay Borrower any interest on earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and Common Expenses, shall exceed the amount required to pay such taxes, assessments, insurance premiums and Common Expenses as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of future Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and Common Expenses as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any funds held by Lender. If, under paragraph 17 hereof, the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds then held by Lender as a credit against the sums secured by this Deed of Trust.

3. THIS PARAGRAPH INTENTIONALLY LEFT BLANK.

4. **Charges; Liens.** Borrower shall promptly pay, when due, all Club dues imposed by the WDL Vail Condominium Association, Inc. (the "**Condominium Association**") or the WDL Vail Club Association, Inc. (the "**Fractional Association**") pursuant to the provisions of the Condominium Declaration, or its associated bylaws, rules and regulations, the Fractional Declaration or its associated bylaws, rules and regulations, or other constituent documents applicable to the Property (collectively, the "**Project Documents**"). Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender and if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of such lien or forfeiture of the Property or any part thereof and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust. This obligation shall be deemed satisfied so long as the Condominium Association or Fractional Association maintains "master" or "blanket" policies for liability and casualty insurance in accordance with the terms hereof.

The insurance carrier providing the insurance shall be chosen by Borrower or the Condominium Association or Fractional Association subject to approval by Lender; provided, however, that such approval shall not be unreasonably withheld. If required, all premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof, or, if not paid in such manner, by Borrower or the Condominium Association or Fractional Association making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower shall give Lender prompt notice of any lapse in hazard insurance coverage. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. If the Borrower has a right to vote in the Condominium Association or Fractional Association in connection with a decision regarding restoration, Borrower shall notify Lender of the vote and shall vote as directed by Lender or deliver a proxy or power of attorney to Lender for such vote, at Lenders's election. Without limiting the generality of the foregoing, Borrower shall not vote to terminate the condominium (whether in connection with a casualty or otherwise) without Lender's prior written consent. In the event the Property is not restored, Lender shall have a right to accelerate the indebtedness.

Pursuant to the terms of the Project Documents, insurance proceeds shall be applied to restoration or repair of the Property damaged, whether to the unit or the common elements. To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Directors of the Condominium Association or Fractional Association decides to disburse such excess, Borrower's share of such excess shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower.

9.30.10

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not exceed or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof, or change the amount of such installments. If under paragraph 22 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Property prior to the sale or acquisition, shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. **Preservation and Maintenance of Property; Condominium.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower shall perform all of Borrower's obligations under the Project Documents. Borrower shall take such actions as may be reasonable to insure that the Condominium Association or Fractional Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender. If a condominium rider is executed by Borrower and recorded together with the Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, if required by law, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of funds to pay reasonable attorney fees and entry upon the Property to make repairs, and payment of:

(a) any general or special taxes or ditch or water assessments levied or accruing against the Property;

(b) the premiums on any insurance necessary to protect any improvements comprising a part of the Property;

(c) sums due on any lien or encumbrance on the Property;

(d) the reasonable costs and expenses of defending, protecting, and maintaining the Property and Lender's interest in the Property, receiver's fees and expenses, inspection fees, appraisal fees, court costs, attorney fees and costs, and fees and costs of an attorney in the employment of Lender or holder of the certificate of purchase;

(e) all other costs and expenses allowable by the Note or this Deed of Trust; and

(f) such other costs and expenses which may be authorized by a court of competent jurisdiction.

Borrower hereby assigns to Lender any right Borrower may have by reason of any encumbrance on the Property or by law or otherwise to cure any default under said encumbrance.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms or payment, such amount shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **Inspection.** Lender may make or cause to be made reasonable entries upon, and inspections to, the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or part of the Property, whether of the unit or the common elements or for any conveyance in lieu of condemnation, pursuant to the terms of the Project Documents, shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof, or change the amount of such installments.

10. **Borrower Not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower, shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successor in interest.

11. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. **Remedies Cumulative.** All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** Subject to the terms and provisions of paragraph 17 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by U.S. Mail, postage prepaid, addressed to Borrower at the Borrower's address as set forth in the Note, or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice that is provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. **Governing Law; Severability.** The laws of the State of Colorado shall govern this Deed of Trust. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of the Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower acknowledges receipt of a copy of the Note and this Deed of Trust.

17. **Transfer of the Property; Assumption**. The following events shall be referred to herein as a "Transfer": (i) a transfer or conveyance of title (or any portion thereof, legal or equitable) of the Property (or any part thereof or interest therein), (ii) the execution of a contract or agreement creating a right to title (or any portion thereof, legal or equitable) in the Property (or any part thereof or interest therein), (iii) an agreement granting a possessory right in the Property (or any

portion thereof), in excess of 3 years, (iv) a sale or transfer of, or the execution of a contract or agreement creating a right to acquire or receive, more than fifty percent (50%) of the

controlling interest or more than fifty percent (50%) of the beneficial interest in Borrower, (v) the reorganization, liquidation or dissolution of Borrower. Not to be included as a Transfer are (i) the creation of a lien or encumbrance subordinate to this Deed of Trust, (ii) the creation of a purchase money security interest for household appliances, or (iii) a transfer by devise, descent or by operation of the law upon the death of a joint tenant. At the election of Lender, in the event of each and every Transfer:

(a) All sums secured by this Deed of Trust shall become immediately due and payable.

(b) If a Transfer occurs and should Lender not exercise Lender's option pursuant to this paragraph 17 to accelerate, the transferee shall be deemed to have assumed all of the obligations of Borrower under this Deed of Trust including all sums secured hereby whether or not the instrument evidencing such conveyance, contract or grant expressly so provides. This covenant shall run with the Property and remain in full force and effect until said sums are paid in full. Lender may without notice to Borrower deal with the transferee in the same manner as with Borrower with reference to said sums including the payment or credit to the transferee of disbursed reserve Funds on payment in full of said sums, without in any way altering or discharging Borrower's liability hereunder for the obligations hereby secured.

(c) Should Lender not elect to accelerate upon the occurrence of such Transfer then, subject to (b) above, the mere fact of a lapse of time or the acceptance of payment subsequent to any of such events, whether or not Lender had actual or constructive notice of such Transfer, shall not be deemed a waiver of Lender's right to make such election nor shall Lender be estopped therefrom by virtue thereof. The issuance on behalf of Lender of a routine statement showing the status of the loan, whether or not Lender had actual or constructive notice of such Transfer, shall not be a waiver or estoppel of Lender's said rights.

18. **Acceleration; Foreclosure; Other Remedies.** Except as provided in paragraph 17 hereof and except as provided in the Note, upon Borrower's breach of any non-monetary covenant or agreement of Borrower in this Deed of Trust, Lender, prior to acceleration, shall mail notice to Borrower, as provided in paragraph 14 hereof, specifying: (a) the breach; (b) the action required to cure such breach; (c) a date, not less than fifteen (15) days from the date the notice is mailed to Borrower by which such breach must be cured; and (d) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust, foreclosure by judicial proceeding and sale of Property. If the breach is not cured on or before the date specified in the notice, including (without limitation) payment of all costs, expenses, late charges, attorney's fees and other fees incurred, Lender, at Lender's option, subject to any right of reinstatement to which Borrower is entitled under applicable law, may declare, without further demand, all of the sums secured by this Deed of Trust to be immediately due and payable. Upon a breach or default under paragraph 17, a monetary default, or the occurrence of certain other events as specified in the Note, Lender may accelerate the indebtedness and declare the entire outstanding balance due and payable without notice to Borrower. Following a breach or default, Lender may invoke the power of sale and Lender shall have the right to bring an action in any court of competent jurisdiction to foreclose this Deed of Trust, or to foreclose this Deed of Trust through the Trustee in accordance with Section 38-38-100.3 et.seq. of the Colorado Revised Statutes by filing a written Notice of Election and Demand for Sale with Trustee, or to pursue any other remedies permitted by law. Lender shall be entitled to collect in such proceedings all costs and expenses, including all expenses of foreclosure, and including, but not limited to, reasonable attorney fees, court costs, and costs of documentary evidence, abstracts and title reports. Borrower shall release Lender, the Condominium Association and the management company from any claims in connection with the exercise by Lender of remedies herein described.

19. **Assignment of Rents; Appointment of Receiver.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration by the Lender under paragraph 18 hereof, or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration or abandonment of the Property, Lender shall be entitled, without notice, to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those that are past due. Such assignment of the rents shall remain in full force and effect during any period of foreclosure with respect to the Property. All rents collected shall be appointed first to payment of the costs of management of the Property and collection of rents, including, but not limited to, management fees, court costs, and reasonable attorney fees, and then to the sum secured by this Deed of Trust. The Lender shall be liable to account only for those rents actually received. Borrower shall not be entitled to possession or use of the Property after abandonment or after the Lender has accelerated the balance due. Alternatively, Lender may seek the appointment of a receiver to manage and collect rents from the Property. Lender or the holder of the Trustee's certificate of purchase shall be entitled to a receiver for the Property after acceleration under paragraph 18 (Acceleration; Foreclosure; Other Remedies), and shall also be so entitled during the time covered by foreclosure proceedings and the period of redemption, if any; and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of Borrower or of the then owner of the Property, and without regard to the value therof. Such receiver may be appointed by any Court of competent jurisdiction upon ex parte application and without notice; notice being hereby expressly waived. If a receiver is appointed, any income from rents from the Property shall be applied first to the costs of receivership, and then in the order set forth above.

20. **Future Advances.** Upon request by Borrower, Lender, at Lender's option, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust whether or not evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Deed of Trust, not including sums advanced in accordance herewith to protect the security of this Deed of Trust, exceed one hundred fifty percent (150%) of the original principal amount of the Note.

21. **Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (a) the abandonment or termination of the applicable condominium or fractional interest regime; (b) any amendment to any provision of the Project Documents which is for the express benefit of Lender; or (c) any action which would have the effect of rendering the public liability insurance coverage maintained by the Condominium Association or Fractional Association unacceptable to Lender.

22. **Remedies.** In the event Borrower defaults in payment of the loan evidenced by the Note secured hereby, or in the performance of any covenants herein set forth, then the Lender shall have all legal and equitable remedies available to it under Colorado law. In addition, Lender shall have the automatic right, without the appointment of a receiver, to have access to and exclusive possession of the Fractional Unit (as defined in the Fractional Declaration) encumbered hereby or such other Fractional Unit whose use has been assigned to Borrower by the Condominium Association or Fractional Association or by any exchange company. This right to exclusive occupancy and possession shall entitle, but shall not obligate, Lender to receive and retain any rental payments to which Borrower would otherwise be entitled, which are received by Lender or any of its related companies, or by the Condominium Association or Fractional Association or any other rental agent.

Lender may implement the remedies provided herein by, among other methods, giving notice of default to the Borrower, the Condominium Association or Fractional Association and the management company responsible for the administration and management of the Property encumbered hereby.

If the Borrower fails to deliver to Lender and to the management company an affidavit setting forth facts contesting the default alleged by Lender prior to the date Borrower's confirmed Reserved Allocation or confirmed usage based on availability (Unreserved Allocation) commences, then the management company shall thereupon be entitled to deliver possession of the Fractional Unit or the rental, net only of any rental management fee, if any, to Lender. Borrower shall release Lender, the Condominium Association and the Fractional Association and the management company from any claims in connection with the exercise by Lender of remedies herein described.

23. **Waiver of Jury Trial. BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS DEED OF TRUST, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS DEED OF TRUST OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION WITH THIS DEED OF TRUST, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY WITH RESPECT HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER'S ACCEPTING THIS DEED OF TRUST FROM BORROWER.**

24. **Attorney Fees.** As used in this Deed of Trust and in the Note, "attorney fees" shall include attorney fees, if any, which may be awarded by a trial or appellate court.

25. **Waiver of Exemptions.** Borrower hereby waives all right of homestead and any other exemption in the Property under state or federal law presently existing or hereafter enacted.

FLORIDA SAMPLE (RCDC)

[UPON CLOSING OF THE PURCHASE TO WHICH THIS NOTE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT OR HOLDER TO COMPLETE THIS NOTE BY INSERTING THE DATE OF THE NOTE AND APPLICABLE DATES FOR COMMENCEMENT OF PAYMENTS DUE HEREUNDER, THE MONTHLY PAYMENT DATE AND THE FINAL PAYMENT DATE.]

NOTE SECURED BY MORTGAGE

Club Home No(s)/ Club Home Interest No(s):_____

Eagle Tree Condominium

US$_____ _____, 20___

FOR VALUE RECEIVED, the undersigned _____("Borrower(s)") promise(s) to pay to the order of The Ritz-Carlton Development Company, Inc. ("RCDC") (said party or any other party to whom (RCDC) may transfer and assign this Note and who holds this Note from time to time is hereinafter called the "Holder"), 6649 Westwood Boulevard, Orlando, Florida 32821, or order, the principal sum of _____ U.S. Dollars (US $_____), with interest on the unpaid balance from _____, until paid, at the rate of _____ percent per annum (____%) (based on a 360-day year and on the assumption that payments are made when due). Principal and interest shall be payable in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may, from time to time, designate, in consecutive monthly installments of _____ U.S. Dollars (US $ _____), on the ____ day of each month and continuing thereafter on the same day of each month beginning _____, for a period of ____ months with the remaining unpaid principal balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

The indebtedness evidenced by this Note is secured by a Mortgage, dated of even date herewith, creating a lien on the real property described therein (the "Property"). Reference is made to said Mortgage for rights as to acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a $8.75 service fee.

Borrower(s) shall pay to the Holder a late charge of six percent (6%) for any monthly installment not received by the Holder within ten (10) days after the date the installment is due. The late charge will be deducted from the next payment received.

Each payment shall be credited first to amounts due, pursuant to Paragraph 2 of the Mortgage, then to advances, if any, made by the Lender pursuant to Paragraph 7 of the Mortgage, then to the costs, fees, expenses and other amounts incurred and advanced by the Holder in the enforcement of its rights hereunder, including, without limitation, costs and reasonable attorney's fees, then to unpaid service fees, then to interest due hereunder, then to principal due hereunder, then to unpaid late charges, if any, than to interest on any Future Advances.

Borrower(s) may prepay the principal amount outstanding in whole or in part. Any partial prepayment in excess of the interest then accrued shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

Demand, presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be a joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon any one of the following events of default:

a) failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than thirty (30) days from the date such notice is mailed) from the Holder to Borrower(s);

b) failure of Borrower(s) to perform any other covenant or agreement of Borrower(s) in this Note or the Mortgage within thirty (30) days after the mailing of notice from the Holder to the Borrower(s) specifying the nature of such failure; and

c) the insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s) as otherwise provided herein.

The Holder may exercise this option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, reasonable attorney's fees, whether or not action be instituted hereon, and costs of trial and appellate proceedings.

In the event of any default by the Borrower(s) hereunder, Holder at its sole option, may charge the Borrower(s) the highest interest rate allowed by law and/or pursue any and all remedies available to it under applicable law.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given upon depositing same in any U.S. post office, postage prepaid, addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be given by mailing such notice by certified mail, return receipt requested, to the Holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by written notice to Borrower(s). Any notice provided for in this Note shall be deemed to have been given to Borrower(s) or the Holder when given in the manner herein designated.

THIS NOTE SHALL BE GOVERNED BY, CONSTRUED UNDER AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND THE COURTS OF THE STATE OF FLORIDA IN THE COUNTY OF PALM BEACH SHALL BE THE EXCLUSIVE COURTS OF JURISDICTION AND VENUE FOR ANY LITIGATION OR OTHER PROCEEDING THAT MAY BE BASED ON, ARISE OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, UNLESS OTHERWISE REQUIRED BY LAW. HOLDER AND BORROWER(S) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER EXTENDING THE LOAN EVIDENCED BY THIS NOTE.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder;

(ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

Time is of the essence in the performance of each and every obligation represented by this Note.

BORROWER'S ADDRESS:

_____ _____

Borrower/Purchaser signs here

_____ _____

Borrower/Purchaser signs here

_____ _____

Borrower/Purchaser signs here

_____ _____

Borrower/Purchaser signs here

(Execute Original Only)

DOCUMENTARY STAMP TAXES HAVE BEEN PAID AND THE PROPER AMOUNTS AFFIXED TO THE MORTGAGE

500974_2 (11.24.09)

FLORIDA SAMPLE (RCDC)

UPON CLOSING OF THE PURCHASE TO WHICH THIS MORTGAGE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZES CLOSING AGENT TO COMPLETE THIS MORTGAGE BY INSERTING THE APPROPRIATE DATE OF THE MORTGAGE AND TO COMPLETE, AS NECESSARY, THE RECORDING INFORMATION RELATING TO THE DOCUMENTS BY WHICH THE TIME-SHARE ESTATE(S) BEING ENCUMBERED BY THIS MORTGAGE WAS(WERE) CREATED.

(INDIVIDUAL)

MORTGAGE

THIS MORTGAGE is made this _____, between the Mortgagor(s), _____ _____ _____ (herein "Borrower(s)"), whose post office address is c/o The Ritz-Carlton Management Company, LLC, 6649 Westwood Boulevard, Orlando, Florida 32821, County of Orange, State of Florida, and the Mortgagee, The Ritz-Carlton Development Company, Inc.**,** a Delaware corporation, the address of which is 6649 Westwood Boulevard, Orlando, Florida 32821 (said party, its successors and assigns is herein called "Lender").

WHEREAS, Borrower(s) is/are indebted to Lender in the principal sum of _____ U.S. Dollars (US$_____), which indebtedness is evidenced by Borrower's Note of even date herewith (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable _____ months from the date hereof.

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower(s) herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower(s) by Lender pursuant to Paragraph 20 hereof (herein "Future Advances"), Borrower(s) does hereby mortgage, grant and convey to Lender and Lender's successors and assigns the following described property located in the County of Palm Beach, State of Florida:

Club Home Interest (s) _____ each consisting of an undivided 1/8 fee simple interest as tenant-in-common in Club Home (s) _____ of EAGLE TREE CONDOMINIUM, according to the Declaration of Condominium for EAGLE TREE CONDOMINIUM, recorded September 2, 2003 in Official Records Book 15778, at Page 0022, in the Public Records of Palm Beach County, Florida, as amended and supplemented from time to time ("Declaration").

TO HAVE AND TO HOLD unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property are herein referred to as the "Property".

Borrower(s) covenants that Borrower(s) is/are lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower(s) and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Late Charges and Service Fees. Borrower(s) shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Lender for servicing the loan account and the principal of and interest on any Future Advances secured by this Mortgage.

2. Funds for Taxes, Assessments and Insurance. Subject to applicable law, upon written request by Lender to Borrower(s), Borrower(s) shall pay to Lender on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of Borrower's share of the yearly taxes and assessments relating to the subject Property encumbered by this Mortgage and one-twelfth of the annual Club Dues and assessments due under the Declaration, (herein "Condominium Assessments"), or such other amounts or for such other periods other than monthly, e.g., quarterly or one-fourth, etc., all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If Lender exercises the foregoing right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Lender shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes, assessments, and Condominium Assessments. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays to Borrower(s) interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Lender shall not be required to pay Borrower(s) any interest on earnings on the Funds. Lender shall give to Borrower(s), without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, and Condominium Assessments shall exceed the amount required to pay such taxes, assessments, and Condominium Assessments as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower(s) or credited to Borrower(s) on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, and Condominium Assessments as they fall due, Borrower(s) shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Lender to Borrower(s) requesting payment thereof, but in no event shall Lender require payment in advance for taxes and assessments to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower(s) any Funds held by Lender. If, under Paragraph 18 hereof, the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds then held by Lender as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower(s) under Paragraph 2 hereof, if any, then against advances, if any, made by Lender pursuant to Paragraph 7 of this Mortgage, then to costs, fees, expenses, and other amounts incurred and advanced by the Lender in the enforcements of its rights under the note and this Mortgage, including, without limitation, costs and reasonable attorneys' fees, then to unpaid service fees, then to interest payable on the Note, then to the principal on the Note, then to unpaid late charges, if any, then to interest on any Future Advances made at Lender's option pursuant to Paragraph 20 hereof, then to the principal on Future Advances, if any, made at Lender's option pursuant to Paragraph 20 hereof.

4. Charges; Liens. Borrower(s) shall promptly pay, when due, all Condominium Assessments imposed by Eagle Tree Condominium Association, Inc., or other governing body of Eagle Tree Condominium (the "Condominium Association") or Eagle Tree Property Owners' Association, Inc., pursuant to the provisions of the Declaration, by-laws, rules and regulations or other constituent documents of Eagle Tree Condominium, as well as the Master Declaration of Covenants, Conditions, Easements and Restrictions, bylaws, rules and regulations or other constituent documents of the Eagle Tree Property Owners' Association, Inc.

Borrower(s) shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, in the manner provided under Paragraph 2 hereof or, if not paid in such manner, by Borrower(s) making payment, when due, directly to the payee thereof. Borrower(s) shall promptly furnish to Lender all notices of amounts due under this Paragraph, and in the event Borrower(s) shall make payment directly, Borrower(s) shall promptly furnish to Lender receipts evidencing such payments. Borrower(s) shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower(s) shall not be required to discharge any such lien so long as Borrower(s) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation.

5. Hazard Insurance. Borrower(s) shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. This obligation shall be deemed satisfied so long as the Condominium Association maintains a "master" or "blanket" policy in accordance with the terms hereof.

The insurance carrier providing the insurance shall be chosen by Borrower(s) or the Condominium Association subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. If required, all premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower(s) or the Condominium Association making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower(s) shall give Lender prompt notice of any lapse in hazard insurance coverage. In the event of loss, Borrower(s) shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower(s).

Pursuant to the terms of the Declaration, insurance proceeds shall be applied to restoration or repair of the Property damaged, whether the unit or the common elements. To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Directors of the Condominium Association decides to disburse such excess, Borrower's share of such excess shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower(s).

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not exceed or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments. If under Paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower(s) in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Condominium. Borrower(s) shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower(s) shall perform all of Borrower's obligations under the Declaration, the by-laws and regulations of the Condominium Association, and constituent documents. Borrower(s) shall take such actions as may be reasonable to insure that the Condominium Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender. If a Condominium rider is executed by Borrower and recorded together with the Mortgage, the covenants and agreements of such rider shall be incorporated into and amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower(s) fail(s) to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower(s), may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of funds to pay reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower(s) secured by this Mortgage. Unless Borrower(s) and Lender agree to other terms or payment, such amount shall be payable upon notice from Lender to Borrower(s) requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower(s) notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower(s) in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or the common elements or for any conveyance in lieu of condemnation, pursuant to the terms of the Declaration, are hereby assigned and shall be paid to Lender as provided hereunder.

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower(s) Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower(s) shall not operate to release, in any manner, the liability of the original Borrower(s) and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower(s) and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. Subject to the terms and provisions of Paragraph 17 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower(s). All covenants and agreements of Borrower(s) shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower(s) provided for in this Mortgage shall be given by mailing such notice by U.S. Mail, postage prepaid, addressed to Borrower(s) at the Borrower's address as set forth in the Note, or at such other address as Borrower(s) may

designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower(s) as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower(s) or Lender when given in the manner designated herein. In the event of a judicial action to enforce this Mortgage, Borrower hereby agrees that any notice required or service of process made incident thereto shall be sufficient if made to the above address or to the registered agent appointed for such purposes by Borrower pursuant to Section 721.84 Florida Statutes. Borrower may change such address by giving Lender notice of a change of address in writing to Lender's address stated herein.

15. Governing Law; Severability. This Mortgage shall be governed by the laws of the state where the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. Borrower's Copy. Borrower(s) shall be furnished a copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold (or leased with an option to purchase) or transferred by Borrower(s) without Lender's prior written consent, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, (b) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, or (c) the creation of a lien or encumbrance subordinate to this Mortgage, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, and only if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request, and the assumption fee set by Lender has been paid. If Lender has waived the option to accelerate provided in this Paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower(s) from all obligations under this Mortgage and the Note. Assumption of Borrower's Mortgage and Note shall be permitted only with written approval of and at the sole discretion of Lender.

If Lender exercises such option to accelerate, Lender shall mail Borrower(s) notice of acceleration in accordance with Paragraph 14 hereof. Such notice shall provide a period of not less than fifteen (15) days from the date the notice is mailed within which Borrower(s) may pay the sums declared due. If Borrower(s) fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower(s), invoke any remedies permitted by Paragraph 18 hereof.

18. Acceleration; Remedies. Except as provided in Paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower(s) in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower(s) as provided in Paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than fifteen (15) days from the date the notice is mailed to Borrower(s), by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceedings or other proceedings consistent with the law, and sale of Property. If Borrower fails to cure any such breach on or before the date specified in the notice, Lender at Lender's option, subject to any right of reinstatement to which Borrower(s) is entitled under applicable law, may declare, without further demand, all of the sums secured by this Mortgage to be immediately due and payable and the lien against the Property created by this Mortgage may be foreclosed in accordance with either a judicial foreclosure procedure or a trustee foreclosure procedure and may result in the loss of the Property. If Lender initiates a trustee foreclosure procedure, Borrower shall have the option to object and Lender may proceed only by filing a judicial foreclosure action. Lender shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

19. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower(s) hereby assigns to Lender the rents of the Property, provided that Borrower(s) shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration of the Note or abandonment of the Property, Lender shall be entitled, without notice, to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected shall be appointed first to payment of the costs of management of the Property and collection of rents, including, but not limited to, management fees, court costs, and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The Lender shall be liable to account only for those rents actually received. Borrower(s) shall not be entitled to possession or use of the Property after abandonment or after the Lender has accelerated the balance due under the Note. Alternatively, Lender may seek the appointment of a receiver to manage and collect rents from the Property. If a receiver is appointed, any income from rents from the Property shall be applied first to the costs of receivership, and then in the order set forth above.

20. Future Advances. Upon request by Borrower(s), Lender, at Lender's option, may make Future Advances to Borrower(s). Such Future Advances, with interest thereon, shall be secured by this Mortgage whether or not evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed one hundred fifty percent (150%) of the original amount of the Note.

21. Lender's Prior Consent. Borrower(s) shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) The abandonment or termination of Eagle Tree Condominium, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Declaration, By-Laws or Rules and Regulations of the Condominium Association, or equivalent constituent documents of Eagle Tree Condominium which is for the express benefit of Lender; or

(iii) any action which would have the effect of rendering the public liability insurance coverage maintained by the Condominium Association unacceptable to Lender.

22. Attorneys' Fees. As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees, if any, and related costs incurred by Lender in the enforcement of its rights under the Note and/or Mortgage, whether or not legal action is instituted, and any fees and costs of trial and appellate proceedings.

23. Venue and Jurisdiction. Borrower hereby consents to the enforcement of the Note and Mortgage in Palm Beach County, Florida and hereby submits to the jurisdiction of the courts of the state of Florida for such purpose.

IN WITNESS WHEREOF, Borrower(s) has/have executed this Mortgage on the day and year first written above. Signed in the presence of:

Witness Mortgagor

Witness Mortgagor

Witness Mortgagor

Witness Mortgagor

STATE OF) ACKNOWLEDGMENT

COUNTY OF)

This Mortgage was acknowledged before me this by , , and , (i) who is (are) personally known to me or (ii) has (have) produced [list type of identification] as identification.

(Print Name:
NOTARY PUBLIC
My Commission Expires:
Commission No:

(ADDITIONAL ACKNOWLEDGMENT, IF MORTGAGORS SIGN BEFORE DIFFERENT NOTARIES)

STATE OF) ACKNOWLEDGMENT

COUNTY OF)

This Mortgage was acknowledged before me this by , , and , (i) who is (are) personally known to me or (ii) has (have) produced [list type of identification] as identification.

(Print Name:
NOTARY PUBLIC
My Commission Expires:
Commission No:

Prepared by and return to: Attn: New Owner Administration- 1200 Bartow Road, Suite 10, Lakeland, Florida 33801

500973 (01.24.11)

HAWAII SAMPLE (RCDC)

NOTE

Mortgage No.: _____ Vacation Ownership (Club) Interest No(s). _____

Recorded: _____ Preparation Date: _____

US $_____ Closing Date: _____

1. **DEFINED TERMS.** Certain words used in this document have special meanings as set forth below:

(a) **"NOTE" -** This document in which you promise to pay the Debt. You are giving it to THE RITZ-CARLTON DEVELOPMENT COMPANY, INC. to pay for the Property described in the Mortgage. The Debt and this Note are secured by the Mortgage.

(b) **"DEBT" -** Both the Principal and Interest charged on that portion of Principal that is not then paid. "Principal" means the amount of _____ (US $_____). "Interest" is simple interest, which means that it is charged (accrues) only on that part of the Principal which is not then paid. It is not on a block or other basis where the dollar amount of interest is fixed in advance. In this Note, the rate, but not the dollar amount, of Interest is fixed. This rate is _____ percent (_____%) per year based on a 360-day year, collected for the actual number of days principal is outstanding in any calendar year. Loan payments are to be made in installments calculated to repay the loan in full over the term of the loan and is based on the assumption that all payments are made when due. Interest will be charged on that part of the Principal, which has not been paid. Interest at this rate will start on the ____ day of _____, _____, and will continue until the full amount of the Principal has been paid.

(c) **"MORTGAGE" -** The document entitled "Mortgage, Security Agreement and Financing Statement with Power of Sale" which you have signed. It gives property to the Holder as security to protect the Holder from possible losses that might result if you do not keep the promises you make in this Note and in the Mortgage.

(d) **"YOU" -** Each person who signs this Note. If more than one person signs, each of you is fully and personally obligated to pay the full amount of the Debt and to keep all of the other promises made in this Note. For example, the fact that one or more of you does not pay a part of the Debt does not excuse the rest of you from paying all of the Debt and keeping all of the other promises. The Holder may therefore enforce its rights under this Note against each of you individually or against some or all of you together. In legal terms, each of you is "jointly and severally liable."

(e) **"RITZ-CARLTON" -** THE RITZ-CARLTON DEVELOPMENT COMPANY, INC., a Delaware corporation. Its address is 6649 Westwood Boulevard, 3rd Floor, Orlando, Florida 32821-6090.

(f) **"HOLDER" -** Ritz-Carlton or anyone who takes this Note later by transfer and who is entitled to receive the payments you promise to make in this Note. You understand that any Holder may transfer this Note to someone else.

(g) **"CLOSING DATE" -** The date indicated above.

2. **YOUR PROMISE TO PAY**. You promise to pay the Debt, both Principal and Interest, plus all other sums you owe under this Note and under the Mortgage, to the order of Marriott or any other Holder.

3. **HOW, WHEN, AND WHERE YOU PROMISE TO PAY**. You promise to pay the Debt, both Principal and Interest, by making payments every month. Each monthly payment will be in the amount of

_____ UNITED STATES DOLLARS ($_____), and must be made on the ____ day of each month, starting on _____. A service fee of $5.00 must accompany each monthly payment. You promise to make these payments every month until you have paid all of the Debt. If, however, on _____, you still owe anything under this Note, you promise to pay the Debt in full on that date. You promise to make your payments to Ritz-Carlton at P. O. Box 382028, Pittsburgh, PA 15250-8028, or at any other place the Holder tells you in writing to pay.

4. **HOW YOUR PAYMENTS WILL BE APPLIED**. In addition to Principal and Interest, you may be required to make other payments as stated in this Note or in the Mortgage. For example, you may be required to make other payments, such as late charge payments, if you do not keep the promises made in this Note or in the Mortgage (in other words, if you "default"). Further, you must also make payments to cover service fees and returned check charges, if any. The Mortgage states the manner in which your payments will be applied to these fees and charges, to Interest and to Principal.

5. **YOUR RIGHT TO PAY EARLIER ("PREPAYMENT").** The Mortgage states the manner and the conditions under which you may pay the Debt before the time you promise to do so in this Note.

6. **THE HOLDER MAY REQUIRE YOU TO PAY EARLIER IF YOU BREAK YOUR PROMISES ("ACCELERATION").** You agree that the Mortgage states the manner and the conditions under which the Holder may require you to make immediate payment of the Debt in full, if you default. Thus, as stated in the Mortgage, if you default, you may lose your right to pay the Debt in monthly payments.

7. **OTHER CHARGES AND COSTS YOU PROMISE TO PAY IF YOU DEFAULT**.

(a) **LATE CHARGES**. If the Holder has not received the full amount of any monthly payment by the end of ten (10) calendar days after the date it is due, you promise to pay a late charge to the Holder with the next monthly payment. Each late charge will be six percent (6%) of the late monthly payment or $25.00, whichever is less.

(b) **THE HOLDER'S COSTS AND ATTORNEY'S FEES**. If you default, you promise to pay the Holder all of the reasonable costs the Holder incurs in trying to make you keep the promises you make in this Note and in the Mortgage. These costs include, for example, the Holder's reasonable attorney's fees and costs, whether or not the Holder sues you. You promise to pay all of these costs at once after the Holder demands payment from you.

8. **THIS NOTE IS SECURED BY THE MORTGAGE**. You agree that this Note is secured by the Mortgage.

9. **YOU, AND CERTAIN OTHER PERSONS, WAIVE CERTAIN RIGHTS**. You waive your rights to require the Holder to do certain things. They are: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"); and (c) to obtain an official certification of nonpayment (known as a "protest"). Anyone else who agrees to keep the promises made in this Note, who agrees to make payments to the Holder if you fail to keep your promises under this Note or who signs this Note to transfer it to someone else, also waives these rights. (These persons are known as "guarantors, sureties and endorsers".)

You and each guarantor, surety and endorser consent to any extension of the time by which the payment of this Note or any monthly payments must be made and to any other change to the terms of this Note (this includes the release of any person liable on this Note). These extensions or changes can be made without notice to you or any of them, and will not release or affect your liability or the liability of any of these other persons on this Note.

10. **GOVERNING LAW**. Hawaii law governs this Note.

11. **CAPTIONS**. Ritz-Carlton has tried to appropriately divide and caption this Note by its various paragraphs. Captions are a part of this Note, but obviously cannot and do not completely or adequately explain each

paragraph or the entire agreement. Ritz-Carlton recommends that you read with care each and every paragraph of this Note and not just the captions alone. No court may treat the captions and headings as if they explain what the paragraph means.

12. **HOW ANY COURT SHOULD READ THIS NOTE**. This Note was written in plain language so that it would be easier to read and understand. It uses words which are less accurate than the words which most courts are used to seeing. It also does not include the long overlapping phrases used to prevent courts from reading words too narrowly. If any court is ever asked to interpret this Note, Ritz-Carlton and you ask that it keep those facts in mind and interpret this Note as common sense would require in order to do what Ritz-Carlton and you clearly wanted this Note to do.

By signing this document, you agree to everything that is said in this Note.

YOU HAVE THE OPTION TO CANCEL THIS AGREEMENT BY NOTICE TO RITZ-CARLTON UNTIL MIDNIGHT OF THE SEVENTH (7TH) DAY FOLLOWING THE SIGNING OF THIS NOTE.

IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THIS NOTE, THIS NOTE MAY BE CANCELED AT YOUR OPTION FOR TWO (2) YEARS FROM THE DATE OF SIGNING.

Your Address:

_____

_____

_____

_____

"You"

_____

Print Your Name

_____

"You"

_____

Print Your Name

_____

"You"

_____

Print Your Name

HAWAII SAMPLE (RCDC)

LAND COURT SYSTEM REGULAR SYSTEM

AFTER RECORDATION: RETURN BY MAIL ( ) PICK UP ( )

Tax Map Key No. (2) 4-2-04: 028 and 029 Total Pages: _____

MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT WITH POWER OF SALE

Vacation Ownership (Club) Interest No(s):

LENDER(S) NAME: THE RITZ-CARLTON DEVELOPMENT COMPANY, INC., a Delaware corporation 6649 Westwood Boulevard, 3rd Floor, Orlando, Florida 32821-6090

BORROWER(S) NAME AND ADDRESS:

DEFINED TERMS. Certain words used in this document have special meanings which are set forth below. Other words which begin with a capital letter will have the meaning given to such word in The Kapalua Bay Vacation Ownership Project Declaration of Covenants, Conditions and Restrictions that was recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 2006-112198, as amended (the "Declaration").

A. **"MORTGAGE"** - This document which is dated _____, _____ will be called the "Mortgage." It gives the Property to the Holder as security to protect the Holder from possible losses that might result if you do not keep the promises you make in the Note and in this Mortgage. You are giving it to Ritz-Carlton as security for your promise to repay the funds used to pay for the Property with interest.

B. **"YOU" OR THE "BORROWER"** _____, and _____ whose address is _____, is the person or are the persons signing the Note and this Mortgage, and will sometimes be called "Borrower" and sometimes simply "You."

C. **"RITZ-CARLTON"** - THE RITZ-CARLTON DEVELOPMENT COMPANY, INC. will be called "Ritz-Carlton." It is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business and post office address at 6649 Westwood Boulevard, 3rd Floor, Orlando, Florida 32821-6090.

D. **"HOLDER" -** Ritz-Carlton or anyone who takes this Mortgage and the Note later by transfer and who is entitled to receive the payments you promise to make in the Note and to enforce the promises you make in this Mortgage. You understand that any Holder may transfer the Note and this Mortgage to someone else.

E. **"NOTE" -** The Note you are signing. The "Note" also means all changes and extensions to the Note that you and the Holder agree to. The Note states that you owe the Holder _____ UNITED STATES DOLLARS ($ _____) which amount is called the "Principal" plus "Interest". You promise to pay all amounts as and when stated in the Note. The Note is secured by this Mortgage.

F. **"DEBT" -** The amount you owe the Holder, both Principal and simple (not block) Interest. These amounts will be called the "Debt."

G. **"PROPERTY" -** The property that is described below in the section entitled "Description Of The Property."

H. **"FUTURE ADVANCES" -** Any amount loaned to Borrower after the date of this Mortgage, which, unless otherwise agreed, will accrue interest at the rate set forth in the Note.

I. **BORROWER'S TRANSFER TO HOLDER OF RIGHTS IN THE PROPERTY.**

You here and now mortgage, grant and convey the Property to Ritz-Carlton, subject to the terms of this Mortgage. You give this Mortgage as security for the payment of the Note and all amounts you may owe under the Note or this Mortgage, including the Debt, and as security that you will observe and perform all of the promises and other agreements you make in the Note and Mortgage. This means that, by signing this Mortgage, you are giving Ritz-Carlton (and any later Holder) those rights that are stated in this Mortgage and also those rights that the law gives to creditors who hold mortgages on real property and security interests in personal property. You are giving the Holder these rights to protect it from possible losses that might result if you fail to:

A. Pay all the Debt, both Principal and Interest, that you owe the Holder as and when stated in the Note; or

B. Pay all other sums you owe Holder under the Note and under this Mortgage, including any Future Advances; or

C. Pay, with interest, any amounts that the Holder spends under this Mortgage to protect the value of the Property and the Holder's rights in the Property; or

D. Keep all of your other promises and agreements under the Note and this Mortgage; or

E. Keep all of your promises and agreements under the Purchase Agreement and under the Buyer's Acknowledgements pertaining to the Property, which you signed prior to this Mortgage.

II. **DESCRIPTION OF THE PROPERTY.**

You give the Holder rights in the Property which is described in subparagraphs (A) through (F) below:

A. The Club Interest(s) and other property rights described in Exhibit "A" attached hereto and incorporated herein by this reference;

B. All rights granted to you by Condominium Documents, Club Documents and the Program Documents;

C. All rights in other property that you have as owner of the Club Interest described in Paragraph (A) of this section. These rights are known as "easements, profits and appurtenances attached to the property, including membership in The Kapalua Club;"

D. All rights that you have in all fixtures that are now or in the future will be on the property described in Paragraph (A) of this section, and all replacements of and additions to those fixtures. Usually, fixtures are items that are physically attached to buildings, such as hot water heaters;

E. All of the rights and property described in Paragraphs (B) and (C) of this section that you acquire in the future; and

F. All replacements of or additions to the property described in Paragraph (C) of this section.

III. **BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY.**

You here and now promise that except for the encumbrances listed in Exhibit "A" to this document: (A) You lawfully own the Property; (B) You have the right to mortgage, grant and convey the Property to the Holder; and (C) There are no outstanding claims or charges against the Property.

You here and now give a general warranty of title to the Holder. This means that you will be fully responsible for any and all losses which the Holder suffers because someone other than you has some of the rights in the Property which you promise that you have and are mortgaging to the Holder. You promise that you will defend your ownership of the Property against any claims of such rights.

IV. **YOUR PROMISES.**

You promise and you agree with the Holder as follows:

A. **BORROWER'S PROMISE TO PAY PRINCIPAL AND INTEREST UNDER THE NOTE AND TO FULFILL OTHER PAYMENT OBLIGATIONS**. You will promptly pay to the Holder when due: the Debt, both Principal and Interest, under the Note; late charges and other charges, fees and costs stated in the Note; and all sums due under any part of this Mortgage.

B. **HOLDER'S APPLICATION OF BORROWER'S PAYMENTS**. Unless the law requires otherwise, the Holder will apply each of your payments under the Note and this Mortgage in the following order and for the following purposes:

1. First, to pay amounts payable by Borrower for taxes, assessments and other obligations, if any, under Paragraph (C) of this section;

2. Next, to pay, with interest, any amounts that the Holder spends under this Mortgage to protect the value of the Property and the Holder's rights in the Property;

3. Next, to the costs, fees, expenses and other amounts incurred and advanced by the Holder in the enforcement of its rights hereunder, including without limitations, costs and reasonable attorneys' fees;

4. Next, to pay any service fee charged by the Holder;

5. Next, to pay Interest then due under the Note;

6. Next, to pay Principal then due under the Note;

7. Next, to pay late charges and other charges and costs you promise to pay under the Note or this Mortgage;

8. Next, to pay interest on any Future Advances made pursuant to Paragraph (X) of this section; and

9. Last, to pay principal on any Future Advances made pursuant to Paragraph (X) of this section.

C. **AGREEMENTS ABOUT REAL PROPERTY TAXES, ASSESSMENTS FOR THE CONDOMINIUM PROJECT AND CLUB, AND OTHER CHARGES**. You promise to pay all real property taxes (which should be included in the assessment made by the Association), charges from both the Condominium Association and the Association, and all other charges and fines of every kind imposed on or in any way related to the Property and its use. It does not matter who is billed for these charges. For example, even if the Holder or the Management Company for the Association is billed, you must pay.

Subject to applicable law, upon written request by Holder to Borrower, Borrower shall pay to Holder on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of Borrower's share of any taxes and assessments relating to the subject Property encumbered by this Mortgage and one-twelfth of the Borrower's share of the annual maintenance fee or assessment due to the Association or the Condominium Association, or such other amounts or for such other periods other than monthly, e.g. quarterly, all as reasonably estimated initially and from time to time by Holder on the basis of assessments and bills and reasonable estimates thereof.

If Holder exercises this right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Holder shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes and assessments. Holder may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling old assessments and bills, unless Holder pays to Borrower interest on the Funds and applicable law permits Holder to make such a charge. Unless applicable law requires, Holder shall not be required to pay Borrower any interest or other earnings on the Funds. Holder shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Holder, together with the future monthly installments of Funds payable prior to the due dates of taxes and assessments shall exceed the amount required to pay such taxes and assessments, as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Holder shall not be sufficient to pay taxes and assessments as they fall due, Borrower shall pay to Holder any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Holder to Borrower requesting payment thereof, but in no event shall Holder require payment in advance for taxes and assessments to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

Upon payment in full of all sums secured by this Mortgage, Holder shall promptly refund to Borrower any funds held by Holder. If the Property is sold or the Property is otherwise acquired by Holder, Holder shall apply, no later than immediately prior to the sale of the Property or its acquisition by Holder, any Funds then held by Holder as a credit against the sums secured by this Mortgage.

Without limiting the general nature of the promise made in the preceding paragraph of this Paragraph C, you will pay all taxes, assessments, and any other charges and fines that may now or later be imposed on the Property and that may be superior to this Mortgage. You will do this either by making the payments to the Association, or by making payments, when they are due, directly to the persons entitled to them. (In this Mortgage, the word "person" means any person, organization, governmental authority, or other party.) If you make direct payments, then, promptly after making any of those payments, you will give the Holder a receipt which shows that you have done so. You will promptly pay, when they are due, all assessments imposed by the Condominium Association and the Association.

Any claim, demand or charge that is made against the Property because an obligation has not been fulfilled is known as a lien. You will promptly pay or satisfy all liens against the Property that may be superior to this Mortgage. This Mortgage does not, however, require you to satisfy a superior lien if: (A) You agree, in writing, to pay the obligation which gave rise to the superior lien and the Holder approves the way in which you agree to pay that obligation; or (B) You, in good faith, argue or defend against the superior lien in a lawsuit so that during the lawsuit, the superior lien may not be enforced, and no part of the Property must be given up.

D. **HAZARD INSURANCE**. Since the Property consists, in part, of an interest in a unit in a condominium project, as well as an interest in a vacation ownership program, the Condominium Association and/or the Association will typically maintain a hazard insurance policy which covers all buildings and other improvements that now are or in the future will be located in the project or in the Unit, covering loss or damage caused by fire, hazards normally covered by special form insurance policies and other hazards. Such a policy may be referred to as the "master policy." So long as the master policy remains in effect and satisfies the requirements stated in this Paragraph D, you are not required to obtain and maintain separate hazard insurance on the Property. In the event that the Condominium Association or the Association does not maintain a master policy covering the Condominium or property in the Condominium and in the Unit, or such master policy, in the Holder's reasonable opinion, is not sufficient to adequately protect Holder's security interest in the Property, the Holder shall have the right to require you to obtain and maintain hazard insurance to cover the Property in the amounts and for the periods of time required by the Holder. In the event that the insurance policy you obtain contains provisions, known as "co-insurance requirements," that limit the insurance company's obligation to pay claims if the amount of coverage is too low, the Holder may require you to obtain an amount of coverage up to the larger of the following two amounts: (1) the amount that you owe to the Holder under the Note and under this Mortgage; or (2) the amount necessary to satisfy the co-insurance requirements.

All insurance which you are required to obtain shall be carried with companies selected by you, which companies shall be authorized to do business in the State of Hawaii, and the Holder may require that the policies and renewals thereof be held by the Holder and have attached thereto loss payable clauses in favor of and in form acceptable to the Holder. You will pay the premiums on the insurance policies by paying the insurance company directly when the premium payments are due. If the Holder requires, you will promptly give the Holder all receipts of paid premiums and all renewal notices that you receive.

If there is a loss or damage to the Property, you will promptly notify the Association, the Condominium Association and the Holder, if a master policy is obtained and maintained for the Condominium and/or the Club, or the insurance company and the Holder if you are required to obtain the insurance coverage. If you do not promptly prove to the insurance company that the loss or damage occurred, then the Holder may do so.

The amount paid by the insurance company is called "proceeds." The proceeds from any insurance obtained by the Association, the Condominium Association or you must be used to repair or to restore the damaged property unless: (a) it is not economically possible to make the repairs or restoration; or (b) the use of the proceeds for that purpose would lessen the protection given to the Holder by this Mortgage; or (c) the Holder and you have agreed in writing not to use the proceeds for that purpose. If the repair or restoration is not economically possible or if it would lessen the Holder's protection under this Mortgage, then the proceeds applicable to the Property will be used to reduce the amount that you owe to the Holder under the Note and under this Mortgage. In addition, since a portion of the Property consists of an interest in a Unit in the Condominium and Club, it is possible that proceeds under the master policy will be paid to you instead of being used to repair or to restore the damaged property. You give the Holder your rights to those proceeds, which will be paid to the Holder, and will be used to reduce the amount that you owe to the Holder under the Note and under this Mortgage. If any of the proceeds remain after the amount that you owe to the Holder has been paid in full, the remaining proceeds will be paid to you. The use of proceeds to reduce the amount that you owe to the Holder will not be a prepayment that is subject to the prepayment charge provisions, if any, under the Note or this Mortgage.

If you abandon the Property, or if you do not answer, within thirty (30) days, a notice from the Holder stating that the insurance company has offered to settle a claim for insurance benefits, then the Holder has the authority to collect the proceeds. The Holder may then use the proceeds to repair or restore the damaged property or to reduce the amount that you owe to the Holder under the Note and under this Mortgage. The thirty (30) day period will begin on the date the notice is mailed or, if it is not mailed, on the date the notice is delivered.

If any proceeds are used to reduce the amount of Principal which you owe to the Holder under the Note, that use will not delay the due date or change the amount of any of your monthly payments under the Note and under Paragraph A of this Section V. You and the Holder may, however, agree in writing to those delays or changes.

If the Holder acquires the Property under Paragraph P of this Section V, all of your rights in the insurance policies will belong to the Holder. Also, all of your rights in any proceeds which are paid because of damage that

occurred before the Property is acquired by the Holder or sold will belong to the Holder. The Holder's rights in those proceeds will not, however, be greater than the amount that you owe to the Holder under the Note and under this Mortgage immediately before the Property is acquired by the Holder or sold.

If there is a conflict concerning the use of proceeds between the terms of this Paragraph D and the law or the terms of the Condominium Documents and/or the Program Documents, then that law or the terms of those documents will govern the use of proceeds. You will promptly give the Holder notice if the master policy or the insurance policy you obtain is interrupted or terminated.

E. **BORROWER'S OBLIGATION TO MAINTAIN THE PROPERTY, AND AGREEMENTS ABOUT THE CONDOMINIUM AND THE CLUB.**

1. **AGREEMENTS ABOUT MAINTAINING THE PROPERTY**. You will keep your assigned Unit in good repair during the time you occupy that Unit. You will not destroy, damage or substantially change the Assigned Unit. Without limiting the general nature of your obligations, you promise not to store in or use on the Condominium any hazardous materials, drugs or other contraband, or to permit any person you allow to use your Club Interest to do so.

2. **AGREEMENTS THAT APPLY TO THE CONDOMINIUM PROJECT AND CLUB**. Since the Property is an interest in a Unit in the Condominium and the Club, you will fulfill all of your obligations under the Condominium Documents, Program Documents and Club Documents. Also, you will not divide the Property into smaller parts that may be owned separately (known as "partition"). You will not consent to certain actions unless you have first given the Holder notice, and obtained the Holder's consent in writing. Those actions are:

a. The abandonment or termination of the Condominium or the Club unless the abandonment or termination is required by law;

b. Any significant change to the Condominium Documents or Club Documents, including, for example, a change in the percentage of ownership rights held by apartment owners in the Condominium or a change in the percentage of ownership rights held by vacation ownership owners in Units in the Club; or

c. A decision by the Condominium Association or the Association to terminate professional management and to begin self-management of the Condominium or the Club.

You promise that you will do everything in your power so that the Condominium Association and the Association will each comply fully with the documents creating and governing the Condominium and the Club, respectively.

F. **HOLDER'S RIGHT TO TAKE ACTION TO PROTECT THE PROPERTY** If: (1) You do not keep your promises and agreements made in this Mortgage, or (2) someone, including you, begins a legal proceeding that may significantly affect the Holder's rights in the Property (such as, for example, a legal proceeding in bankruptcy, in probate, for condemnation, or to enforce laws or regulations), then the Holder may do and pay for whatever is necessary to protect the value of the Property and the Holder's rights in the Property. The Holder's actions under this Paragraph F may include, for example, appearing in court, and paying reasonable attorney's fees and court costs. The Holder must give you notice before the Holder may take any of these actions.

You will pay to the Holder any amounts, with interest, which the Holder spends under this Paragraph F. This Mortgage will protect the Holder in case you do not keep this promise to pay those amounts, with interest.

You will pay those amounts to the Holder when the Holder sends you a notice requesting that you do so. You will also pay interest on those amounts at the same rate stated in the Note. If, however, payment of interest at that rate would violate the law, you will pay interest on the amounts spent by the Holder under this Paragraph F at the highest rate that the law allows. Interest on each amount will begin on the date that the amount is spent by the Holder. The Holder and you may, however, agree in writing to terms of payment that are different from those in this Paragraph F.

Although the Holder may take action under this Paragraph F, the Holder is not required to do so.

G. **HOLDER'S RIGHT TO INSPECT THE CONDOMINIUM**. The Holder, and others authorized by the Holder, may enter on and inspect the Condominium. They must do so in a reasonable manner and at reasonable times. You agree to take such action as may be required for Holder to conduct such an inspection. Before any one of those inspections is made, the Holder must give you notice stating a reasonable purpose for the inspection. That purpose must be related to the Holder's rights in the Property.

H. **AGREEMENTS ABOUT CONDEMNATION OF THE PROPERTY**. A taking of property by any governmental authority by eminent domain is known as "condemnation." Subject to provisions in the documents that create and govern the Condominium and the Club, you and the Holder make the following agreements about condemnation of the Property:

You give to the Holder your right to the proceeds of all awards or claims for damages resulting from condemnation or other governmental taking of the Property (or a portion thereof) and to the proceeds from a sale of the Property (or a portion thereof) that is made to avoid condemnation. All of those proceeds will be paid to the Holder.

If all of the Property is taken, the proceeds will be used to reduce the amount that you owe to the Holder under the Note and under this Mortgage. If any of the proceeds remain after the amount that you owe to the Holder has been paid in full, the remaining proceeds will be paid to you. Unless the Holder and you agree otherwise in writing, if only a part of the Property is taken, the amount that you owe to the Holder will only be reduced by the amount of proceeds multiplied by the following amount: (1) the total amount that you owe to the Holder under the Note and under this Mortgage immediately before the taking, divided by (2) the fair market value of the Property immediately before the taking. The remainder of the proceeds will be paid to you. The use of proceeds to reduce the amount that you owe to the Holder will not be a prepayment that is subject to the prepayment charge provisions, if any, under the Note or this Mortgage.

If you abandon the Property, or if you do not answer within thirty (30) days, a notice from the Holder stating that a governmental authority has offered to make a payment or to settle a claim for damages, then the Holder has the authority to collect the proceeds. The Holder may then use the proceeds to repair or restore the damaged property or to reduce the amount that you owe to the Holder under the Note and under this Mortgage. The thirty (30) day period will begin on the date the notice is mailed or, if it is not mailed, on the date the notice is delivered.

If any proceeds are used to reduce the amount of principal which you owe to the Holder under the Note, that use will not delay the due date or change the amount of any of your monthly payments under the Note. The Holder and you may, however, agree in writing to those delays or changes.

I. **CONTINUATION OF HOLDER'S RIGHTS**. Even if the Holder does not exercise or enforce any right of the Holder under this Mortgage or under the law, the Holder will still have all of those rights and may exercise and enforce them in the future. Even if the Holder obtains insurance, pays taxes or pays other claims, charges or liens against the Property, the Holder will still have the right, under Paragraph P of this Section V, to demand that you make Immediate Payment In Full (see Paragraph P of this Section V for a definition of this phrase) of the amount that you owe to the Holder under the Note and under this Mortgage.

J. **HOLDER'S ABILITY TO ENFORCE MORE THAN ONE OF HOLDER'S RIGHTS**. Each of the Holder's rights under this Mortgage is separate. The Holder may exercise and enforce one or more of those rights, as well as any of the Holder's other rights under the law, one at a time or some or all at once.

K. **JOINT AND SEVERAL LIABILITY; AGREEMENTS CONCERNING CAPTIONS**. If more than one person signs this Mortgage as Borrower, each of you is fully obligated to keep all of Borrower's promises and obligations contained in this Mortgage. The Holder may enforce the Holder's rights under this Mortgage against each of you individually or against some or all of you together. This means that any one of you may be required to pay all of the amounts owed under the Note and under this Mortgage. The captions and titles of this Mortgage are for convenience only. They may not be used to interpret or to define the terms of this Mortgage.

L. **AGREEMENTS ABOUT GIVING NOTICES REQUIRED UNDER THIS MORTGAGE**. Unless the law or this Mortgage requires otherwise, any notice that must be given to you under this Mortgage will be given by delivering

or telecopying it to you or by mailing it addressed to you at the address for giving notices stated in Paragraph B of Section I above entitled “Defined Terms.” The Holder does not have to send the notice to every Borrower at each of the Borrower’s addresses, if there is more than one Borrower. A notice will be delivered at a different address if you give the Holder a notice of your different address for notices in writing. Any notice that must be given to the Holder under this Mortgage will be given by mailing it to the Holder’s address stated in Paragraph C of Section I above entitled “Defined Terms.” A notice will be mailed to the Holder at a different address if the Holder gives you a notice of the different address. A notice required by this Mortgage is given (and will be deemed to be received) when it is mailed or when it is delivered or telecopied according to the requirements of this Paragraph L.

M. **AGREEMENTS ABOUT LAWSUITS AND THE LAW THAT GOVERNS THE NOTE AND THIS MORTGAGE**.

1. The law that will govern the Note and this Mortgage is the law of the State in which the Property is located. This governing law is the law of the State of Hawaii, which will control except to the extent that federal law may apply. If any term of this Mortgage or of the Note conflicts with the law, all other terms of this Mortgage and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

2. To the extent permitted by applicable law, any lawsuit or other proceeding involving the Note or this Mortgage must be filed only in Courts of the State of Hawaii or the United States Federal District Court for the District of Hawaii. Neither you nor the Holder is allowed to do anything to defeat the power and right (called “jurisdiction” and “venue”) of these courts to handle any such lawsuit or other proceeding, since it is intended that any such lawsuit or proceeding be resolved in Hawaii where the Property is located, and because the Note and this Mortgage are subject to Hawaii law. Even if you are not a citizen or resident of the State of Hawaii, you submit yourself to the jurisdiction and venue of such courts for all purposes involving the Note and this Mortgage. All rights you have to a jury trial in any such lawsuit or proceeding you here and now “waive.” It is intended that any disputes be submitted to a judge for resolution.

N. **BORROWER’S COPY OF THE NOTE AND OF THIS MORTGAGE.** You will be given a copy of the Note and of this Mortgage showing that these documents have been signed. You will be given those copies either when you sign the Note and this Mortgage or after this Mortgage has been officially recorded in the proper official records. If you do not receive these copies you may insist that Ritz-Carlton give them to you, but you still must keep all of the promises that you make in these documents.

O. **PROHIBITION ON ASSUMPTION OF THIS MORTGAGE AND HOLDER’S RIGHTS IF BORROWER TRANSFERS THE PROPERTY.** This Mortgage and the Note may not be transferred by you to anyone else. The Holder expects you to pay all amounts due and to keep all of the promises stated in these documents. It would not have extended credit to you if it realized that you would have someone else assume your obligations. Thus, if you sell or transfer the Property, unless indicated otherwise below, the Holder will have the right to require Immediate Payment In Full (this term is explained in Paragraph P below). The Holder will not have the right to require Immediate Payment In Full, however, as a result of certain transfers. Those transfers are:

1. The creation of liens or other claims against the Property that are inferior to this Mortgage;

2. A transfer of the Property to surviving co-owners following the death of a co-owner when the transfer is automatic according to law; and

3. Any other transfer which under federal law may be made without giving the Holder the right to require Immediate Payment in Full.

If the Holder requires Immediate Payment In Full under this Paragraph O, the Holder will send you in the manner described in Paragraph L of this Section V, a notice which states this requirement. The notice will give you at least ten (10) days to make the required payment. The ten (10) day period will begin on the date the notice is mailed or if it is not mailed, on the date the notice is delivered. If you do not make the required payment during that period, the Holder may bring a lawsuit for foreclosure and sale under Paragraph P of this Section V without giving you any further

notice or demand for payment or may foreclose under power of sale under Paragraph P of this Section V. (See Paragraph P of this Section V for definitions of "foreclosure and sale" and "under power of sale").

P. **HOLDER'S RIGHTS IF BORROWER FAILS TO KEEP PROMISES AND AGREEMENTS.** If you do not keep your promises and agreements made in the Note or this Mortgage, the Holder may take any action against you that is allowed by law or this Mortgage. For example, the Holder may sue you to collect any money you owe the Holder with or without also suing to foreclose and sell the Property (foreclosure and sale is explained later in this Paragraph P); to stop you from breaking your promises and agreements (known as an action to enjoin); or to force you to keep your promises and agreements (known as an action for specific performance).

If all of the conditions stated in the following subparagraphs 2.a, b and c of this Paragraph P are satisfied, the Holder may also require that you pay immediately the entire amount then remaining unpaid under the Note and under this Mortgage (known as an "acceleration" of the Debt). The Holder may do this without making any further demand for payment. This requirement will be called "Immediate Payment In Full."

If the Holder requires Immediate Payment In Full, the Holder:

1. May bring a lawsuit to take away all of your remaining rights in the Property and to have the Property sold. At this sale the holder or another person may acquire the Property. This is known as "foreclosure and sale." In any lawsuit for foreclosure and sale, the Holder will have the right to collect all costs allowed by law; or

2. May foreclose under power of sale. This means that the Holder may have all of your remaining rights in the Property taken away and have the Property sold without having to file a lawsuit. To do this, the Holder must comply with the law on foreclosure under power of sale that is stated in Chapter 667 of the Hawaii Revised Statutes, as amended.

The Holder may require Immediate Payment In Full under this Paragraph P only if all of the following conditions are satisfied:

a. You fail to keep any promise or agreement made in this Mortgage, including the promises to pay when due the amounts that you owe to the Holder under the Note and under this Mortgage; and

b. The Holder sends to you, in the manner described in Paragraph L of this Section V, a notice that states:

(1) The promise or agreement that you failed to keep;

(2) The action that you must take to correct that failure;

(3) A date by which you must correct the failure. That date must be at least ten (10) days from the date on which the notice is mailed to you, or if it is not mailed, from the date on which it is delivered to you;

(4) That if you do not correct the failure by the date stated in the notice, you will be in default and the Holder may require Immediate Payment In Full, and the Holder or another person may acquire the Property by means of foreclosure and sale or under power of sale;

(5) That you may speak with a named representative of the Holder to discuss any questions which you have about the matters stated in the notice;

(6) That if you satisfy the conditions stated in Paragraph P of this Section V, you will have the right to have any lawsuit for foreclosure and sale discontinued and to have the Note and this Mortgage remain in full effect as if Immediate Payment In Full had never been required; and

(7) That you have the right in any lawsuit for foreclosure and sale to argue that you kept your promises and agreements under the Note and under this Mortgage, and to present any other defenses that you may have.

c. You do not correct the failure stated in the notice from the Holder by the date stated in that notice.

To sell the Property in foreclosure, the Holder may sign and deliver a legal document sufficient to transfer the Property to the purchaser at the foreclosure sale. You give the Holder the power and right to sign and deliver such a document on your behalf, and you may not and cannot take this power and right away from the Holder. In legal terms, you appoint the Holder as your "attorney-in-fact," which appointment is coupled with an interest and, therefore, is irrevocable even if you die or become incompetent.

The proceeds from any foreclosure and sale, whether by lawsuit or under power of sale, shall be applied: (i) first to pay all costs and expenses of the sale, including court costs and attorney's fees, and (ii) then as stated in Paragraph B of this Section V. If, however, the proceeds are not sufficient to pay all these sums and all the other sums you owe the Holder, unless waived by the Holder, you must still pay the Holder the difference (known as the "deficiency"). You promise to pay any deficiency on demand from the Holder. The Holder may force you to keep your promise to pay any deficiency, even if you have lost all rights to the Property and even if the laws of the place where you live ("your home state" if you do not live in Hawaii), would not permit the Holder to enforce this promise if the Property is located there. The Holder may take any action against you to collect the deficiency, plus all of the Holder's costs of collection, including its attorney's fees, that is allowed by law and this Mortgage.

Q. **BORROWER'S RIGHT TO HAVE HOLDER'S FORECLOSURE AND SALE DISCONTINUED.** Even if the Holder has required Immediate Payment In Full, you may have the right to have discontinued any lawsuit brought by the Holder for foreclosure and sale or any foreclosure under power of sale or for other enforcement of this Mortgage. You will have this right at any time before a judgment has been entered enforcing this Mortgage, or before the sale is made by a foreclosure under power of sale, if you satisfy the following conditions:

1. You pay to the Holder the full amount that would have been due under this Mortgage and the Note, if the Holder had not required Immediate Payment In Full;

2. You correct your failure to keep any of your other promises or agreements made in this Mortgage;

3. You pay all of the Holder's reasonable expenses in enforcing this Mortgage including, for example, reasonable attorney's fees; and

4. You do whatever the Holder reasonably requires to assure that the Holder's rights in the Property, the Holder's rights under this Mortgage, and your obligations under the Note and under this Mortgage continue unchanged.

If you fulfill all of the conditions in this Paragraph Q, then the Note and this Mortgage will remain in full effect as if Immediate Payment In Full had never been required.

If, however, you do not fulfill all of these conditions, you (and all persons who have or claim rights in the Property that depend on your rights in the Property) will lose all rights to the Property, and will not have any right to get them back. In legal terms, you (and such other persons) will have no "redemption rights."

R. **HOLDER'S RIGHTS TO RECEIVE RENTAL PAYMENTS FROM THE PROPERTY.** If there is a judgment for the Holder in a lawsuit for foreclosure and sale, you will pay to the Holder reasonable rent from the date the judgment is entered for as long as you continue to have the right to occupy the Property. This does not, however, give you the right to occupy the Property.

S. **HOLDER'S OBLIGATION TO DISCHARGE THIS MORTGAGE WHEN THE NOTE AND THIS MORTGAGE ARE PAID IN FULL**. When the Holder has been paid all amounts due under the Note and under this Mortgage, the Holder will discharge this Mortgage by delivering a certificate stating that this Mortgage has been satisfied. You will not be required to pay the Holder for the discharge, but you must pay all costs of recording the discharge in the proper official records.

T. **AGREEMENT ABOUT USURY**. Usury laws are laws that control the amount of interest that may be legally paid. You and the Holder intend to comply with the applicable Hawaii usury laws. If, however, it is determined that any part of any Interest payment you make would be in excess of the maximum amount allowed by law, that part will be treated as a payment of Principal.

U. **AGREEMENT ABOUT PREPAYMENT**. "Prepayment" means payment of Debt earlier than the time you promise to do so. You may prepay the entire balance at any time as long as you also pay all other amounts you owe the Holder under the Note and this Mortgage. You may prepay any part of the unpaid balance at any time you make a monthly payment. The only effect of a Prepayment will be to reduce the remaining unpaid Principal. You must continue to pay monthly installments in the same amount and on the same schedule as before, until the entire Debt is paid. You will not be charged any penalty or premium for prepaying.

V. **RIGHTS OF THE BORROWER AND THE HOLDER ARE NOT AFFECTED BY LATER PAYMENT OR ANY PREVIOUS LACK OF ENFORCEMENT**. The Holder and you may overlook a violation of any part of the Note or this Mortgage by the other without losing the right to enforcement later of the same or any other part of the Note or this Mortgage. The Holder will not lose enforcement rights even if the Holder accepts any payment you make. The Holder may still take action against you for any default, including your not paying on time.

W. **COLLECTION AGENCY AND COSTS**. The Holder has the right at any one or more times to hire an agent (and to change this agent) to collect the payments due from you under the Note and this Mortgage. You must pay the costs of establishing any such collection agency and the fee charged by that agency for servicing your account. You must also pay any fees charged by any such collection agent due to any late payments you make or any other failure by you to keep your promises made in the Note and this Mortgage.

X. **FUTURE ADVANCES**. Upon request by Borrower, Holder, at Holder's option, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed one hundred fifty percent (150%) of the original amount of the Note.

Y. **SECURITY AGREEMENT**. This document is both a mortgage of all interests in real property and a security agreement under the Uniform Commercial Code (the "Code") as to all personal property and fixtures which may be described in this document. Therefore, the Holder has and may enforce a security interest in the personal property and fixtures, and will have all rights of a secured party under the Code. This remedy, however, will not preclude the Holder from pursuing any other remedy available to the Holder.

Z. **NOTICE REGARDING INSURANCE**. Notice is hereby given by the Holder (Ritz-Carlton) to You (Borrower/Mortgagor) that you (Borrower/Mortgagor) are free to procure any insurance policy required by this instrument from any insurance company authorized to do business in the State of Hawaii.

IN WITNESS WHEREOF, the Borrower(s) has signed this Mortgage as of the day and year first above written.

Borrower	Borrower
Borrower	Borrower

NOTARY ACKNOWLEDGMENT

STATE OF _____)
) SS:
COUNTY OF _____)

On this _____ day of _____, 20__, before me personally appeared _____, to me personally known or proved to me on the basis of satisfactory evidence of his/her/their signature(s) and identity to be the aforesaid person(s), who, being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Signature of Notary
Print Notary Name:_____
Notary Public, in and for said State
My commission expires:_____

[Below Notary Certification to be completed by Hawaii Notary Only]

STATE OF HAWAII NOTARY CERTIFICATION

Document Identification or Description: PURCHASE MONEY MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT WITH POWER OF SALE
☐Date of Document: _____ or ☒Undated at time of notarization
Jurisdiction: _____ Circuit (in which notarial act is performed)
Number of Pages: Fifteen (15)
Date of Certificate: _____

_____
Notary Public Signature
Print Name: _____
Notary Public, State of Hawaii

(Stamp or Seal)

EXHIBIT "A"

_____(_____) Club Interest(s) in the Club in Club Unit No. _____ identified as Club Interest No. _____, consisting of the following:

I. _____(_____) fee simple interest(s) in the Club consisting of an undivided one-twelfth (1/12) interest as tenant in common with the holders of other undivided interests in and to the following:

(A) Apartment No. _____ ("Apartment") of the condominium project ("Project") known as "KAPALUA BAY CONDOMINIUM," as established by that certain Declaration of Condominium Property Regime ("Condominium Declaration") dated April 18, 2006, recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 2006-083256, as amended, and as shown on the plans thereof filed at said Bureau as Condominium Map No. 4222, as the same may be amended from time to time. The description of the land set forth in the Condominium Declaration is incorporated herein by this reference.

Together with appurtenant easements as follows:

(1) Nonexclusive easements for use of the common elements in accordance with the purpose for which they are intended without hindering or encroaching upon the lawful rights of the other apartment owners, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration.

(2) A nonexclusive easement in the other apartments in the building in which the Apartment is located for support.

(3) Nonexclusive easements for use of the common elements for ingress to, egress from, utility services for and support, maintenance and repair of the Apartment.

(4) In the case of encroachment by the Apartment upon any other apartment or common elements, a valid easement for such encroachment and the maintenance thereof shall and does exist in favor of and appurtenant to the Apartment herein conveyed for so long as such encroachment continues. In the event any building of the Project shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the Project, encroachments upon any part of the common elements or apartments due to the same shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist in favor of and appurtenant to the Apartment herein conveyed for so long as such encroachment continues.

(5) The right to use those certain limited common elements of the Project, if any, which are described in the Condominium Declaration as being appurtenant to the Apartment, provided that such easement shall be deemed conveyed or encumbered with the Apartment even though such interest is not expressly mentioned or described in the conveyance.

EXCEPTING AND RESERVING AND SUBJECT TO all of the terms and conditions of the Condominium Declaration and easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon, and subject also to easements for access to the property from time to time during reasonable hours as may be necessary for the operation of the property or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements.

(B) An undivided _____ percentage interest with regard to Apartment No._____, as established by the Condominium Declaration, in and to the common elements of the Project,

including the land described in said Condominium Declaration, as tenant in common with the holders of other undivided interests in and to said common elements.

II. The exclusive right to reserve and then use and occupy the Apartment in accordance with, and subject to, that certain The Kapalua Bay Vacation Ownership Project Declaration of Covenants, Conditions and Restrictions dated June 9, 2006, recorded at said Bureau as Document No. 2006-112198, as amended (the "Club Declaration") and **Club Reservation Procedures**, together with the right in common with owners of all other apartments to use and enjoy the common elements of the Project during the Use Period assigned to each aforesaid Club Interest.

III. Membership in the Vacation Owners Association.

Being also portions of the premises described in those certain instruments dated August 31, 2004, made by and between Maui Land & Pineapple Company, Inc., a Hawaii corporation, as Grantor, and Kapalua Bay, LLC, a Delaware limited liability company, as Grantee, recorded at said Bureau as Document No. 2004-178884 and 2004-178885.

SUBJECT, HOWEVER, to all encumbrances set forth in the Club Declaration, as amended, which are incorporated herein by this reference.

This instrument prepared by and after recording return to: Attn: Linda Sellars Marriott Resorts Title Company, Inc. 1200 Bartow Road, Suite 10 Lakeland, Florida 33801	This space reserved for recorder:

UPON CLOSING OF THE PURCHASE TO WHICH THIS MORTGAGE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT TO COMPLETE THIS MORTGAGE BY INSERTING THE APPROPRIATE DATE OF THE MORTGAGE AND TO COMPLETE, AS NECESSARY, THE INFORMATION RELATING TO THE BENEFICIAL INTEREST(S) BEING ENCUMBERED BY THIS MORTGAGE.

MORTGAGE

THIS MORTGAGE is made this _____ day of _____, ____, between the Mortgagor(s), _____

(herein "**Borrower(s)**"), whose post office address is c/o Marriott Resorts Hospitality Corporation, P.O. Box 890, Lakeland, Florida 33802, County of Polk, State of Florida, and the Mortgagee, **MARRIOTT OWNERSHIP RESORTS, INC.**, a Delaware corporation, the address of which is Post Office Box 24747, Lakeland, Florida 33802, (said party, its successors and assigns is herein called "**Lender**").

WHEREAS, Borrower(s) is/are indebted to Lender in the principal sum of _____ U.S. Dollars (US$_____), which indebtedness is evidenced by Borrower's Note of even date herewith (herein "**Note**"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable on _____, which is _____ months from the date hereof.

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower(s) herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower(s) by Lender pursuant to Paragraph 20 hereof (herein "**Future Advances**"), Borrower(s) does hereby mortgage, grant and convey to Lender and Lender's successors and assigns the following described property:

A timeshare estate as defined by Section 721.05, *Florida Statutes*, more fully described as:

_____ Interests (numbered for administrative purposes: _____) in the MVC Trust ("Trust") evidenced for administrative, assessment and ownership purposes by_____ Points (250 Points for each Interest), which Trust was created pursuant to and further described in that certain MVC Trust Agreement dated March 11, 2010, executed by and among First American Trust, FSB, a federal savings bank, solely as trustee of Land Trust No. 1082-0300-00, (a.k.a MVC Trust), Marriott Ownership Resorts, Inc., a Delaware corporation, and MVC Trust Owners Association, Inc., a Florida corporation not-for-profit, as such agreement may be amended and supplemented from time to time ("Trust Agreement"), a memorandum of which is recorded in Official Records Book 10015, Page 4176, Public Records of Orange County, Florida ("Trust Memorandum"). The Interests shall have a Use Year Commencement Date of _____ (subject to Section 3.5 of the Trust Agreement).

TO HAVE AND TO HOLD unto Lender and Lender's successors and assigns, forever, together with all use rights and appurtenant easements, rights, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all other appurtenances to such property, and all improvements and all fixtures now or hereafter constituting such property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property, are herein referred to as the "**Property**".

Borrower(s) covenants that Borrower(s) is/are lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower(s) and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Late Charges and Service Fees. Borrower(s) shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Lender for servicing the loan account and the principal of and interest on any Future Advances secured by this Mortgage.

2. Funds for Taxes, Assessments and Insurance. Subject to applicable law, upon written request by Lender to Borrower(s), Borrower(s) shall pay to Lender on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "**Funds**") equal to one-twelfth of Borrower's share of the yearly taxes and assessments relating to the subject Property encumbered by this Mortgage and one-twelfth of the annual assessments due from Borrower under the Trust Agreement (herein "**Trust Assessments**"), or such other amounts or for such other periods other than monthly, e.g., quarterly or one-fourth, etc., all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If Lender exercises the foregoing right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Lender shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes, assessments, and Trust Assessments. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays to Borrower(s) interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Lender shall not be required to pay Borrower(s) any interest on earnings on the Funds. Lender shall give to Borrower(s), without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, and Trust Assessments shall exceed the amount required to pay such taxes, assessments, and Trust Assessments as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower(s) or credited to Borrower(s) on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, and Trust Assessments as they fall due, Borrower(s) shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Lender to Borrower(s) requesting payment thereof, but in no event shall Lender require payment in advance for taxes and assessments to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower(s) any Funds held by Lender. If under Paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds then held by Lender as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower(s) under Paragraph 2 above, if any, then against advances, if any, made by Lender pursuant to Paragraph 7 of this Mortgage, then to costs, fees, expenses and other amounts incurred and advanced by the Lender in the enforcement of its rights under the Note and this Mortgage, including, without limitation, costs and reasonable attorneys' fees, then to unpaid service fees, then to interest payable on the Note, then to the principal of the Note, then to unpaid late charges, if any, then to interest on any Future Advances made at Lender's option pursuant to Paragraph 20 hereof, then to principal on Future Advances, if any, made at Lender's option pursuant to Paragraph 20 hereof.

4. Charges; Liens. Borrower(s) shall promptly pay, when due, all Trust Assessments imposed by MVC Trust Owners Association, Inc., or other governing body of the Trust (the "**Trust Association**") pursuant to the provisions of the Trust Agreement, Bylaws of the Trust Association, or other constituent documents of the Trust.

Borrower(s) shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, in the manner provided under Paragraph 2 hereof or, if not paid in such manner, by Borrower(s) making payment, when due, directly to the payee thereof. Borrower(s) shall promptly furnish to Lender all notices of amounts due under this Paragraph, and in the event Borrower(s) shall make payment directly, Borrower(s) shall promptly furnish to Lender receipts evidencing such payments. Borrower(s) shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower(s) shall not be required to discharge any such lien so long as Borrower(s) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation.

5. Hazard Insurance. Borrower(s) shall keep the improvements now existing or hereafter erected on the Trust Property (as defined in the Trust Agreement) insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. This obligation shall be deemed satisfied so long as the Trust Association or other owners' association governing the Trust Property maintains a "master" or "blanket" policy for the Trust Property in accordance with the terms hereof.

The insurance carrier providing the insurance shall be chosen by Borrower(s), the Trust Association, or other owners' association governing the Trust Property, subject to approval by Lender; provided that such approval shall not be unreasonably withheld or delayed. If required, all premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower(s), the Trust Association, or other owners' association governing the Trust Property making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower(s) shall give Lender prompt notice of any lapse in hazard insurance coverage. In the event of loss, Borrower(s) shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower(s).

Pursuant to the terms of the Trust Agreement, insurance proceeds shall first be applied to restoration or repair of the Trust Property damaged. To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Directors of the Trust Association decides to disburse such excess, Borrower's share of such excess shall then be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower(s).

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments. If under Paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower(s) in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Trust Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Trust Property; Trust. Borrower(s) shall keep the Trust Property in good repair and shall not commit waste or permit impairment or deterioration of the Trust Property. Borrower(s) shall perform all of Borrower's obligations under the Trust Agreement, the Bylaws of the Trust Association, and constituent documents. Borrower(s) shall take such actions as may be reasonable to ensure that the Trust Association, or other owners' association governing the Trust Property, maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender. If any rider is executed by Borrower and recorded together with the Mortgage, the covenants and agreements of such rider shall be incorporated into and amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower(s) fail(s) to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower(s), may make such appearances, disburse such sums and take such action as Lender deems necessary to protect Lender's interest, including, but not limited to, disbursement of funds to pay reasonable attorneys' fees and entry upon the Trust Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower(s) secured by this Mortgage. Unless Borrower(s) and Lender agree to other terms of payment, such amount shall be payable upon notice from Lender to Borrower(s) requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless

payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Trust Property, provided that Lender shall give Borrower(s) notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property or Trust Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower(s) in connection with any condemnation or other taking of all or any part of the Property or Trust Property, or for any conveyance in lieu of condemnation, pursuant to the terms of the Trust Agreement, are hereby assigned to Lender and shall be paid to Lender as provided hereunder.

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower(s) Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower(s) shall not operate to release, in any manner, the liability of the original Borrower(s) and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower(s) and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. Subject to the terms and provisions of Paragraph 17 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower(s). All covenants and agreements of Borrower(s) shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower(s) provided for in this Mortgage shall be given by mailing such notice by U.S. Mail, postage prepaid, addressed to Borrower(s) at the Borrower's address as set forth in the Note, or at such other address as Borrower(s) may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower(s) as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower(s) or Lender when given in the manner designated herein. In the event of a judicial action to enforce this Mortgage, Borrower hereby agrees that any notice required or service of process made incident thereto shall be sufficient if made to the above address or to the registered agent appointed for such purposes by Borrower pursuant to Section 721.84 Florida Statutes. Borrower may change such address by giving Lender notice of a change of address in writing to Lender's address stated herein.

15. Governing Law; Severability. This Mortgage shall be governed by the laws of the state of Florida. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. Borrower's Copy. Borrower(s) shall be furnished a copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold (or leased with an option to purchase) or transferred by Borrower(s) without Lender's prior written consent, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, (b) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, or (c) the creation of a lien or encumbrance subordinate to this Mortgage, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, and only if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request and any assumption fee set by Lender has been paid. If Lender has waived the option to accelerate provided in this Paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower(s) from all obligations under this Mortgage and the Note. Assumption of Borrower's Mortgage and Note shall be permitted only with written approval of and at the sole discretion of Lender.

If Lender exercises such option to accelerate, Lender shall mail Borrower(s) notice of acceleration in accordance with Paragraph 14 hereof. Such notice shall provide a period of not less than fifteen (15) days from the date the notice is mailed within which Borrower(s) may pay the sums declared due. If Borrower(s) fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower(s), invoke any remedies permitted by Paragraph 18 hereof.

18. Acceleration; Remedies. Except as provided in Paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower(s) in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower(s) as provided in Paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than fifteen (15) days from the date the notice is mailed to Borrower(s), by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceedings or other proceedings consistent with the law, and sale of the Property. If Borrower fails to cure any such breach on or before the date specified in the notice, Lender at Lender's option, subject to any right of reinstatement to which Borrower(s) is entitled under applicable law, may declare without further demand all of the sums secured by this Mortgage to be immediately due and payable and the lien against the Property created by this Mortgage may be foreclosed in accordance with either a judicial foreclosure procedure or a trustee foreclosure procedure and may result in the loss of the Property. If Lender initiates a trustee foreclosure procedure, Borrower shall have the option to object and Lender may proceed only by filing a judicial foreclosure action. Lender shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

19. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower(s) hereby assigns to Lender the rents of the Property, provided that Borrower(s) shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration of the Note or abandonment of the Property, Lender shall be entitled, without notice, to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected shall be appointed first to payment of the costs of management of the Property and collection of rents, including, but not limited to, management fees, court costs, and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The Lender shall be liable to account only for those rents **actually** received. Borrower(s) shall not be entitled to possession or use of the Property after abandonment or after the Lender has accelerated the balance due under the Note. Alternatively, Lender may seek the appointment of a receiver to manage and collect rents from the Property. If a receiver is appointed, any income from rents from the Property shall be applied first to the costs of receivership, and then in the order set forth above.

20. Future Advances. Upon request by Borrower(s), Lender, at Lender's option, may make Future Advances to Borrower(s). Such Future Advances, with interest thereon, shall be secured by this Mortgage whether or not evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed one hundred fifty percent (150%) of the original amount of the Note.

21. Lender's Prior Consent. Borrower(s) shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) The abandonment of the Trust Property or termination of the Trust, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Trust Agreement, Bylaws of the Trust Association, or equivalent constituent documents of the Trust which provision is for the express benefit of Lender; or

(iii) any action which would have the effect of rendering the public liability insurance coverage maintained by the Trust Association, or other owners' association governing the Property or Trust Property, unacceptable to Lender.

22. Lender's Reserved Rights. Notwithstanding any rights granted to Borrower(s) under the Trust Plan Documents (as defined in the Trust Agreement), the Lender reserves the right to implement, at any time and in coordination with the Trust Manager (as defined in the Trust Agreement), limitations and additional procedures relative to the ability of Borrower(s) to use Points (as

defined in the Trust Agreement) in a Use Year (as defined in the Trust Agreement) prior to that when they would normally be available for use.

23. Attorneys' Fees. As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees, if any, and related costs incurred by Lender in the enforcement of its rights under the Note and/or Mortgage, whether or not legal action is instituted, and any fees and costs of trial and appellate proceedings.

24. Venue and Jurisdiction. THIS MORTGAGE SHALL BE GOVERNED BY, CONSTRUED UNDER AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND THE COURTS OF THE STATE OF FLORIDA IN THE COUNTY OF ORANGE SHALL BE THE EXCLUSIVE COURTS OF JURISDICTION AND VENUE FOR ANY LITIGATION OR OTHER PROCEEDING THAT MAY BE BASED ON, ARISE OUT OF, UNDER OR IN CONJUNCTION WITH THIS MORTGAGE, UNLESS OTHERWISE REQUIRED BY LAW. HOLDER AND BORROWER(S) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS MORTGAGE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER EXTENDING THE LOAN EVIDENCED BY THE NOTE.

IN WITNESS WHEREOF, Borrower(s) has/have executed this Mortgage on the day and year first written above.

Signed in the presence of:

Mortgagor	Mortgagor
Printed Name	Printed Name
Mortgagor	Mortgagor
Printed Name	Printed Name

STATE OF _____)

COUNTY OF _____)

ACKNOWLEDGMENT

This Mortgage was acknowledged before me this _____ day of _____, _____ by _____, _____, _____ and _____, (i) who is (are) personally known to me or (ii) has (have) produced _____ [list type of identification] as identification.

_____
Print Name: _____

NOTARY PUBLIC
My Commission Expires: _____
Commission No: _____

(ADDITIONAL ACKNOWLEDGMENT, IF MORTGAGORS SIGN BEFORE DIFFERENT NOTARIES)

STATE OF _____)

COUNTY OF _____)

ACKNOWLEDGMENT

This Mortgage was acknowledged before me this _____ day of _____, _____ by _____, _____, _____ and _____, (i) who is (are) personally known to me or (ii) has (have) produced _____ [list type of identification] as identification.

_____
Print Name: _____

NOTARY PUBLIC
My Commission Expires: _____
Commission No: _____

ARIZONA SAMPLE (MVC)

(INDIVIDUAL)

Upon closing of the purchase to which this Note applies, the undersigned hereby authorize(s) closing agent or Holder to complete this Note by inserting the applicable dates for commencement of payments due hereunder, the monthly payment date and the final payment date. DO NOT DESTROY THIS NOTE.

PROMISSORY NOTE

Ownership Interest No.(s):

_____

Canyon Villas Vacation Ownership Program

US $_____ _____, 200_

FOR VALUE RECEIVED, the undersigned _____ ("Borrower(s)") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS, INC., (said party or any other party to whom this Note may be transferred and assigned is hereinafter called the "Holder"), P.O. Box 8038, Lakeland, Florida 33802, or order, the principal sum of _____ U.S. Dollars (US $_____), with interest on the unpaid balance from the date of this Note, or _____ (whichever is later), until paid, at the rate of _____ percent (____%) per annum. Interest shall be calculated by applying the stated annual rate against the unpaid principal for the actual number of days elapsed divided by a 360 day year. Principal and interest shall be payable, without offset, in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may from time to time designate, in consecutive monthly installments of _____ U.S. Dollars (US $_____), beginning on the _____ day of _____ and continuing thereafter on the same day of each month, with the remaining unpaid balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

The indebtedness evidenced by this Note is secured by a Trust Deed, dated of even date herewith, creating a lien on the real property described therein (the "Ownership Interest(s)"), located in Phoenix, Maricopa County, Arizona. Reference is made to said Trust Deed for rights of the Holder upon acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a $5.00 service fee. If any monthly installment is not received by the Holder within ten (10) days after the date the installment is due, Borrower(s) shall pay to the Holder a late charge of six percent (6%) of such late installment or $25.00, whichever is greater. The Holder may apply any payment received by it to the payment of all late charges then owing before application to interest or principal. Such late charge is in addition to and not in lieu of or diminution of any other rights and remedies of the Holder of this Note.

Each monthly payment made by Borrower(s) shall be applied as of its scheduled due date. Each payment shall be credited on account of amounts due in the order specified in Paragraph 20 of the Trust Deed.

Borrower(s) may prepay the principal amount outstanding in whole or in part without a penalty. Any partial prepayment in excess of the amounts then due shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

The makers, sureties, guarantors and endorsers hereof severally waive presentment for payment, demand and notice of dishonor and nonpayment of this Note, and consent to any and all extensions of time, renewals, waivers or modifications that may be granted by the Holder hereof with respect to the payment or other provisions of this Note, and to the release of any security, or any part thereof, with or without substitution. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their respective heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon:

a. Failure of Borrower(s) to pay when due any installment payable hereunder which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from the Holder to Borrower(s);

b. The insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s);

c. The sale (or lease with option to purchase) or transfer of all or any part of the Ownership Interest(s) or any interest therein without the prior written consent of the Holder, excluding a transfer by devise, descent or by operation of law upon the death of a joint tenant therein; or

d. Failure of Borrower(s) to comply with the covenants of the Trust Deed after notice and failure to cure as provided in the Trust Deed.

The Holder may exercise its option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, attorney's fees, whether or not action be instituted hereon.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given after mailing same by U.S. mail, postage prepaid (or such other more expeditious method as may be appropriate in the case of foreign addresses, as Holder may choose in its discretion), addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be deemed to have been given by mailing such notice by U.S. certified mail, return receipt requested, (or in the case of a notice originating in a foreign country, by such other method that results in the Holder acknowledging in writing receipt of the notice), at 6649 Westwood Boulevard, Suite 500, Orlando, Florida 32821-6090, or at such other address as may be designated by written notice to Borrower(s).

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully

assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

This Note shall be governed by, construed under and enforced in accordance with the laws of the State of Arizona. Borrower(s) consent(s) to jurisdiction and venue in the state and federal courts within the State of Arizona.

BORROWER(S) ADDRESS:

BORROWER(S):

(Name of Individual)

(Name of additional Individual)

(Name of additional Individual)

(Name of additional Individual)

(Execute Original Only)

ARIZONA SAMPLE (MVC)

WHEN RECORDED, MAIL TO:
First American Title Insurance Company
4801 E. Washington
Phoenix, AZ 85034
HOLD FOR PICKUP

TRUST DEED

With Assignment of Rents

THIS TRUST DEED, made this ____ day of _____,20____ between _____, whether one or more, as TRUSTOR, whose address is _____ c/o Marriott Resorts Hospitality Corporation, P. O. Box 890, Lakeland, Florida 33802 and First American Title Insurance Company, 4801 East Washington, Phoenix, AZ 85034, as TRUSTEE, and MARRIOTT OWNERSHIP RESORTS, INC., a Delaware Corporation, whose address is 1200 U.S. 98 South, Lakeland, Florida 33801, as BENEFICIARY.

WITNESSETH: That Trustor CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the following described real property (herein the "Property"), lying situate and being in Phoenix, Maricopa County, Arizona:

Ownership Interest(s): _____, _____, _____, and _____, in CANYON VILLAS OWNERSHIP PROGRAM (the "Program") with either Floating Time Rights for Platinum or Gold Use Periods or Fixed Time Rights for Platinum Plus Use Periods, as applicable, consisting of the following:

I. For each Ownership Interest in the Program being conveyed herein, an undivided interest ("Ownership Share") in the Land described in Exhibit "A" attached hereto and by this reference made a part hereof and the Improvements constructed or to be constructed thereon from time to time (collectively, the Land and Improvements are the "Property"), as tenants in common with the holders of other Ownership Shares in the Property under the Canyon Villas Vacation Ownership Program Declaration of Covenants, Conditions and Restrictions dated June 19, 2001, recorded in Maricopa County, Arizona Recorder's Office as Document No. 2001-0534924 , as amended from time to time ("Program Declaration"). The Ownership Share(s) included in the Ownership Interest(s) conveyed herein is calculated pursuant to Exhibit "C" of the Program Declaration and is subject to adjustment in accordance with the Program Declaration as additional Units are added to the Program, as shown in Notices recorded from time to time by Beneficiary.

II. The exclusive right to reserve and then use and occupy a Unit of the 2 bedroom Unit Type on an _____ Year Rights basis, in accordance with, and subject to, the Program Declaration, together with the right in common with other owners to use and enjoy the Property during the Use Period assigned to each Ownership Interest identified above.

III. Membership in the Canyon Villas Vacation Owners Association ("Association").

TOGETHER WITH all of the rights, title privileges, easements, and common areas and facilities appertaining to the above described Ownership Interest(s), as set forth in the Declaration;

TOGETHER WITH all and singular the rights, members, hereditaments and appurtenances to the said property belonging or in any way incidental or appertaining;

TOGETHER WITH all fixtures and improvements now or hereafter located thereon and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter used or enjoyed with the Property, or any part thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits;

FOR THE PURPOSE OF SECURING (1) payment of the indebtedness evidenced by a promissory note, in the principal sum of $_____, made by Trustor, payable to the order of the Beneficiary at the times, in the manner and with interest as therein set forth, and any extensions and/or renewals or modifications thereof (herein the "Note"); (2) the performance of each agreement of Trustor herein contained; (3) the payment of such additional loans or advances (herein "Future Advances") as hereafter may be made to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Trust Deed; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

Trustor covenants that Trustor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Ownership Interest(s), that the Ownership Interest(s) are unencumbered, and that Trustor will warrant and defend generally the title to the Ownership Interest(s) against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Beneficiary's interest in the Ownership Interest(s).

Trustor shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Beneficiary for servicing the loan account, as provided in the Note, and the principal of and interest on any Future Advances secured by this Trust Deed.

TO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR AGREES:

1. **Trustor's Obligations Concerning Property**. To keep the Property in good condition and repair; not to remove or demolish any building thereon, to restore promptly and in good and workmanlike manner any building thereon which may be damaged

or destroyed; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, including complying with the provisions of the Program Declaration, Articles of Incorporation, the By-Laws and Canyon Villas Vacation Ownership Program Rules, and all other documents pertaining to the Property or the Association.

Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

2. **Insurance**. To take such actions as may be reasonable to insure that the Association each provides and maintains insurance of such types and amounts as the Declaration may require, covering the improvements now existing or hereafter erected or placed on the Property. Such insurance shall be carried in companies approved by Beneficiary, with loss payable clauses in favor of and in form acceptable to Beneficiary. In event of loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of Trustor and Beneficiary jointly. The insurance proceeds, if required by the Declaration or vote of the unit owners, shall be applied by Beneficiary to the restoration or repair of the property damaged.

To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Trustees of the Condominium Association decides to disburse such excess, Trustor's share of such excess shall be applied to the sums secured hereby, with the excess, if any, paid to Trustor. Unless Beneficiary and Trustor otherwise agree in writing, any such application of proceeds to principal shall not postpone the due dates of the monthly installments payable by Trustor hereunder, nor change the amount of such installments. If under the provisions of this Trust Deed, the Property is acquired by Beneficiary, all right, title and interest of Trustor in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Property prior to the sale or acquisition shall pass to Beneficiary to the extent of the sums secured by this Trust Deed immediately prior to such sale or acquisition.

3. **Evidence of Title**. To deliver to, pay for and maintain with Beneficiary until the indebtedness secured hereby is paid in full, such evidence of title as Beneficiary may require including a policy of title insurance.

4. **Trustor to Defend Title**. To appear in and defend any action or proceeding purporting to affect the security hereof, the title to the Ownership Interest(s), or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect also to appear in or defend any such action or proceeding, to pay all costs and expenses including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.

5. **Basic Charges; Special Charges; Personal Charges; Encumbrances; Fees.**

(a) To pay at least 10 days before delinquency all Basic Charges, Special Charges and Personal Charges (as those terms are defined in the Declaration) affecting the Ownership Interest(s) arising under the Declaration (collectively the "Charges"); to pay, when due, all encumbrances, charges, and liens with interest, on the Property or any part thereof, which at any time appear to be prior or superior hereto; to pay all costs, fees, and expenses of this Trust.

(b) Subject to applicable law, upon written request by Beneficiary to Trustor, Trustor shall pay to Beneficiary on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the annual Basic and Special Charges affecting the Ownership Interest(s) due under the Declaration, or such other amounts or for such other periods other than monthly, e.g. quarterly, etc., all as reasonably estimated initially and from time to time by Beneficiary on the basis of bills and reasonable estimates thereof.

(c) If Beneficiary exercises the right set forth in b) above, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or State agency. Beneficiary shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes and Common Assessments. Beneficiary may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said Common Assessments and bills, unless Beneficiary pays to Trustor interest on the Funds and applicable law permits Beneficiary to make such a charge. Unless applicable law requires, and except as provided above, Beneficiary shall not be required to pay Trustor any interest on the Funds. Beneficiary shall give to Trustor, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Trust Deed.

(d) If the amount of the Funds held by Beneficiary, together with the future monthly installments of Funds payable prior to the due dates of Basic and Special Charges, shall exceed the amount required to pay such Basic and Special Charges as they fall due, such excess shall be, at Trustor's option, either promptly repaid to Trustor or credited to Trustor on future monthly installments of Funds. If the amount of the Funds held by Beneficiary shall not be sufficient to pay Basic and Special Charges as they fall due, Trustor shall pay to Beneficiary any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Beneficiary to Trustor requesting payment thereof, but in no event shall Beneficiary require payment in advance for Basic and Special Charges to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

(e) Upon payment in full of all sums secured by this Trust Deed, Beneficiary shall promptly refund to Trustor any Funds held by Beneficiary. If in the exercise of Beneficiary's remedies under this Trust Deed, the Ownership Interest(s) are sold or the Ownership Interest(s) are otherwise acquired by Beneficiary, Beneficiary shall apply, no later than immediately prior to the sale of the Property or its acquisition by Beneficiary, any Funds then held by Beneficiary as a credit against the sums secured by this Trust Deed.

6. **Protection of Security of Trust Deed**. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may (i) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (ii) commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (iii) pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either

appears to be prior or superior hereto; and (iv) in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title, employ counsel, and pay his reasonable fees. Trustor agrees to pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate payable from time to time on outstanding principal under the Note until paid, and the repayment thereof shall be secured hereby.

7. **Right of Entry**. To permit Beneficiary to make or cause to be made reasonable entries upon and inspections of the Property, provided that Beneficiary shall give Trustor notice prior to any such inspection, specifying reasonable cause.

IT IS MUTUALLY AGREED THAT:

8. **Condemnation Awards and Insurance Proceeds**. Should the Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to Trustor's and/or the Ownership Interest(s)' share of all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. Trustor's and/or the Ownership Interest's share of all such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting the Property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorney's fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to the indebtedness secured hereby shall not postpone the due date of the monthly installments payable under the terms of the Note or pursuant to Paragraph 5 hereof, nor change the amount of such installments.

9. **Actions by Trustee**. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Trust Deed and the Note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness secured hereby, Trustee may (a) consent to the making of any map or plat of the Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Trust Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the Ownership Interest(s). The grantee in any reconveyance may be described as "the person or persons entitled thereto", and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph.

10. **Conditional Assignment of Rents**. As additional security, Trustor hereby assigns to Beneficiary, during the continuance of these trusts, all rents, issues, royalties, and profits of the Ownership Interest(s) affected by this Trust Deed and of any personal property located thereon. Until Trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties, and profits earned prior to default as they become due and payable. From and after any such default by Trustor, Trustor's right to collect any of such sums shall cease, and Beneficiary shall have the right, with or without taking possession of the Ownership Interest(s), to collect all rents, royalties, issues, and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such sums shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Trust Deed to, any such tenancy, lease or option.

11. **Receiver**. Upon any default by Trustor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Ownership Interest(s) or any part thereof, in its own name sue for or otherwise collect any rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. Beneficiary shall be liable to account to Trustor only for those rents actually received.

12. **Exercise of Rights by Beneficiary Shall Not Constitute a Cure**. The entering upon and taking possession of the Ownership Interest(s), the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the Property and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

13. **Notice of Sale**. The Trustor requests that a copy of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

14. **Trustor's Default**. Time is of the essence hereof. Upon default by Trustor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary, prior to acceleration of the debt, shall mail notice to Trustor as provided in paragraph 23 hereof, specifying: (i) the breach; (ii) the action required to cure such breach; (iii) a date, not less than fifteen (15) days from the date the notice is mailed to Trustor by which such breach must be cured; and (iv) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Trust Deed and sale of the Property by the Trustee or at foreclosure by judicial proceeding. If the breach is not cured on or before the date specified in the notice, Beneficiary, at Beneficiary's option, may declare, without further demand, all of the sums secured by this Trust Deed to be immediately due and payable and may either direct the Trustee to sell the Property or foreclose this Trust Deed by judicial proceedings. Beneficiary shall be entitled to collect all expenses of collection, including, but not limited to, attorney's fees, whether or not action be instituted hereon, court costs, and costs of documentary evidence, abstracts and title reports. As used in this Trust Deed and in the Note, "attorney's fees" shall include attorney's fees, if any, which may be awarded by an appellate court.

15. **Power of Sale**. In the event of such default and acceleration of the debt, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause the Property to be sold to satisfy the obligations hereof, and Trustee shall

file such notice for record in each county wherein the Property is situated. Beneficiary also shall deposit with Trustee, the Note and all documents evidencing expenditures secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law; Trustee, without demand on Trustor, shall sell the Ownership Interest(s) on the date and at the time and place designated in the notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Trustor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold) at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the sale from time to time until it shall be completed and, in every case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale. Trustee shall execute and deliver to the purchaser its Deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale to the payment of (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees (including any which may be awarded by an appellate court); (2) cost of any evidence of title procured in connection with such sale and revenue stamps, if any, on the Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest from date of expenditure at the rate payable from time to time on outstanding principal under the Note; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. § 33-812.

16. **Judicial Foreclosure**. Upon the occurrence of any default hereunder, Beneficiary shall have the option to declare all sums secured hereby immediately due and payable, sue on the Note and/or foreclose this Trust Deed in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recover in such proceeding all costs and expenses incident thereto, including an attorney's fee in such amount as shall be fixed by the court (including any which may be awarded by an appellate court).

17. **Successor Trustee**. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of the county in which the Property is situated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed to all the powers, duties, authority and title of the trustee named herein or of any successor trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

18. **Acceptance of Trust**. Trustee accepts this Trust when this Trust Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Trust Deed or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

19. **Parties**. This Trust Deed shall apply to, insure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including any pledgee, of the note secured hereby. In this Trust Deed, whenever the context requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

20. **Application of Payments**. Unless applicable law provides otherwise, all payments received by Beneficiary from or on behalf of Trustor, other than payments made specifically for the purpose set forth in paragraph 5 hereof, shall be applied by Beneficiary first in payment of amounts payable to Beneficiary by Trustor under paragraph 5 hereof, if any, then against advances, if any, made by Beneficiary pursuant to paragraph 6 of this Trust Deed, then to costs, fees, expenses and other amounts incurred and advanced by the Beneficiary in the enforcement of its rights under the Note and this Trust Deed, including without limitation, costs and reasonable attorneys' fees, then to unpaid service fees, then to interest payable on the Note, then to the principal of the Note, then to unpaid late charges, if any, then to interest on any Future Advances made at Beneficiary's option pursuant to paragraph 24 hereof, then to the principal of Future Advances, if any, made at Beneficiary's option pursuant to paragraph 24 hereof.

21. **Acceleration upon Sale**. If all or any part of the Property or an interest therein is sold (or leased with an option to purchase) or transferred by Trustor without Beneficiary's prior written consent, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (b) the creation of a lien or encumbrance subordinate to this Trust Deed, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Trust Deed to be immediately due and payable. Beneficiary shall have waived such option to accelerate if, and only if, prior to the sale (or lease with option to purchase) or transfer, Beneficiary and the person to whom the Property is to be sold (or leased) or transferred reach agreement in writing that the credit of such person is satisfactory to Beneficiary and that the interest payable on the sums secured by this Trust Deed shall be at such rate as Beneficiary shall request. If Beneficiary has waived the option to accelerate as herein provided, and if Trustor's successor in interest has executed a written assumption agreement accepted in writing by Beneficiary, Beneficiary shall release Trustor from all obligations under this Trust Deed and the Note. If Beneficiary exercises such option to accelerate, Beneficiary shall mail Trustor notice of acceleration. Such notice shall provide a period of not less than fifteen (15) days from the date the notice is mailed within which Trustor may pay the sums declared due. If Trustor fails to pay such sums prior to the expiration of such period, Beneficiary may, without further notice or demand on Trustor, invoke any remedies provided in this Trust Deed or by law.

22. **No Waiver; Remedies Cumulative**. Any forbearance by Beneficiary in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy in the future, and the waiver of Beneficiary of any default shall not constitute a waiver of any other or subsequent default. The procurement of insurance or the payment of taxes or other liens, charges or assessments by Beneficiary shall not be a waiver of Beneficiary's right to accelerate the maturity of the indebtedness secured by this Trust Deed. All remedies provided in this Trust Deed are distinct and cumulative to any other right or remedy under this Trust Deed or afforded by law or equity, and may be exercised concurrently, independently or successively.

23. **Notices**. Except for any notice required under applicable law or under the Note to be given in another manner, (a) any notice to Trustor provided for in this Trust Deed shall be given by mailing such notice by U.S. Mail, postage prepaid (or such other more expeditious method as may be appropriate in the case of foreign addresses, as Beneficiary may choose in its discretion), addressed to Trustor at the Trustor's address as set forth herein or in the Note, or at such other address as Trustor may designate by

notice to Beneficiary as provided herein, and (b) any notice to Beneficiary shall be given by certified mail, return receipt requested, (or in the case of a notice originating in a foreign country, by such other method that results in the Beneficiary acknowledging in writing, receipt of the notice), to Beneficiary's address stated herein or to such other address as Beneficiary may designate by notice to Trustor as provided herein. Any notice provided for in this Trust Deed shall be deemed to have been given to Trustor or Beneficiary when given in the manner designated herein.

24. **Future Advances**. Upon request by Trustor, Beneficiary, at Beneficiary's option, may make additional loans to Trustor. Such additional loans ("Future Advances"), with interest thereon, shall be secured by this Trust Deed when evidenced by promissory notes stating that said notes are secured hereby.

25. **Abandonment; Amendments to Condominium Documents**. Trustor shall not, except after notice to Beneficiary and with Beneficiary's prior written consent, either partition or subdivide the Property or consent to:

(i) The abandonment or termination of the Program or Program Declaration, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of taking by condemnation or eminent domain;

(ii) Any amendment to any provision of the Program Declaration, or the Articles of Incorporation, By-Laws or Rules and Regulations of the Association, or equivalent constituent documents of the Program, which is for the express benefit of Beneficiary.

26. **Provisions Severable**. This Trust Deed shall be construed according to the laws of the State of Arizona. In the event that any provision or clause of this Trust Deed or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Trust Deed or the Note which can be given effect without the conflicting provision. To this end the provisions of the Trust Deed and the Note are declared to be severable.

IN WITNESS WHEREOF, Trustor has executed this Trust Deed on the day and year first written above.

Upon closing of the purchase to which this Trust Deed applies, the undersigned hereby authorize(s) closing agent to complete this Trust Deed by inserting the appropriate date of the Trust Deed and to complete, as necessary, the recording information relating to the documents by which the Ownership Interest(s) being encumbered by this Trust Deed was created.

_____
Trustor

_____
Trustor

_____
Trustor

_____
Trustor

STATE OF _____

ss.

COUNTY OF _____

On _____, personally appeared before me _____ the signer(s) of the above instrument, who duly acknowledged to me that he/she/they executed the same.

_____
Printed Name of Notary:_____
Notary Public, State of_____
Commission No:_____
Expiration:_____

EXHIBIT “A”

Lot 16, of DESERT RIDGE SUPERBLOCK 7/4 PHASE I, according to the plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 383 of Maps, Page 1 and the Certificate of Correction recorded February 3, 1995 in 95-0064178 of Official Records.

EXCEPTING therefrom all gas, oil, metals and mineral rights as reserved in Patent No. 53-52417-02, recorded September 15, 1994 in 94-0680372, of Official Records and as reserved in Patent No. 53-52417-01, recorded May 20, 1997 in 97-0336125, of Official Records.

For posting purposes, the Ownership Interest No(s) conveyed by the Deed shall be shown as Lot _____ in Book 12 of Maps, page 91.

CALIFORNIA SAMPLE (MVC)

"TO BE DATED AT CLOSING BY CLOSING AGENT"
NOTE SECURED BY DEED OF TRUST<

Deed of Trust No: _____ Timeshare Interest No(s):
Recorded: _____
US $ _____

Closing Date: _____

FOR VALUE RECEIVED, the undersigned _____ ("Borrower(s)") promise(s) to pay MARRIOTT OWNERSHIP RESORTS, INC., (said party or any other party to whom Marriott Ownership Resorts, Inc. may transfer and assign this Note, and who holds this Note from time to time is hereinafter referred to as "Holder"), Post Office Box 8038, Lakeland, Florida 33802, or order, the principal sum of «_____ Dollars (US $ _____), with interest on the unpaid balance from the date (the "closing date") of this Note, until paid, on which the escrow for the purchase of the Timeshare Interest(s) described in the recorded deed of trust (the "Deed of Trust") securing this Note closes, at the rate of _____ percent (_____%) per annum, [based on a 360 day year and on the actual number of days elapsed]. Principal and interest shall be payable in lawful money of the U.S. at the Holder's address set forth above, or such other place as the Holder may, from time to time, designate, in consecutive monthly installments of _____ Dollars (US $_____), on the _____ day of each month and continuing thereafter on the same day of each month for a period of _____ months commencing on _____, with the remaining unpaid principal balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

The indebtedness evidenced by this Note is secured by a Deed of Trust, of even date herewith, to First American Title Insurance Company, 3625 Fourteenth Street, Riverside, CA 92502, as trustee. Reference is made to said Deed of Trust for rights as to acceleration of the indebtedness evidenced by this Note, and for other remedies in the event of default.

Each monthly payment shall be tendered with a _____ service fee or such other reasonable service fee as the holder of this Note shall determine from time to time by written notice to Borrower(s).

Borrower(s) shall pay to the Holder a late charge of (i) six percent (6%) for any monthly installment not received by the Holder within ten (10) days after the date the installment is due or $5.00, whichever is greater, and (ii) a returned check charge of $15.00 for each occurrence in the event Borrower(s) shall pay any installment by personal check returned to the Holder hereof for any reason. A late charge will be deducted from the next payment received.

Each payment shall be credited first on service fees, then on any returned check charges, if any, then on unpaid late charges, if any, then on interest due, and the remainder on principal.

Borrower(s) may prepay the principal amount outstanding in whole or in part. Any partial prepayment in excess of the interest then accrued shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon:

1. Failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from the Holder to the Borrower(s);

2. The insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against the Borrower(s);

3. The sale (or lease with option to purchase) or transfer of all or any part of the Property or any interest therein without the prior written consent of the Holder, excluding a transfer by devise, descent or by operation of law upon the death of a joint tenant therein or grant of any leasehold interest of three (3) years or less not containing an option to purchase;

4. Failure of Borrower(s) to comply with the covenants of the Deed of Trust;

5. Failure of Borrower(s) to comply with the requirements of the Declarations, Articles of Incorporation, By-Laws and Rules and Regulations governing the Property securing payment hereof.

The Holder may exercise this option to accelerate during any default by Borrower(s) regardless of any prior forbearance.

If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, reasonable attorney's fees, whether or not action be instituted hereon.

Any notice to Borrower(s), request, demand, instruction or other document provided for in this Note shall be deemed to have been given after depositing same in any U.S. post office box, postage prepaid, addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any Notice to the Holder shall be given by mailing such notice by certified mail, return receipt requested, to the Holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by written Notice to Borrower(s). Any notice provided for in this Note shall be deemed to have been given to Borrower(s) or the Holder when given in the manner herein designated.

BORROWER(S)' ADDRESS:

_____
_____
_____
Borrower

_____
Borrower

_____
Borrower

_____
Borrower

Borrower

CALIFORNIA SAMPLE (MVC)

Order No.
Escrow No.
Loan No.

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

MARRIOTT OWNERSHIP RESORTS, INC.
ATTN: NEW OWNER ADMINISTRATION
P.O. Box 24747
LAKELAND, FL 33802

Space Above for Recorder's Use

UPON CLOSE OF ESCROW OF THE PURCHASE TO WHICH THIS DEED OF TRUST APPLIES, TRUSTOR(S) HEREBY AUTHORIZE(S) ESCROW HOLDER/CLOSING AGENT OR HOLDER OF THE NOTE TO COMPLETE THIS DEED OF TRUST AND THE NOTE AS PROVIDED FOR IN THE CONTRACT FOR PURCHASE PURSUANT TO WHICH THE TIMESHARE INTEREST(S) WERE ACQUIRED BY TRUSTOR(S).

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)

This DEED OF TRUST, made _____ 20____ between _____, _____, herein called TRUSTOR, whose address is _____, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called TRUSTEE, and MARRIOTT OWNERSHIP RESORTS, INC., a Delaware corporation, herein called BENEFICIARY.

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property in the City of Palm Desert, County of Riverside, State of California, described as:

(SEE ATTACHED EXHIBIT A)

(Ref: _____)

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits. For the Purpose of Securing (1) payment of the sum of $_____ with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, and (2) the performance of each agreement of Trustor incorporated by reference or contained herein (3) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislau	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183

Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5 BOOK 1964, Page 144974				

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivision A and B, (identical in all counties, and printed on the attached) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefore does not exceed the maximum allowed by law.

The undersigned Trustor(s), requests that a copy of any notice of default and any notice of sale hereunder be mailed to him/her/it at the address hereinbefore set forth.

Signature of Trustor(s)

_____

_____

_____

_____

ACKNOWLEDGMENT
(For Use In California Only)

STATE OF _____

COUNTY OF _____

On_____ before me,_____, a notary public, personally appeared_____ _____
_____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

COLORADO SAMPLE (MVC)

Upon closing of the purchase to which this Note applies, the undersigned hereby authorize(s) closing agent or Holder to complete this Note by inserting the applicable dates for commencement of payments due hereunder, the monthly payment date and the final payment date. DO NOT DESTROY THIS NOTE. When paid, this Note, with the Deed of Trust securing the same, must be surrendered to the Trustee for cancellation before release will be made.

PROMISSORY NOTE

Reference No. _____
Mountain Valley Lodge

US $_____ _____, 19____

FOR VALUE RECEIVED, the undersigned _____ ("Borrower(s)") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS, INC., (said party or any other party to whom this Note may be transferred and assigned is hereinafter called the "Holder"), P.O. Box 8038, Lakeland, Florida 33802, or order, the principal sum of _____ _____ No/100 U.S. Dollars (US $_____) on the unpaid balance from the date of this Note, until paid, at the rate of _____ percent (_____%) per annum. Interest shall be calculated by applying the stated annual rate against the unpaid principal for the actual number of days elapsed divided by a 360 day year. Principal and interest shall be payable, without offset, in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may, from time to time, designate, in _____ consecutive monthly installments of _____ No/100 U.S. Dollars (US $_____), beginning on the _____ day of _____, 19____ and continuing thereafter on the same day of each month, with the remaining unpaid balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____. The indebtedness evidenced by this Note is secured by a Deed of Trust, dated of even date herewith, creating a lien on the real property described therein (the "Property"), located in the Town of Breckenridge, Summit County, Colorado. Reference is made to said Deed of Trust for rights of the Holder upon acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a $4.00 service fee. If any monthly installment is not received by the Holder within ten (10) days after the date the installment is due, Borrower(s) shall pay to the Holder a late charge of five percent (5%) for any monthly installment not received by the Holder within ten (10) days after the date the installment is due .. The Holder may apply any payment received by it to the payment of all late charges then owing before application to interest or principal. Such late charge is in addition to and not in lieu of or diminution of any other rights and remedies of the Holder of this Note.

Each payment made by Borrower(s) shall be credited on account of amounts due in the order specified in Paragraph 3 of the Purchase Money Deed of Trust.

The Principal balance may be prepaid, in whole or in part, at any time or from time to time without a penalty. Any prepayment shall include interest to the date it is made. Partial prepayments shall be applied to the installments in the inverse order of their maturity. There will be no changes in the due date or in the amount of the monthly payment unless the Holder agrees in writing to those changes.

The makers, sureties, guarantors and endorsers hereof severally waive presentment for payment, demand and notice of dishonor and nonpayment of this Note, and consent to any and all extensions of time, renewals, waivers or modifications that may be granted by the Holder hereof with respect to the payment or other provisions of this Note, and to the release of any security, or any part thereof, with or without substitution. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their respective heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon:

a) Failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than twenty (20) days from the date such notice is mailed) from the Holder to Borrower(s);

b) The insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s);

c) The sale (or lease with option to purchase) or transfer of all or any part of the Property or any interest therein without the prior written consent of the Holder, excluding a transfer by devise, descent or by operation of law upon the death of a joint tenant therein; or

d) Failure of Borrower(s) to comply with the covenants of the Deed of Trust after notice and failure to cure as provided in the Deed of Trust.

The Holder may exercise its option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, attorney's fees, whether or not action be instituted hereon.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given after mailing same by U.S. mail, postage prepaid (or such other more expeditious method as may be appropriate in the case of foreign addresses, as Holder may choose in its discretion), addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be deemed to have been given by mailing such notice by U.S. certified mail, return receipt requested, (or in the case of a notice originating in a foreign country, by such other method that results in the Holder acknowledging in writing receipt of the notice), at 1200 U.S. 98 South, Lakeland, Florida 33802, or at such other address as may be designated by written notice to Borrower(s).

This Note shall be governed by, construed under and enforced in accordance with the laws of the State of Colorado. Borrower(s) consent(s) to jurisdiction and venue in the state and federal courts within the State of Colorado.

BORROWER(S) ADDRESS:

_____
Borrower

_____ _____
Borrower

_____ _____
Borrower

_____ _____

(Execute Original Only)

COLORADO SAMPLE (MVC)

UPON CLOSING OF THE PURCHASE TO WHICH THIS PURCHASE MONEY DEED OF TRUST APPLIES, THE UNDERSIGNED HEREBY AUTHORIZES CLOSING AGENT TO COMPLETE THIS PURCHASE MONEY DEED OF TRUST BY INSERTING THE APPLICABLE DATES.

PURCHASE MONEY DEED OF TRUST

THIS DEED OF TRUST, made this _____, by the Grantor(s) «LEGAL_NAME» ("Borrower"), to the Public Trustee of Summit County, Colorado ("Trustee") for the benefit of the Beneficiary, MARRIOTT OWNERSHIP RESORTS, INC., P.O.Box 8038, Lakeland, Florida 33802 ("Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of «MTG_TXT» U.S. Dollars (US $ «MTG_AMT»), which indebtedness is evidenced by Borrower's Purchase Money Promissory Note of even date herewith ("Note"), providing for equal monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable _____ months from the date hereof.

To secure the Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 20 hereof ("Future Advances"), Borrower irrevocably grants and conveys to Trustee, in trust for the benefit of Lender, with power of sale the following-described property located in the County of Summit, State of Colorado:

Condominium Unit No.	Resort Interest.	Designated Unit Type	Designated Season
«MVDATA1»	No		

Mountain Valley Lodge, a condominium, previously known as Hotel Breckenridge, a condominium hotel, according to the Condominium Declaration for Hotel Breckenridge, a condominium hotel, recorded June 30, 1992 at reception no. 424105, the First Supplemental Declaration of Condominium and Timeshare Ownership for Mountain Valley Lodge, a condominium, recorded September 20, 1994 at reception no. 476347, the condominium map for Hotel Breckenridge recorded June 30, 1992 at reception no. 424104 and any and all amendments, modifications and supplements thereto County of Summit, State of Colorado

also known by street and number as a resort interest in Mountain Valley Lodge, Breckenridge, Colorado

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the property against all claims and demands, subject to any declaration, easements, or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property. Borrower further agrees and covenants to abide by the terms and provisions attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

_____ Borrower

_____ Borrower

_____ Borrower

_____ Borrower

STATE OF)
)ss.
COUNTY OF)

This foregoing instrument was acknowledged before me this _____ «LEGAL_NAME».

WITNESS my hand and this official seal.

_____
Notary Public
My Commission expires:

ADDITIONAL COVENANTS AND TERMS

Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Late Charge and Service Fees. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Lender for servicing the loan account and the principal of and interest on any Future Advances secured by the Deed of Trust.

2. Funds for Taxes, Assessments and Insurance. Subject to applicable law, upon written request by Lender to Borrower, Borrower shall pay to Lender on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of Borrower's share of the yearly taxes and assessments which may attain priority over this Deed of Trust and one-twelfth of the annual maintenance fee or assessment due under the applicable First Supplemental Declaration of Condominium and Timeshare Ownership (herein "Condominium Assessments"), all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If lender exercises the foregoing right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency. Lender shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes, assessments, and Condominium Assessments. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays to Borrower interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Lender shall not be required to pay Borrower any interest on earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, and Condominium Assessments shall exceed the amount required to pay such taxes, assessments, and Condominium Assessments as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, and Condominium Assessments as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any funds held by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds then held by Lender as a credit against the sums secured by this Deed of Trust.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first to service fees, then to any returned check charges, if any, then on unpaid late charges, if any, then on interest due, and the remainder on principal.

4. Charges; Liens. Borrower shall promptly pay, when due, all Condominium and Resort Owner Association Assessments imposed by the applicable Condominium or Resort Owners Association pursuant to the provisions of the declarations, bylaws, rules and regulations or other constituent documents applicable to the Property (the "Project Documents"). Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this Paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender and if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of such lien or forfeiture of the Property or any part thereof and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust. This obligation shall be deemed satisfied so long as the Condominium and Resort Owners Associations maintain a "master" or "blanket" policies for liability and casualty insurance in accordance with the terms hereof.

The insurance carrier providing the insurance shall be chosen by Borrower or the Condominium or Resort Owners Association subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. If required, all premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof, or, if not paid in such manner, by Borrower or the Condominium or Resort Owners Association making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower shall give Lender prompt notice of any lapse in hazard insurance coverage. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Pursuant to the terms of the Project Documents timeshare declarations, insurance proceeds shall be applied to restoration or repair of the Property damaged, whether the unit or the common elements. To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Directors of the Condominium or Resort Owners Association decides to disburse such excess, Borrower's share of such excess shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not exceed or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Condominium. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower shall perform all of Borrower's obligations under the Project Documents. Borrower shall take such actions as may be reasonable to insure that the Condominium and Resort Owners Associations maintain a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender. If a condominium rider is executed by Borrower and recorded together with the Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of funds to pay reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms or payment, such amount shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or part of the Property, whether of the unit or the common elements or for any conveyance in lieu of condemnation, pursuant to the terms of the Project Documents shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successor in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. Subject to the terms and provisions of paragraph 17 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by U.S. Mail, postage prepaid, addressed to Borrower at the Borrower's address as set forth in the Note, or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. Governing Law; Severability. This Deed of Trust shall be governed by the laws of the state where the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of the Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be furnished a copy of the Note and this Deed of Trust at the time of execution or after recordation hereof.

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) a transfer by devise, decent or by operation of law upon the death of a joint tenant, (b) the creation of a purchase money security interest for household appliances, (c) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, or (d) the creation of a lien or encumbrance subordinate to this Deed of Trust, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall have waived such option to accelerate if, and only if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Deed of Trust shall be at such rate Lender shall request, and if the assumption fee set by Lender has been paid. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Deed of Trust, and the Note. Assumption of Borrower's Deed of Trust and Note shall be permitted only with written approval of, and at the sole discretion of Lender.

If Lender exercises such option to accelerate, Lender, shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

18. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust, foreclosure by judicial proceeding and sale of Property. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option, subject to any right of reinstatement to which Borrower is entitled under applicable law, may declare, without further demand, all of the sums secured by this Deed of Trust to be immediately due and payable and may foreclose this Deed of Trust by judicial proceedings. Lender shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

19. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration or abandonment of the Property, Lender shall be entitled without notice, to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected shall be appointed first to payment of the costs of management of the Property and collection of rents, including, but not limited to, management fees, court costs, and reasonable attorneys' fees and then to the sum secured by this Deed of Trust. The Lender shall be liable to account only for those rents actually received. Borrower shall not be entitled to possession or use of the Property after abandonment or after the Lender has accelerated the balance due. Alternatively, Lender may seek the appointment of a receiver to manage and collect rents from the Property. If a receiver is appointed, any income from rents from the Property shall be applied first to the costs of receivership, and then in the order set forth above.

20. Future Advances. Upon request by Borrower, Lender, at Lender's option, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust whether or not evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Deed of Trust, not including sums advanced in accordance herewith to protect the security of this Deed of Trust, exceed one hundred fifty percent (150%) of the original amount of the Note.

21. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) The abandonment or termination of the applicable condominium or timeshare regime, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Project Documents which is for the express benefit of Lender; or (iii) any action which would have the effect of rendering the public liability insurance coverage maintained by the Condominium or Resort Owners Association unacceptable to Lender.

22. Remedies. In the event Borrower defaults in payment of the Note secured hereby or in the performance of any covenants herein set forth, then the Lender shall have all legal and equitable remedies available to it under Colorado law. In addition, Lender shall have the automatic right without the appointment of a Receiver to have access to and exclusive possession of the Resort Interest and Resort Unit encumbered hereby or such other Resort Interest and Resort Unit whose use has been assigned to Borrower by the Resort Owners Association or by any exchange company. This right to exclusive occupancy and possession shall entitle, but shall not obligate Lender to receive and retain any rental payments to which Borrower would otherwise be entitled, which are received by Lender or any of its related companies, or by the Condominium or Resort Owners Association or any other rental agent.

Lender may implement the remedies provided herein by, among other methods, giving notice of default to the Borrower, the Condominium or Resort Owners Association and the management company responsible for the administration and management of the Property encumbered hereby.

If the Borrower fails to deliver to Lender and to the management company an affidavit setting forth facts contesting the default alleged by Lender prior to the date Borrower's use week commences, then the management company shall thereupon be entitled to deliver possession of the condominium unit or the rental, net only of any rental management fee, if any, to Lender. Lender, the Condominium or Resort Owners Associations and the management company shall be released from any claims by Borrower in connection with the exercise by Lender of remedies herein described.

23. Attorneys' Fees. As used in this Deed of Trust and in the Note, "attorneys' fees" shall include attorneys' fees, if any, which may be awarded by a trial or an appellate court.

FLORIDA SAMPLE (MVC)

[UPON CLOSING OF THE PURCHASE TO WHICH THIS NOTE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT OR HOLDER TO COMPLETE THIS NOTE BY INSERTING THE DATE OF THE NOTE AND APPLICABLE DATES FOR COMMENCEMENT OF PAYMENTS DUE HEREUNDER, THE MONTHLY PAYMENT DATE AND THE FINAL PAYMENT DATE.]

NOTE SECURED BY MORTGAGE

Season/Unit No./Unit Week No(s):_____

Lakeshore Reserve Condominium

US$_____ _____, 20__

FOR VALUE RECEIVED, the undersigned _____ ("Borrower(s)") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS, INC., (said party or any other party to whom Marriott Ownership Resorts, Inc. may transfer and assign this Note and who holds this Note from time to time is hereinafter called the "Holder"), Post Office Box 8038, Lakeland, Florida 33802, or order, the principal sum of _____ U.S. Dollars (US $_____), with interest on the unpaid balance from _____, until paid, at the rate of _____ percent per annum (_____%) (calculated on the basis of a 360 day year, collected for the actual number of days principal is outstanding in any calendar year). Principal and interest shall be payable in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may, from time to time, designate, in consecutive monthly installments of _____ U.S. Dollars (US $ _____), on the _____ day of each month and continuing thereafter on the same day of each month beginning _____, for a period of _____ months with the remaining unpaid principal balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

The indebtedness evidenced by this Note is secured by a Mortgage, dated of even date herewith, creating a lien on the real property described therein (the "Property"). Reference is made to said Mortgage for rights as to acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a $_____ service fee.

Borrower(s) shall pay to the Holder a late charge of six percent (6%) for any monthly installment not received by the Holder within ten (10) days after the date the installment is due. The late charge will be deducted from the next payment received.

Each payment shall be credited first to amounts due pursuant to Paragraph 2 of the Mortgage, then to advances, if any, made by the Lender pursuant to Paragraph 7 of the Mortgage, then to the costs, fees, expenses and other amounts incurred and advanced by the Holder in the enforcement of its rights hereunder, including, without limitation, costs and reasonable attorneys' fees described below, then to interest due hereunder, including interest on any Future Advances, then to principal due hereunder, including principal on any Future Advances, then to unpaid service fees, then to unpaid late charges, if any.

Borrower(s) may prepay the principal amount outstanding in whole or in part. Any partial prepayment in excess of the interest then accrued shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

Demand, presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be a joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon any one of the following events of default:

a) failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from the Holder to Borrower(s);

b) failure of Borrower(s) to perform any other covenant or agreement of Borrower(s) in this Note or the Mortgage within fifteen (15) days after the mailing of notice from the Holder to the Borrower(s) specifying the nature of such failure; and

c) the insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s) as otherwise provided herein.

The Holder may exercise this option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, reasonable attorneys' fees, whether or not action be instituted hereon, and costs of trial and appellate proceedings.

In the event of any default by the Borrower(s) hereunder, Holder at its sole option, may charge the Borrower(s) the highest interest rate allowed by law and/or pursue any and all remedies available to it under applicable law.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given upon depositing same in any U.S. post office, postage prepaid, addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be given by mailing such notice by certified mail, return receipt requested, to the Holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by written notice to Borrower(s). Any notice provided for in this Note shall be deemed to have been given to Borrower(s) or the Holder when given in the manner herein designated.

THIS NOTE SHALL BE GOVERNED BY, CONSTRUED UNDER AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND THE COURTS OF THE STATE OF FLORIDA IN THE COUNTY OF ORANGE SHALL BE THE EXCLUSIVE COURTS OF JURISDICTION AND VENUE FOR ANY LITIGATION OR OTHER PROCEEDING THAT MAY BE BASED ON, ARISE OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, UNLESS OTHERWISE REQUIRED BY LAW. HOLDER AND BORROWER(S) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER EXTENDING THE LOAN EVIDENCED BY THIS NOTE.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder;

(ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

Time is of the essence in the performance of each and every obligation represented by this Note.

BORROWER'S ADDRESS:

	Borrower/Purchaser signs here
	Borrower/Purchaser signs here
	Borrower/Purchaser signs here
	Borrower/Purchaser signs here

(Execute Original Only)

DOCUMENTARY STAMP TAXES HAVE BEEN PAID AND THE PROPER AMOUNTS AFFIXED TO THE MORTGAGE

FLORIDA SAMPLE (MVC)

[UPON CLOSING OF THE PURCHASE TO WHICH THIS MORTGAGE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT TO COMPLETE THIS MORTGAGE BY INSERTING THE APPROPRIATE DATE OF THE MORTGAGE AND TO COMPLETE, AS NECESSARY, THE RECORDING INFORMATION RELATING TO THE DOCUMENTS BY WHICH THE TIMESHARE ESTATE(S) BEING ENCUMBERED BY THIS MORTGAGE WAS(WERE) CREATED]

MORTGAGE

THIS MORTGAGE is made this _____, between the Mortgagor(s), _____ _____ (herein "Borrower(s)"), whose post office address is c/o Marriott Resorts Hospitality Corporation, P.O. Box 890, Lakeland, Florida 33802, and the Mortgagee, **MARRIOTT OWNERSHIP RESORTS, INC.**, a Delaware corporation, the address of which is Post Office Box 8038, Lakeland, Florida 33802 (said party, its successors and assigns is herein called "Lender").

WHEREAS, Borrower(s) is/are indebted to Lender in the principal sum of _____U.S. Dollars (US$_____), which indebtedness is evidenced by Borrower's Note of even date herewith (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable _____ from the date hereof.

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower(s) herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower(s) by Lender pursuant to Paragraph 20 hereof (herein "Future Advances"), Borrower(s) does hereby mortgage, grant and convey to Lender and Lender's successors and assigns the following described property located in the County of Orange, State of Florida:

Season: _____ Unit No. _____ Unit Week: _____ Unit Type: _____ Fixed Time_____ Floating Time_____
Season: _____ Unit No. _____ Unit Week: _____ Unit Type: _____ Fixed Time_____ Floating Time_____
Season: _____ Unit No. _____ Unit Week: _____ Unit Type: _____ Fixed Time_____ Floating Time_____
Season: _____ Unit No. _____ Unit Week: _____ Unit Type: _____ Fixed Time_____ Floating Time_____

of Lakeshore Reserve Condominium, according to the Declaration of Condominium thereof, recorded in Official Records Book 9741 at Page 2312 in the Public Records of Orange County, Florida, and any amendments thereof ("Declaration").

TO HAVE AND TO HOLD unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property are herein referred to as the "Property".

Borrower(s) covenants that Borrower(s) is/are lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower(s) and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Late Charges and Service Fees. Borrower(s) shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Lender for servicing the loan account and the principal of and interest on any Future Advances secured by this Mortgage.

2. Funds for Taxes, Assessments and Insurance. Subject to applicable law, upon written request by Lender to Borrower(s), Borrower(s) shall pay to Lender on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of Borrower's share of the yearly taxes and assessments relating to the subject Property encumbered by this Mortgage and one-twelfth of the annual maintenance fee or assessment due under the Declaration (herein "Condominium Assessments"), or such other amounts or for such other periods other than monthly, e.g., quarterly or one-fourth, etc., all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If Lender exercises the foregoing right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Lender shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes, assessments, and Condominium Assessments. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays to Borrower(s) interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Lender shall not be required to pay Borrower(s) any interest on earnings on the Funds. Lender shall give to Borrower(s), without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, and Condominium Assessments shall exceed the amount required to pay such taxes, assessments, and Condominium Assessments as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower(s) or credited to Borrower(s) on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, and Condominium Assessments as they fall due, Borrower(s) shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Lender to Borrower(s) requesting payment thereof, but in no event shall Lender require payment in advance for taxes and assessments to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower(s) any Funds held by Lender. If under Paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds then held by Lender as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower(s) under Paragraph 2 hereof, if any, then against advances, if any, made by Lender pursuant to Paragraph 7 of this Mortgage, then to costs, fees, expenses and other amounts incurred and advanced by the Lender in the enforcement of its rights under the Note and this Mortgage, including, without limitation, costs and reasonable attorneys' fees, then to unpaid service fees, then to interest payable on the Note, then to the principal of the Note, then to unpaid late charges, if any, then to interest on any Future Advances made at Lender's option pursuant to Paragraph 20 hereof, then to principal on Future Advances, if any, made at Lender's option pursuant to Paragraph 20 hereof.

4. Charges; Liens. Borrower(s) shall promptly pay, when due, all Condominium Assessments imposed by Lakeshore Reserve Condominium Association, Inc. or other governing body of Lakeshore Reserve Condominium (the "Condominium Association") pursuant to the provisions of the Declaration, by-laws, rules and regulations or other constituent documents of Lakeshore Reserve Condominium.

Borrower(s) shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, in the manner provided under Paragraph 2 hereof or, if not paid in such manner, by Borrower(s) making payment, when due, directly to the payee thereof. Borrower(s) shall promptly furnish to Lender all notices of amounts due under this Paragraph, and in the event Borrower(s) shall make payment directly, Borrower(s) shall promptly furnish to Lender receipts evidencing such payments. Borrower(s) shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower(s) shall not be required to discharge any such lien so long as Borrower(s) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation.

5. Hazard Insurance. Borrower(s) shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. This obligation shall be deemed satisfied so long as the Condominium Association maintains a "master" or "blanket" policy in accordance with the terms hereof.

The insurance carrier providing the insurance shall be chosen by Borrower(s) or the Condominium Association subject to approval by Lender; provided that such approval shall not be unreasonably withheld. If required, all premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower(s) or the Condominium Association making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower(s) shall give Lender prompt notice of any lapse in hazard insurance coverage. In the event of loss, Borrower(s) shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower(s).

Pursuant to the terms of the Declaration, insurance proceeds shall be applied to restoration or repair of the Property damaged, whether the unit or the common elements. To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Directors of the Condominium Association decides to disburse such excess, Borrower's share of such excess shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower(s).

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not exceed or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments. If under Paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower(s) in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Condominium. Borrower(s) shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower(s) shall perform all of Borrower's obligations under the Declaration, the by-laws and regulations of the Condominium Association, and constituent documents. Borrower(s) shall take such actions as may be reasonable to insure that the Condominium Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender. If a Condominium rider is executed by Borrower and recorded together with the Mortgage, the covenants and agreements of such rider shall be incorporated into and amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower(s) fail(s) to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower(s), may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of funds to pay reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower(s) secured by this Mortgage. Unless Borrower(s) and Lender agree to other terms or payment, such amount shall be payable upon notice from Lender to Borrower(s) requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower(s) notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower(s) in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or the common elements or for any conveyance in lieu of condemnation, pursuant to the

terms of the Declaration, are hereby assigned and shall be paid to Lender as provided hereunder.

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower(s) Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower(s) shall not operate to release, in any manner, the liability of the original Borrower(s) and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower(s) and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. Subject to the terms and provisions of Paragraph 17 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower(s). All covenants and agreements of Borrower(s) shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower(s) provided for in this Mortgage shall be given by mailing such notice by U.S. Mail, postage prepaid, addressed to Borrower(s) at the Borrower's address as set forth in the Note, or at such other address as Borrower(s) may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower(s) as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower(s) or Lender when given in the manner designated herein. In the event of a judicial action to enforce this Mortgage, Borrower hereby agrees that any notice required or service of process made incident thereto shall be sufficient if made to the above address or to the registered agent appointed for such purposes by Borrower pursuant to Section 721.84 Florida Statutes. Borrower may change such address by giving Lender notice of a change of address in writing to Lender's address stated herein.

15. Governing Law; Severability. This Mortgage shall be governed by the laws of the state where the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. Borrower's Copy. Borrower(s) shall be furnished a copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold (or leased with an option to purchase) or transferred by Borrower(s) without Lender's prior written consent, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, (b) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, or (c) the creation of a lien or encumbrance subordinate to this Mortgage, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, and only if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this Paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower(s) from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower(s) notice of acceleration in accordance with Paragraph 14 hereof. Such notice shall provide a period of not less than fifteen (15) days from the date the notice is mailed within which Borrower(s) may pay the sums declared due. If Borrower(s) fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower(s), invoke any remedies permitted by Paragraph 18 hereof.

18. Acceleration; Remedies. Except as provided in Paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower(s) in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower(s) as provided in Paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than fifteen (15) days from the date the notice is mailed to Borrower(s), by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceedings or other proceedings consistent with the law, and sale of Property. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option, subject to any right of reinstatement to which Borrower(s) is entitled under applicable law, may declare, without further demand, all of the sums secured by this Mortgage to be immediately due and payable and may foreclose this Mortgage by judicial proceedings. Lender shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

19. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower(s) hereby assigns to Lender the rents of the Property, provided that Borrower(s) shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration of the Note or abandonment of the Property, Lender shall be entitled, without notice, to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected shall be appointed first to payment of the costs of management of the Property and collection of rents, including, but not limited to, management fees, court costs, and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The Lender shall be liable to account only for those rents **actually** received. Borrower(s) shall not be entitled to possession or use of the Property after abandonment or after the Lender has accelerated the balance due under the Note. Alternatively, Lender may seek the appointment of a receiver to manage and collect rents from the Property. If a receiver is appointed, any income from rents from the Property shall be applied first to the costs of receivership, and then in the order set forth above.

20. Future Advances. Upon request by Borrower(s), Lender, at Lender's option, may make Future Advances to Borrower(s). Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed one hundred fifty percent (150%) of the original amount of the Note.

21. Lender's Prior Consent. Borrower(s) shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) The abandonment or termination of Lakeshore Reserve Condominium, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Declaration, Bylaws or Rules and Regulations of the Condominium Association, or equivalent constituent documents of Lakeshore Reserve Condominium which is for the express benefit of Lender; or

(iii) any action which would have the effect of rendering the public liability insurance coverage maintained by the Condominium Association unacceptable to Lender.

22. Attorneys' Fees. As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees, if any, and related costs incurred by Lender in the enforcement of its rights under the Note and/or Mortgage, whether or not legal action is instituted, and any fees and costs of trial and appellate proceedings.

23. Venue and Jurisdiction. Borrower hereby consents to the enforcement of the Note and Mortgage in Orange County, Florida and hereby submits to the jurisdiction of the courts of the state of Florida for such purpose.

IN WITNESS WHEREOF, Borrower(s) has/have executed this Mortgage on the day and year first written above.
Signed in the presence of:

Mortgagor	Mortgagor
Mortgagor	Mortgagor

STATE OF_____) ACKNOWLEDGMENT

COUNTY OF_____)

This Mortgage was acknowledged before me this _____ by _____, _____, _____ and _____, (i) who is (are) personally known to me or (ii) has (have) produced _____ [list type of identification] as identification.

Print Name: _____
NOTARY PUBLIC
My Commission Expires:
Commission No:

(ADDITIONAL ACKNOWLEDGMENT, IF MORTGAGORS SIGN BEFORE DIFFERENT NOTARIES)

STATE OF_____) ACKNOWLEDGMENT

COUNTY OF_____)

This Mortgage was acknowledged before me this _____ by _____, _____, _____ and _____, (i) who is (are) personally known to me or (ii) has (have) produced _____ [list type of identification] as identification.

Print Name: _____
NOTARY PUBLIC
My Commission Expires:
Commission No:

Prepared by and return to: Linda S. Sellars, Marriott Resorts Title Company, Inc.
P.O. Box 24747, Lakeland, Florida 33802

HAWAII SAMPLE (MVC)

Mortgage No.: «LOANID»

Vacation Ownership Interest No(s). «TR17»

Recorded:

Preparation Date: «TODAY_ALPHA»

US $«MTG_AMT»

Closing Date: _____

1. **DEFINED TERMS.** Certain words used in this document have special meanings as set forth below:

(a) **"NOTE" -** This document in which you promise to pay the Debt. You are giving it to MARRIOTT OWNERSHIP RESORTS, INC. to pay for the Property described in the Mortgage. The Debt and this Note are secured by the Mortgage.

(b) **"DEBT" -** Both the Principal and Interest charged on that portion of Principal that is not then paid. "Principal" means the amount of «MTG_AMT» (US $«MTG_AMT»). "Interest" is simple interest, which means that it is charged (accrues) only on that part of the Principal which is not then paid. It is not on a block or other basis where the dollar amount of interest is fixed in advance. In this Note, the rate, but not the dollar amount, of Interest is fixed. This rate is «Int_Rate» percent («INT_RATE»%) per year based on a 360-day year, collected for the actual number of days principal is outstanding in any calendar year. Loan payments are to be made in installments calculated to repay the loan in full over the term of the loan and is based on the assumption that all payments are made when due. Interest will be charged on that part of the Principal, which has not been paid. Interest at this rate will start on the _____day of _____, _____, and will continue until the full amount of the Principal has been paid.

(c) **"MORTGAGE" -** The document entitled "Mortgage, Security Agreement and Financing Statement with Power of Sale" which you have signed. It gives property to the Holder as security to protect the Holder from possible losses that might result if you do not keep the promises you make in this Note and in the Mortgage.

(d) **"YOU" -** Each person who signs this Note. If more than one person signs, each of you is fully and personally obligated to pay the full amount of the Debt and to keep all of the other promises made in this Note. For example, the fact that one or more of you does not pay a part of the Debt does not excuse the rest of you from paying all of the Debt and keeping all of the other promises. The Holder may therefore enforce its rights under this Note against each of you individually or against some or all of you together. In legal terms, each of you is "jointly and severally liable."

(e) **"MARRIOTT" -** MARRIOTT OWNERSHIP RESORTS, INC., a Delaware corporation. Its address is 6649 Westwood Boulevard, Suite 500, Orlando, Florida 32821-6090.

(f) **"HOLDER" -** Marriott or anyone who takes this Note later by transfer and who is entitled to receive the payments you promise to make in this Note. You understand that any Holder may transfer this Note to someone else.

(g) **"CLOSING DATE" -** The date indicated above.

2. **YOUR PROMISE TO PAY**. You promise to pay the Debt, both Principal and Interest, plus all other sums you owe under this Note and under the Mortgage, to the order of Marriott or any other Holder.

3. **HOW, WHEN, AND WHERE YOU PROMISE TO PAY**. You promise to pay the Debt, both Principal and Interest, by making payments every month. Each monthly payment will be in the amount of «Pay_Amt» UNITED STATES DOLLARS ($«PAY_AMT»), and must be made on the ____ day of each month, starting on _____. A service fee of «SFEE» must accompany each monthly payment. You promise to make these payments every month until you have paid all of the Debt. If, however, on _____, you still owe anything under this Note, you promise to pay the Debt in full on that date. You promise to make your payments to Marriott at P. O. Box 8038, Lakeland, Florida 33802, or at any other place the Holder tells you in writing to pay.

4. **HOW YOUR PAYMENTS WILL BE APPLIED**. In addition to Principal and Interest, you may be required to make other payments as stated in this Note or in the Mortgage. For example, you may be required to make other payments, such as late charge payments, if you do not keep the promises made in this Note or in the Mortgage (in other words, if you "default"). Further, you must also make payments to cover service fees and returned check charges, if any. The Mortgage states the manner in which your payments will be applied to these fees and charges, to Interest and to Principal.

5. **YOUR RIGHT TO PAY EARLIER ("PREPAYMENT").** The Mortgage states the manner and the conditions under which you may pay the Debt before the time you promise to do so in this Note.

6. **THE HOLDER MAY REQUIRE YOU TO PAY EARLIER IF YOU BREAK YOUR PROMISES ("ACCELERATION").** You agree that the Mortgage states the manner and the conditions under which the Holder may require you to make immediate payment of the Debt in full, if you default. Thus, as stated in the Mortgage, if you default, you may lose your right to pay the Debt in monthly payments.

7. **OTHER CHARGES AND COSTS YOU PROMISE TO PAY IF YOU DEFAULT**.

(a) **LATE CHARGES**. If the Holder has not received the full amount of any monthly payment by the end of ten (10) calendar days after the date it is due, you promise to pay a late charge to the Holder with the next monthly payment. Each late charge will be six percent (6%) of the late monthly payment or $25.00, whichever is less.

(b) **THE HOLDER'S COSTS AND ATTORNEY'S FEES**. If you default, you promise to pay the Holder all of the reasonable costs the Holder incurs in trying to make you keep the promises you make in this Note and in the Mortgage. These costs include, for example, the Holder's reasonable attorney's fees and costs, whether or not the Holder sues you. You promise to pay all of these costs at once after the Holder demands payment from you.

8. **THIS NOTE IS SECURED BY THE MORTGAGE**. You agree that this Note is secured by the Mortgage.

9. **YOU, AND CERTAIN OTHER PERSONS, WAIVE CERTAIN RIGHTS**. You waive your rights to require the Holder to do certain things. They are: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"); and (c) to obtain an official certification of nonpayment (known as a "protest"). Anyone else who agrees to keep the promises made in this Note, who agrees to make payments to the Holder if you fail to keep your promises under this Note or who signs this Note to transfer it to someone else, also waives these rights. (These persons are known as "guarantors, sureties and endorsers".)

You and each guarantor, surety and endorser consent to any extension of the time by which the payment of this Note or any monthly payments must be made and to any other change to the terms of this Note (this includes the release of any person liable on this Note). These extensions or changes can be made without notice to you or any of them, and will not release or affect your liability or the liability of any of these other persons on this Note.

10. **GOVERNING LAW**. Hawaii law governs this Note.

11. **CAPTIONS**. Marriott has tried to appropriately divide and caption this Note by its various paragraphs. Captions are a part of this Note, but obviously cannot and do not completely or adequately explain each paragraph or the entire agreement. Marriott recommends that you read with care each and every paragraph of this Note and not just the captions alone. No court may treat the captions and headings as if they explain what the paragraph means.

12. **HOW ANY COURT SHOULD READ THIS NOTE**. This Note was written in plain language so that it would be easier to read and understand. It uses words which are less accurate than the words which most courts are used to seeing. It also does not include the long overlapping phrases used to prevent courts from reading words too narrowly. If any court is ever asked to interpret this Note, Marriott and you ask that it keep those facts in mind and interpret this Note as common sense would require in order to do what Marriott and you clearly wanted this Note to do.

By signing this document, you agree to everything that is said in this Note.

Your Address:

«ADR1»
«ADR2»
«CSZC»

_____
"You"

«PURCHASE_NAME_1»
_____
Printed

_____
"You"

«PURCHASE_NAME_2»
_____
Printed

_____
"You"

«PURCHASE_NAME_3»
_____
Printed

_____
"You"

«PURCHASE_NAME_4»
_____
Printed

After Recordation, Return By Mail (X) Pick Up ( )

Marriott Ownership Resorts, Inc.
Attn.: New Owner Administration
Post Office Box 24747
Lakeland, Florida 33801

Tax Map Key No.: (4) 3-5-001-174 CPR No. «KN_7» Unit No «VILLA_LIST» Total Pages: 18

MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT WITH POWER OF SALE

Vacation Ownership Interest No(s): «UNIT_BLDG_WEEK_TEXT»

LENDER(S) NAME: MARRIOTT OWNERSHIP RESORTS, INC., a Delaware corporation
6649 Westwood Boulevard, Orlando, Florida 32821-6090

BORROWER(S) NAME AND ADDRESS: «LEGAL_NAME», whose address is «ADDR1», «ADDR2» «CSZC».

I. **DEFINED TERMS**. Certain words used in this document have special meanings which are set forth below. Other words which begin with a capital letter will have the meaning given to such word in the Kalanipu'u Vacation Ownership Program Declaration of Covenants, Conditions and Restrictions dated February 5, 2010 recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2010-01837, as amended (the "Declaration").

A. **"MORTGAGE" -** This document which is dated _____, 20____ will be called the "Mortgage." It gives the Property to the Holder as security to protect the Holder from possible losses that might result if you do not keep the promises you make in the Note and in this Mortgage. You are giving it to Marriott as security for your promise to pay for the Property, which you are purchasing from Marriott."

B. **"YOU" OR THE "BORROWER" -** «LEGAL_NAME», whose address is «ADDR1», «ADDR2» «CSZC», is the person or are the persons signing the Note and this Mortgage, and will sometimes be called "Borrower" and sometimes simply "You."

C. **"MARRIOTT" -** MARRIOTT OWNERSHIP RESORTS, INC. will be called "Marriott." It is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business and post office address at 6649 Westwood Boulevard, 3rd Floor, Orlando, Florida 32821-6090.

D. **"HOLDER" -** Marriott or anyone who takes this Mortgage and the Note later by transfer and who is entitled to receive the payments you promise to make in the Note and to enforce the promises you make in this Mortgage. You understand that any Holder may transfer the Note and this Mortgage to someone else.

E. **"NOTE" -** The Note you are signing. The "Note" also means all changes and extensions to the Note that you and the Holder agree to. The Note states that you owe the Holder «MTG_AMT» UNITED STATES DOLLARS ($«MTG_AMT») which amount is called the "Principal" plus "Interest". You promise to pay all amounts as and when stated in the Note. The Note is secured by this Mortgage.

F. **"DEBT" -** The amount you owe the Holder, both Principal and simple (not block) Interest. These amounts will be called the "Debt."

G. **"PROPERTY" -** The property that is described below in the section entitled "Description Of The Property" and more particularly in Exhibit "A" attached to this document, and incorporated herein by this reference.

H. **"FUTURE ADVANCES" -** Any amount loaned to Borrower after the date of this Mortgage, which, unless otherwise agreed, will accrue interest at the rate set forth in the Note.

II. **BORROWER'S TRANSFER TO HOLDER OF RIGHTS IN THE PROPERTY.**

You here and now mortgage, grant and convey the Property to Marriott, subject to the terms of this Mortgage. You give this Mortgage as security for the payment of the Note and all amounts you may owe under the Note or this Mortgage, including the Debt, and as security that you will observe and perform all of the promises and other agreements you make in the Note and Mortgage. This means that, by signing this Mortgage, you are giving Marriott (and any later Holder) those rights that are stated in this Mortgage and also those rights that the law gives to creditors who hold mortgages on real property and security interests in personal property. You are giving the Holder these rights to protect it from possible losses that might result if you fail to:

A. Pay all the Debt, both Principal and Interest, that you owe the Holder as and when stated in the Note; or

B. Pay all other sums you owe Holder under the Note and under this Mortgage, including any Future Advances;

C. Pay, with interest, any amounts that the Holder spends under this Mortgage to protect the value of the Property and the Holder's rights in the Property;

D. Keep all of your other promises and agreements under the Note and this Mortgage; or

E. Keep all of your promises and agreements under the Kalanipu'u Vacation Ownership Program Purchase Agreement and under the Kalanipu'u Vacation Ownership Program Buyer's Acknowledgements pertaining to the Property, which you signed prior to this Mortgage.

III. **DESCRIPTION OF THE PROPERTY**.

You give the Holder rights in the Property which is described in subparagraphs A through F below:

A. An Ownership Interest or Ownership Interests in the Kalanipu'u Vacation Ownership Program, which is a vacation ownership program established by the Declaration, which includes (1) an ownership share or shares in a certain Unit or Units in the Kalanipu'u Condominium (the "Condominium"), which ownership share or shares established under the Declaration is (are) specified in Exhibit "A;" (2) for each ownership share, the right to reserve or confirm and then use for a period of approximately one (1) week, either (i) a Unit specified on Exhibit "A" if the ownership share or share(s) is on a "Fixed Unit Rights" basis, or (ii) a Unit in the Condominium of the same type as the particular Unit in which a share is owned, if the ownership share or share(s) is on a "Floating Unit Rights" basis, in

either case every year or every other year, all as specified in Exhibit "A;" and (3) membership in the Kalanipu'u Vacation Owners Association (the "Vacation Owners Association").

B. All rights granted to you by Condominium Documents and the Program Documents;

C. All rights in other property that you have as owner of the Ownership Interest(s) described in Paragraph A of this section. These rights are known as "easements, profits and appurtenances attached to the property;"

D. All rights that you have in all fixtures that are now or in the future will be on the property described in Paragraph A of this section, and all replacements of and additions to those fixtures. Usually, fixtures are items that are physically attached to buildings, such as hot water heaters;

E. All of the rights and property described in Paragraphs B and C of this section that you acquire in the future; and

F. All replacements of or additions to the property described in Paragraph C of this section.

IV. **BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY.**

You here and now promise that except for the encumbrances listed in Exhibit "A" to this document: (A) You lawfully own the Property; (B) You have the right to mortgage, grant and convey the Property to the Holder; and (C) There are no outstanding claims or charges against the Property.

You here and now give a general warranty of title to the Holder. This means that you will be fully responsible for any and all losses which the Holder suffers because someone other than you has some of the rights in the Property which you promise that you have and are mortgaging to the Holder. You promise that you will defend your ownership of the Property against any claims of such rights.

V. **YOUR PROMISES**.

You promise and you agree with the Holder as follows:

A. **BORROWER'S PROMISE TO PAY PRINCIPAL AND INTEREST UNDER THE NOTE AND TO FULFILL OTHER PAYMENT OBLIGATIONS**. You will promptly pay to the Holder when due: the Debt, both Principal and Interest, under the Note; late charges and other charges, fees and costs stated in the Note; and all sums due under any part of this Mortgage.

B. **HOLDER'S APPLICATION OF BORROWER'S PAYMENTS**. Unless the law requires otherwise, the Holder will apply each of your payments under the Note and this Mortgage in the following order and for the following purposes:

1. First, to pay amounts payable by Borrower for taxes, assessments and other obligations, if any, under Paragraph C of this section;

2. Next, to pay, with interest, any amounts that the Holder spends under this Mortgage to protect the value of the Property and the Holder's rights in the Property;

3. Next, to the costs, fees, expenses and other amounts incurred and advanced by the Holder in the enforcement of its rights hereunder, including without limitations, costs and reasonable attorneys' fees;

4. Next, to pay any service fee charged by the Holder;

5. Next, to pay Interest then due under the Note;

6. Next, to pay Principal then due under the Note;

7. Next, to pay late charges and other charges and costs you promise to pay under the Note or this Mortgage;

8. Next, to pay interest on any Future Advances made pursuant to Paragraph X of this section; and

9. Last, to pay principal on any Future Advances made pursuant to Paragraph X of this section.

C. **AGREEMENTS ABOUT REAL PROPERTY TAXES, ASSESSMENTS FOR THE CONDOMINIUM PROJECT AND VACATION OWNERSHIP PROGRAM, AND OTHER CHARGES**. You promise to pay all real property taxes (which should be included in the assessment made by the Vacation Owners Association), charges from both the Condominium Association and the Vacation Owners Association, and all other charges and fines of every kind imposed on or in any way related to the Property and its use. It does not matter who is billed for these charges. For example, even if the Holder or the Management Company for the Vacation Owners Association is billed, you must pay.

Subject to applicable law, upon written request by Holder to Borrower, Borrower shall pay to Holder on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of Borrower's share of any taxes and assessments relating to the subject Property encumbered by this Mortgage and one-twelfth of the Borrower's share of the annual maintenance fee or assessment due to the Vacation Owners Association or the Condominium Association, or such other amounts or for such other periods other than monthly, e.g. quarterly, all as reasonably estimated initially and from time to time by Holder on the basis of assessments and bills and reasonable estimates thereof.

If Holder exercises this right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Holder shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes and assessments. Holder may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling old assessments and bills, unless Holder pays to Borrower interest on the Funds and applicable law permits Holder to make such a charge. Unless applicable law requires, Holder shall not be required to pay Borrower any interest or other earnings on the Funds. Holder shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Holder, together with the future monthly installments of Funds payable prior to the due dates of taxes and assessments shall exceed the amount required to pay such taxes and assessments, as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Holder shall not be sufficient to pay taxes and assessments as they fall due, Borrower shall pay to Holder any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Holder to Borrower requesting payment thereof, but in no event shall Holder require payment in advance for taxes and assessments to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

Upon payment in full of all sums secured by this Mortgage, Holder shall promptly refund to Borrower any funds held by Holder. If the Property is sold or the Property is otherwise acquired by Holder, Holder shall apply, no later than immediately prior to the sale of the Property or its acquisition by Holder, any Funds then held by Holder as a credit against the sums secured by this Mortgage.

Without limiting the general nature of the promise made in the preceding paragraph of this Paragraph C, you will pay all taxes, assessments, and any other charges and fines that may now or later be imposed on the Property and that may be superior to this Mortgage. You will do this either by making the payments to the Vacation Ownership Association, or by making payments, when they are due, directly to the persons entitled to them. (In this Mortgage, the word "person" means any person, organization, governmental authority, or other party.) If you make direct payments, then, promptly after making any of those payments, you will give the Holder a receipt which shows that you have done

so. You will promptly pay, when they are due, all assessments imposed by the Condominium Association and the Vacation Owners Association.

Any claim, demand or charge that is made against the Property because an obligation has not been fulfilled is known as a lien. You will promptly pay or satisfy all liens against the Property that may be superior to this Mortgage. This Mortgage does not, however, require you to satisfy a superior lien if: (A) You agree, in writing, to pay the obligation which gave rise to the superior lien and the Holder approves the way in which you agree to pay that obligation; or (B) You, in good faith, argue or defend against the superior lien in a lawsuit so that during the lawsuit, the superior lien may not be enforced, and no part of the Property must be given up.

D. **HAZARD INSURANCE**. Since the Property consists, in part, of an interest in a unit in a condominium project, as well as an interest in a vacation ownership program, the Condominium Association and/or the Vacation Owners Association will typically maintain a hazard insurance policy which covers all buildings and other improvements that now are or in the future will be located in the project or in the Unit, covering loss or damage caused by fire, hazards normally covered by special form insurance policies and other hazards. Such a policy may be referred to as the "master policy." So long as the master policy remains in effect and satisfies the requirements stated in this Paragraph D, you are not required to obtain and maintain separate hazard insurance on the Property. In the event that the Condominium Association or the Vacation Owners Association does not maintain a master policy covering the Condominium or property in the Condominium and in the Unit, or such master policy, in the Holder's reasonable opinion, is not sufficient to adequately protect Holder's security interest in the Property, the Holder shall have the right to require you to obtain and maintain hazard insurance to cover the Property in the amounts and for the periods of time required by the Holder. In the event that the insurance policy you obtain contains provisions, known as "co-insurance requirements," that limit the insurance company's obligation to pay claims if the amount of coverage is too low, the Holder may require you to obtain an amount of coverage up to the larger of the following two amounts: (1) the amount that you owe to the Holder under the Note and under this Mortgage; or (2) the amount necessary to satisfy the co-insurance requirements.

All insurance which you are required to obtain shall be carried with companies selected by you, which companies shall be authorized to do business in the State of Hawaii, and the Holder may require that the policies and renewals thereof be held by the Holder and have attached thereto loss payable clauses in favor of and in form acceptable to the Holder. You will pay the premiums on the insurance policies by paying the insurance company directly when the premium payments are due. If the Holder requires, you will promptly give the Holder all receipts of paid premiums and all renewal notices that you receive.

If there is a loss or damage to the Property, you will promptly notify the Vacation Owners Association, the Condominium Association and the Holder, if a master policy is obtained and maintained for the Condominium and/or the Program, or the insurance company and the Holder if you are required to obtain the insurance coverage. If you do not promptly prove to the insurance company that the loss or damage occurred, then the Holder may do so.

The amount paid by the insurance company is called "proceeds." The proceeds from any insurance obtained by the Vacation Owners Association, the Condominium Association or you must be used to repair or to restore the damaged property unless: (a) it is not economically possible to make the repairs or restoration; or (b) the use of the proceeds for that purpose would lessen the protection given to the Holder by this Mortgage; or (c) the Holder and you have agreed in writing not to use the proceeds for that purpose. If the repair or restoration is not economically possible or if it would lessen the Holder's protection under this Mortgage, then the proceeds applicable to the Property will be used to reduce the amount that you owe to the Holder under the Note and under this Mortgage. In addition, since a portion of the Property consists of an interest in a Unit in the Condominium and Program, it is possible that proceeds under the master policy will be paid to you instead of being used to repair or to restore the damaged property. You give the Holder your rights to those proceeds, which will be paid to the Holder, and will be used to reduce the amount that you owe to the Holder under the Note and under this Mortgage. If any of the proceeds remain after the amount that you owe to the Holder has been paid in full, the remaining proceeds will be paid to you. The use of proceeds to reduce the amount that you owe to the Holder will not be a prepayment that is subject to the prepayment charge provisions, if any, under the Note or this Mortgage.

If you abandon the Property, or if you do not answer, within thirty (30) days, a notice from the Holder stating that the insurance company has offered to settle a claim for insurance benefits, then the Holder has the authority to collect the proceeds. The Holder may then use the proceeds to repair or restore the damaged property or to reduce the amount that you owe to the Holder under the Note and under this Mortgage. The thirty (30) day period will begin on the date the notice is mailed or, if it is not mailed, on the date the notice is delivered.

If any proceeds are used to reduce the amount of Principal which you owe to the Holder under the Note, that use will not delay the due date or change the amount of any of your monthly payments under the Note and under Paragraph A of this Section V. You and the Holder may, however, agree in writing to those delays or changes.

If the Holder acquires the Property under Paragraph P of this Section V, all of your rights in the insurance policies will belong to the Holder. Also, all of your rights in any proceeds which are paid because of damage that occurred before the Property is acquired by the Holder or sold will belong to the Holder. The Holder's rights in those proceeds will not, however, be greater than the amount that you owe to the Holder under the Note and under this Mortgage immediately before the Property is acquired by the Holder or sold.

If there is a conflict concerning the use of proceeds between the terms of this Paragraph D and the law or the terms of the Condominium Documents and/or the Program Documents, then that law or the terms of those documents will govern the use of proceeds. You will promptly give the Holder notice if the master policy or the insurance policy you obtain is interrupted or terminated.

E. **BORROWER'S OBLIGATION TO MAINTAIN THE PROPERTY, AND AGREEMENTS ABOUT THE CONDOMINIUM AND THE PROGRAM**.

1. **AGREEMENTS ABOUT MAINTAINING THE PROPERTY**. You will keep the Unit you occupy in good repair during the time you occupy that Unit. You will not destroy, damage or substantially change the Unit. Without limiting the general nature of your obligations, you promise not to store in or use on the Condominium any hazardous materials, drugs or other contraband, or to permit any person you allow to use your Ownership Interest to do so.

2. **AGREEMENTS THAT APPLY TO THE CONDOMINIUM PROJECT AND VACATION OWNERSHIP PROGRAM**. Since the Property is an interest in a Unit in the Condominium and the Program, you will fulfill all of your obligations under the Condominium Documents and Program Documents. Also, you will not divide the Property into smaller parts that may be owned separately (known as "partition"). You will not consent to certain actions unless you have first given the Holder notice, and obtained the Holder's consent in writing. Those actions are:

a. The abandonment or termination of the Condominium or the Program unless the abandonment or termination is required by law;

b. Any significant change to the Condominium Documents or Program Documents, including, for example, a change in the percentage of ownership rights held by apartment owners in the Condominium or a change in the percentage of ownership rights held by vacation ownership owners in Units in the Program; or

c. A decision by the Condominium Association or the Vacation Owners Association to terminate professional management and to begin self-management of the Condominium or the Program.

You promise that you will do everything in your power so that the Condominium Association and the Vacation Owners Association will each comply fully with the documents creating and governing the Condominium and the Program, respectively.

F. **HOLDER'S RIGHT TO TAKE ACTION TO PROTECT THE PROPERTY** If: (1) You do not keep your promises and agreements made in this Mortgage, or (2) someone, including you, begins a legal proceeding that may significantly affect the Holder's rights in the Property (such as, for example, a legal proceeding in bankruptcy, in probate,

for condemnation, or to enforce laws or regulations), then the Holder may do and pay for whatever is necessary to protect the value of the Property and the Holder's rights in the Property. The Holder's actions under this Paragraph F may include, for example, appearing in court, and paying reasonable attorney's fees and court costs. The Holder must give you notice before the Holder may take any of these actions.

You will pay to the Holder any amounts, with interest, which the Holder spends under this Paragraph F. This Mortgage will protect the Holder in case you do not keep this promise to pay those amounts, with interest.

You will pay those amounts to the Holder when the Holder sends you a notice requesting that you do so. You will also pay interest on those amounts at the same rate stated in the Note. If, however, payment of interest at that rate would violate the law, you will pay interest on the amounts spent by the Holder under this Paragraph F at the highest rate that the law allows. Interest on each amount will begin on the date that the amount is spent by the Holder. The Holder and you may, however, agree in writing to terms of payment that are different from those in this Paragraph F.

Although the Holder may take action under this Paragraph F, the Holder is not required to do so.

G. **HOLDER'S RIGHT TO INSPECT THE CONDOMINIUM**. The Holder, and others authorized by the Holder, may enter on and inspect the Condominium. They must do so in a reasonable manner and at reasonable times. You agree to take such action as may be required for Holder to conduct such an inspection. Before any one of those inspections is made, the Holder must give you notice stating a reasonable purpose for the inspection. That purpose must be related to the Holder's rights in the Property.

H. **AGREEMENTS ABOUT CONDEMNATION OF THE PROPERTY**. A taking of property by any governmental authority by eminent domain is known as "condemnation." Subject to provisions in the documents that create and govern the Condominium and the Program, you and the Holder make the following agreements about condemnation of the Property:

You give to the Holder your right to the proceeds of all awards or claims for damages resulting from condemnation or other governmental taking of the Property (or a portion thereof) and to the proceeds from a sale of the Property (or a portion thereof) that is made to avoid condemnation. All of those proceeds will be paid to the Holder.

If all of the Property is taken, the proceeds will be used to reduce the amount that you owe to the Holder under the Note and under this Mortgage. If any of the proceeds remain after the amount that you owe to the Holder has been paid in full, the remaining proceeds will be paid to you. Unless the Holder and you agree otherwise in writing, if only a part of the Property is taken, the amount that you owe to the Holder will only be reduced by the amount of proceeds multiplied by the following amount: (1) the total amount that you owe to the Holder under the Note and under this Mortgage immediately before the taking, divided by (2) the fair market value of the Property immediately before the taking. The remainder of the proceeds will be paid to you. The use of proceeds to reduce the amount that you owe to the Holder will not be a prepayment that is subject to the prepayment charge provisions, if any, under the Note or this Mortgage.

If you abandon the Property, or if you do not answer within thirty (30) days, a notice from the Holder stating that a governmental authority has offered to make a payment or to settle a claim for damages, then the Holder has the authority to collect the proceeds. The Holder may then use the proceeds to repair or restore the damaged property or to reduce the amount that you owe to the Holder under the Note and under this Mortgage. The thirty (30) day period will begin on the date the notice is mailed or, if it is not mailed, on the date the notice is delivered.

If any proceeds are used to reduce the amount of principal which you owe to the Holder under the Note, that use will not delay the due date or change the amount of any of your monthly payments under the Note. The Holder and you may, however, agree in writing to those delays or changes.

I. **CONTINUATION OF HOLDER'S RIGHTS**. Even if the Holder does not exercise or enforce any right of the Holder under this Mortgage or under the law, the Holder will still have all of those rights and may exercise and enforce them in the future. Even if the Holder obtains insurance, pays taxes or pays other claims, charges or liens

against the Property, the Holder will still have the right, under Paragraph P of this Section V, to demand that you make Immediate Payment In Full (see Paragraph P of this Section V for a definition of this phrase) of the amount that you owe to the Holder under the Note and under this Mortgage.

J. **HOLDER'S ABILITY TO ENFORCE MORE THAN ONE OF HOLDER'S RIGHTS**. Each of the Holder's rights under this Mortgage is separate. The Holder may exercise and enforce one or more of those rights, as well as any of the Holder's other rights under the law, one at a time or some or all at once.

K. **JOINT AND SEVERAL LIABILITY; AGREEMENTS CONCERNING CAPTIONS**. If more than one person signs this Mortgage as Borrower, each of you is fully obligated to keep all of Borrower's promises and obligations contained in this Mortgage. The Holder may enforce the Holder's rights under this Mortgage against each of you individually or against some or all of you together. This means that any one of you may be required to pay all of the amounts owed under the Note and under this Mortgage. The captions and titles of this Mortgage are for convenience only. They may not be used to interpret or to define the terms of this Mortgage.

L. **AGREEMENTS ABOUT GIVING NOTICES REQUIRED UNDER THIS MORTGAGE**. Unless the law or this Mortgage requires otherwise, any notice that must be given to you under this Mortgage will be given by delivering or telecopying it to you or by mailing it addressed to you at the address for giving notices stated in Paragraph B of Section I above entitled "Defined Terms." The Holder does not have to send the notice to every Borrower at each of the Borrower's addresses, if there is more than one Borrower. A notice will be delivered at a different address if you give the Holder a notice of your different address for notices in writing. Any notice that must be given to the Holder under this Mortgage will be given by mailing it to the Holder's address stated in Paragraph C of Section I above entitled "Defined Terms." A notice will be mailed to the Holder at a different address if the Holder gives you a notice of the different address. A notice required by this Mortgage is given (and will be deemed to be received) when it is mailed or when it is delivered or telecopied according to the requirements of this Paragraph L.

M. **AGREEMENTS ABOUT LAWSUITS AND THE LAW THAT GOVERNS THE NOTE AND THIS MORTGAGE**.

1. The law that will govern the Note and this Mortgage is the law of the State in which the Property is located. This governing law is the law of the State of Hawaii, which will control except to the extent that federal law may apply. If any term of this Mortgage or of the Note conflicts with the law, all other terms of this Mortgage and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

2. To the extent permitted by applicable law, any lawsuit or other proceeding involving the Note or this Mortgage must be filed only in Courts of the State of Hawaii or the United States Federal District Court for the District of Hawaii. Neither you nor the Holder is allowed to do anything to defeat the power and right (called "jurisdiction" and "venue") of these courts to handle any such lawsuit or other proceeding, since it is intended that any such lawsuit or proceeding be resolved in Hawaii where the Property is located, and because the Note and this Mortgage are subject to Hawaii law. Even if you are not a citizen or resident of the State of Hawaii, you submit yourself to the jurisdiction and venue of such courts for all purposes involving the Note and this Mortgage. All rights you have to a jury trial in any such lawsuit or proceeding you here and now "waive." It is intended that any disputes be submitted to a judge for resolution.

N. **BORROWER'S COPY OF THE NOTE AND OF THIS MORTGAGE**. You will be given a copy of the Note and of this Mortgage showing that these documents have been signed. You will be given those copies either when you sign the Note and this Mortgage or after this Mortgage has been officially recorded in the proper official records. If you do not receive these copies you may insist that Marriott give them to you, but you still must keep all of the promises that you make in these documents.

O. **PROHIBITION ON ASSUMPTION OF THIS MORTGAGE AND HOLDER'S RIGHTS IF BORROWER TRANSFERS THE PROPERTY**. This Mortgage and the Note may not be transferred by you to anyone else. The Holder expects you to pay all amounts due and to keep all of the promises stated in these documents. It would not have extended credit to you if it realized that you would have someone else assume your obligations. Thus, if you sell or transfer the Property, unless indicated otherwise below, the Holder will have the right to require Immediate Payment In Full (this term is explained in Paragraph P below). The Holder will not have the right to require Immediate Payment In Full, however, as a result of certain transfers. Those transfers are:

1. The creation of liens or other claims against the Property that are inferior to this Mortgage;

2. A transfer of the Property to surviving co-owners following the death of a co-owner when the transfer is automatic according to law; and

3. Any other transfer which under federal law may be made without giving the Holder the right to require Immediate Payment in Full.

If the Holder requires Immediate Payment In Full under this Paragraph O, the Holder will send you in the manner described in Paragraph L of this Section V, a notice which states this requirement. The notice will give you at least ten (10) days to make the required payment. The ten (10) day period will begin on the date the notice is mailed or if it is not mailed, on the date the notice is delivered. If you do not make the required payment during that period, the Holder may bring a lawsuit for foreclosure and sale under Paragraph P of this Section V without giving you any further notice or demand for payment or may foreclose under power of sale under Paragraph P of this Section V. (See Paragraph P of this Section V for definitions of "foreclosure and sale" and "under power of sale").

P. **HOLDER'S RIGHTS IF BORROWER FAILS TO KEEP PROMISES AND AGREEMENTS**. If you do not keep your promises and agreements made in the Note or this Mortgage, the Holder may take any action against you that is allowed by law or this Mortgage. For example, the Holder may sue you to collect any money you owe the Holder with or without also suing to foreclose and sell the Property (foreclosure and sale is explained later in this Paragraph P); to stop you from breaking your promises and agreements (known as an action to enjoin); or to force you to keep your promises and agreements (known as an action for specific performance).

If all of the conditions stated in the following subparagraphs 2.a, b and c of this Paragraph P are satisfied, the Holder may also require that you pay immediately the entire amount then remaining unpaid under the Note and under this Mortgage (known as an "acceleration" of the Debt). The Holder may do this without making any further demand for payment. This requirement will be called "Immediate Payment In Full."

If the Holder requires Immediate Payment In Full, the Holder:

1. May bring a lawsuit to take away all of your remaining rights in the Property and to have the Property sold. At this sale the holder or another person may acquire the Property. This is known as "foreclosure and sale." In any lawsuit for foreclosure and sale, the Holder will have the right to collect all costs allowed by law; or

2. May foreclose under power of sale. This means that the Holder may have all of your remaining rights in the Property taken away and have the Property sold without having to file a lawsuit. To do this, the Holder must comply with the law on foreclosure under power of sale that is stated in Chapter 667 of the Hawaii Revised Statutes, as amended.

The Holder may require Immediate Payment In Full under this Paragraph P only if all of the following conditions are satisfied:

a. You fail to keep any promise or agreement made in this Mortgage, including the promises to pay when due the amounts that you owe to the Holder under the Note and under this Mortgage; and

b. The Holder sends to you, in the manner described in Paragraph L of this Section V, a notice that states:

(1) The promise or agreement that you failed to keep;

(2) The action that you must take to correct that failure;

(3) A date by which you must correct the failure. That date must be at least ten (10) days from the date on which the notice is mailed to you, or if it is not mailed, from the date on which it is delivered to you;

(4) That if you do not correct the failure by the date stated in the notice, you will be in default and the Holder may require Immediate Payment In Full, and the Holder or another person may acquire the Property by means of foreclosure and sale or under power of sale;

(5) That you may speak with a named representative of the Holder to discuss any questions which you have about the matters stated in the notice;

(6) That if you satisfy the conditions stated in Paragraph P of this Section V, you will have the right to have any lawsuit for foreclosure and sale discontinued and to have the Note and this Mortgage remain in full effect as if Immediate Payment In Full had never been required; and

(7) That you have the right in any lawsuit for foreclosure and sale to argue that you kept your promises and agreements under the Note and under this Mortgage, and to present any other defenses that you may have.

c. You do not correct the failure stated in the notice from the Holder by the date stated in that notice.

To sell the Property in foreclosure, the Holder may sign and deliver a legal document sufficient to transfer the Property to the purchaser at the foreclosure sale. You give the Holder the power and right to sign and deliver such a document on your behalf, and you may not and cannot take this power and right away from the Holder. In legal terms, you appoint the Holder as your "attorney-in-fact," which appointment is coupled with an interest and, therefore, is irrevocable even if you die or become incompetent.

The proceeds from any foreclosure and sale, whether by lawsuit or under power of sale, shall be applied: (i) first to pay all costs and expenses of the sale, including court costs and attorney's fees, and (ii) then as stated in Paragraph B of this Section V. If, however, the proceeds are not sufficient to pay all these sums and all the other sums you owe the Holder, unless waived by the Holder, you must still pay the Holder the difference (known as the "deficiency"). You promise to pay any deficiency on demand from the Holder. The Holder may force you to keep your promise to pay any deficiency, even if you have lost all rights to the Property and even if the laws of the place where you live (your "home state" if you do not live in Hawaii), would not permit the Holder to enforce this promise if the Property were located there. The Holder may take any action against you to collect the deficiency, plus all of the Holder's costs of collection, including its attorney's fees, that is allowed by law and this Mortgage.

Q. **BORROWER'S RIGHT TO HAVE HOLDER'S FORECLOSURE AND SALE DISCONTINUED**. Even if the Holder has required Immediate Payment In Full, you may have the right to have discontinued any lawsuit brought by the Holder for foreclosure and sale or any foreclosure under power of sale or for other enforcement of this Mortgage. You will have this right at any time before a judgment has been entered enforcing this Mortgage, or before the sale is made by a foreclosure under power of sale, if you satisfy the following conditions:

1. You pay to the Holder the full amount that would have been due under this Mortgage and the Note, if the Holder had not required Immediate Payment In Full;

2. You correct your failure to keep any of your other promises or agreements made in this Mortgage;

3. You pay all of the Holder's reasonable expenses in enforcing this Mortgage including, for example, reasonable attorney's fees; and

4. You do whatever the Holder reasonably requires to assure that the Holder's rights in the Property, the Holder's rights under this Mortgage, and your obligations under the Note and under this Mortgage continue unchanged.

If you fulfill all of the conditions in this Paragraph Q, then the Note and this Mortgage will remain in full effect as if Immediate Payment In Full had never been required.

If, however, you do not fulfill all of these conditions, you (and all persons who have or claim rights in the Property that depend on your rights in the Property) will lose all rights to the Property, and will not have any right to get them back. In legal terms, you (and such other persons) will have no "redemption rights."

R. **HOLDER'S RIGHTS TO RENTAL PAYMENTS FROM THE PROPERTY AND TO TAKE POSSESSION OF THE PROPERTY**. As additional protection for the Holder, you give to the Holder all of your rights to any rental payments from the Property. Until the Holder requires Immediate Payment In Full under Paragraphs O or P of this Section V, however, or until you abandon the Property, you have the right to collect and keep those rental payments as they become due. You have not given any of your rights to rental payments from the Property to anyone else, and you will not do so without the Holder's consent in writing.

If the Holder requires Immediate Payment In Full under Paragraphs O or P of this Section V, or if you abandon the Property, then the Holder, persons authorized by the Holder, or a receiver appointed by a court at the Holder's request may: (1) collect the rental payments, including overdue rental payments, directly from the occupants; (2) take possession of and assume all rights pertaining to the Property; (3) manage the Property; and (4) sign, cancel and change leases or other agreements with respect to the Property. You agree that if the Holder notifies the occupants that the Holder has the right to collect rental payments directly from them under this Paragraph R, the occupants may make those rental payments to the Holder without having to ask whether you have failed to keep your promises and agreements under this Mortgage.

If there is a judgment for the Holder in a lawsuit for foreclosure and sale, you will pay to the Holder reasonable rent from the date the judgment is entered for as long as you continue to have the right to occupy the Property. This does not, however, give you the right to occupy the Property.

All rental payments collected by the Holder or by a receiver other than the rent paid by you under this Paragraph R will be used first to pay the costs of collecting rental payments and of managing the Property. If any part of the rental payments remain after those costs have been paid in full, the remaining part will be used to reduce the amount that you owe to the Holder under the Note and under this Mortgage. The costs of managing the Property may include the receiver's fees, reasonable attorney's fees and the cost of any necessary bonds. The Holder and the receiver will be obligated to account only for those rental payments that such receiver actually receives.

S. **HOLDER'S OBLIGATION TO DISCHARGE THIS MORTGAGE WHEN THE NOTE AND THIS MORTGAGE ARE PAID IN FULL**. When the Holder has been paid all amounts due under the Note and under this Mortgage, the Holder will discharge this Mortgage by delivering a certificate stating that this Mortgage has been satisfied. You will not be required to pay the Holder for the discharge, but you must pay all costs of recording the discharge in the proper official records.

T. **AGREEMENT ABOUT USURY**. Usury laws are laws that control the amount of interest that may be legally paid. You and the Holder intend to comply with the applicable Hawaii usury laws. If, however, it is determined

that any part of any Interest payment you make would be in excess of the maximum amount allowed by law, that part will be treated as a payment of Principal.

U. **AGREEMENT ABOUT PREPAYMENT**. "Prepayment" means payment of Debt earlier than the time you promise to do so. You may prepay the entire balance at any time as long as you also pay all other amounts you owe the Holder under the Note and this Mortgage. You may prepay any part of the unpaid balance at any time you make a monthly payment. The only effect of a Prepayment will be to reduce the remaining unpaid Principal. You must continue to pay monthly installments in the same amount and on the same schedule as before, until the entire Debt is paid. You will not be charged any penalty or premium for prepaying.

V. **RIGHTS OF THE BORROWER AND THE HOLDER ARE NOT AFFECTED BY LATER PAYMENT OR ANY PREVIOUS LACK OF ENFORCEMENT**. The Holder and you may overlook a violation of any part of the Note or this Mortgage by the other without losing the right to enforcement later of the same or any other part of the Note or this Mortgage. The Holder will not lose enforcement rights even if the Holder accepts any payment you make. The Holder may still take action against you for any default, including your not paying on time.

W. **COLLECTION AGENCY AND COSTS**. The Holder has the right at any one or more times to hire an agent (and to change this agent) to collect the payments due from you under the Note and this Mortgage. You must pay the costs of establishing any such collection agency and the fee charged by that agency for servicing your account. You must also pay any fees charged by any such collection agent due to any late payments you make or any other failure by you to keep your promises made in the Note and this Mortgage.

X. **FUTURE ADVANCES**. Upon request by Borrower, Holder, at Holder's option, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed one hundred fifty percent (150%) of the original amount of the Note.

Y. **SECURITY AGREEMENT**. This document is both a mortgage of all interests in real property and a security agreement under the Uniform Commercial Code (the "Code") as to all personal property and fixtures which may be described in this document. Therefore, the Holder has and may enforce a security interest in the personal property and fixtures, and will have all rights of a secured party under the Code. This remedy, however, will not preclude the Holder from pursuing any other remedy available to the Holder.

Z. **NOTICE REGARDING INSURANCE**. Notice is hereby given by the Holder (Marriott) to You (Borrower/Mortgagor) that you (Borrower/Mortgagor) are free to procure any insurance policy required by this instrument from any insurance company authorized to do business in the State of Hawaii.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Borrower(s) has signed this Mortgage as of the day and year first above written.

Borrower «PURCHASE_NAME_1»

Borrower «PURCHASE_NAME_2»

Borrower «PURCHASE_NAME_3»

Borrower «PURCHASE_NAME_4»

STATE OF _____)
) SS.
COUNTY OF _____)

On this _____ day of _____, 20__, before me personally appeared «LEGAL_NAME» to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

_____
Notary Public, State of _____

Printed Name: _____

My commission expires: _____

(Official Stamp or Seal)

[Below Notary Certification to be completed by Hawaii Notary Only]

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: **Mortgage, Security Agreement and Financing Statement with Power of Sale**

Doc. Date: _____, ____ or ☐ Undated at time of notarization

No. of Pages: _____ Jurisdiction: _____ Circuit
(in which notarial act is performed)

_____
Signature of Notary Date of Notarization and Certification Statement

_____ (Official Stamp or Seal)
Printed Name of Notary

(ADDITIONAL ACKNOWLEDGEMENT, IF BORROWER(S) SIGN BEFORE DIFFERENT NOTARIES)

STATE OF _____)
) SS.
COUNTY OF _____)

On this _____ day of _____, 20__, before me personally appeared _____ to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

_____
Notary Public, State of _____

Printed Name: _____

My commission expires: _____

(Official Stamp or Seal)

[Below Notary Certification to be completed by Hawaii Notary Only]

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: **Mortgage, Security Agreement and Financing Statement with Power of Sale**

Doc. Date: _____, ____ or ☐ Undated at time of notarization

No. of Pages: _____ Jurisdiction: _____ Circuit
(in which notarial act is performed)

_____
Signature of Notary Date of Notarization and Certification Statement

_____ (Official Stamp or Seal)
Printed Name of Notary

EXHIBIT “A”

«EOB_DESC» Year Ownership

«WEEK_CNT_TEXT» («WEEK_CNT») Ownership Interest(s) with Fixed Time Rights and «KN_6» Unit Rights; identified as Vacation Ownership Interest No. «UNIT_BLDG_WEEK_TEXT»; and

as applicable, in the Kalanipu’u Vacation Ownership Program (“Program”) consisting of the following:

I. «WEEK_CNT_TEXT» («WEEK_CNT») fee simple «EOB_DESC» Year Ownership Share(s) in the Program consisting of an undivided «WEEKS_PER_VILLA» as tenant in common with the holders of other undivided interests in and to the following:

(A) Unit No(s). «VILLA_LIST» (“Unit”) respectively, of the condominium project (“Project”) known as “KALANIPU’U CONDOMINIUM,” as established by that certain Declaration of Condominium Property Regime (“Condominium Declaration”) dated February 22, 2010, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2008-040614 as amended, and as shown on the plans thereof filed in the Bureau of Conveyances as Condominium Map No. 4598, as the same may be amended from time to time. The description of the land set forth in the Declaration is incorporated herein by this reference.

EXCEPTING AND RESERVING easements through the Unit appurtenant to the common elements of the building and all other units for the support and repair of the common elements of the building and all other units;

TOGETHER WITH:

(1) nonexclusive easements in the common elements designated for such purposes for ingress to, egress from, utility services for, and support, maintenance and repair of the Unit; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as provided in the Condominium Declaration, and in all other units and limited common elements of said building for support; and

(2) The right to use those certain limited common elements of the Project, if any, which are described in the Condominium Declaration as being appurtenant to the Apartment, provided that such easement shall be deemed conveyed or encumbered with the Apartment even though such interest is not expressly mentioned or described in the conveyance.

SUBJECT to easements for the encroachment by any part of the common elements of the Project now or hereafter existing thereon and for entry as may be necessary for the operation of the Project or for making repairs therein as provided in the Declaration.

SUBJECT, HOWEVER, to the encumbrances listed in Exhibit A to the Condominium Declaration and to the terms and provisions of the Condominium Declaration, as well as the terms and provisions of the Bylaws of the Association of Unit Owners of Kalanipu’u dated the same date as the Declaration and recorded in the Bureau as Document No. 2008-040615, as the same may have been or may be hereafter amended or restated from time to time (the “Bylaws”).

(B) «KN_5», as established by the Condominium Declaration, in and to the common elements of the Project, including the land, as tenant in common with the holders of other undivided interests in and to said common elements.

SUBJECT as to the common elements to nonexclusive easements appurtenant to all units for ingress, egress, support and repair, and further subject to the right of all other unit owners to use the common elements of the buildings.

II. The exclusive right to reserve or confirm and then use and occupy «KN_2» in accordance with, and subject to, that certain Kalanipu'u Vacation Ownership Program Declaration of Covenants, Conditions and Restrictions dated February 5, 2010, recorded in the Bureau as Document No. 2010-018377, as the same have been or may be amended or otherwise modified from time (the "Declaration") and Reservation Procedures as defined in the Declaration, together with the right in common with owners of all other Units to use and enjoy the common elements of the Condominium during the Use Period assigned to each Ownership Interest.

III. Membership in the Kalanipu'u Vacation Owners Association, a Hawaii nonprofit corporation.

SUBJECT, HOWEVER, to all encumbrances of record and limitations, including those set forth in the Declaration and in the Deed.

MVC TRUST SAMPLE

[UPON CLOSING OF THE PURCHASE TO WHICH THIS NOTE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT OR HOLDER TO COMPLETE THIS NOTE BY INSERTING THE DATE OF THE NOTE AND APPLICABLE DATES FOR COMMENCEMENT OF PAYMENTS DUE HEREUNDER, THE MONTHLY PAYMENT DATE AND THE FINAL PAYMENT DATE.]

NOTE SECURED BY MORTGAGE

Interest Numbers:_____

MVC Trust

US$_____ _____, 20__

FOR VALUE RECEIVED, the undersigned _____ ("**Borrower(s)**") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS, INC. ("MORI") (said party or any other party to whom MORI may transfer and assign this Note and who holds this Note from time to time is hereinafter called the "**Holder**"), Post Office Box 8038, Lakeland, Florida 33802, or order, the principal sum of _____ _____ U.S. Dollars (US $_____), with interest on the unpaid balance from _____, until paid, at the rate of _____ percent per annum (____%) (calculated on the basis of a 360 day year, collected for the actual number of days principal is outstanding in any calendar year). Principal and interest shall be payable in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may, from time to time, designate, in consecutive monthly installments of _____ U.S. Dollars (US $ _____), on the ____ day of each month and continuing thereafter on the same day of each month beginning _____, for a period of _____ months with the remaining unpaid principal balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

The indebtedness evidenced by this Note is secured by a Mortgage, dated of even date herewith, creating a lien on the real property described therein (the "**Property**"). Reference is made to said Mortgage as to MORI's/Holder's/Lender's rights as to acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a $_____ service fee.

Borrower(s) shall pay to the Holder a late charge of _____ percent (__%) for any monthly installment not received by the Holder within ten (10) days after the date the installment is due.

Each payment shall be credited first to amounts due pursuant to Paragraph 2 of the Mortgage, then to advances, if any, made by the Lender pursuant to Paragraph 7 of the Mortgage, then to the costs, fees, expenses and other amounts incurred and advanced by the Holder in the enforcement of its rights hereunder, including, without limitation, costs and reasonable attorneys' fees described below, then to unpaid service fees, then to interest due hereunder, then to principal due hereunder, then to unpaid late charges, if any, then to interest on any Future Advances (as defined in the Mortgage), then to principal on any Future Advances.

Borrower(s) may prepay the principal amount outstanding in whole or in part. Any partial prepayment in excess of the interest then accrued shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

Demand, presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be a joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon any one of the following events of default:

a) failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from the Holder to Borrower(s);

b) failure of Borrower(s) to perform any other covenant or agreement of Borrower(s) in this Note or the Mortgage within fifteen (15) days after the mailing of notice from the Holder to the Borrower(s) specifying the nature of such failure; and

c) the insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s).

The Holder may exercise this option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, reasonable attorneys' fees, whether or not action be instituted hereon, as well as actual costs of trial and appellate proceedings.

In the event of any default by the Borrower(s) hereunder, Holder at its sole option, may charge the Borrower(s) the highest interest rate allowed by law and/or pursue any and all remedies available to it under applicable law.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given upon depositing same in any U.S. post office, postage prepaid, addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be given by mailing such notice by certified mail, return receipt requested, to the Holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by written notice to Borrower(s). Any notice provided for in this Note shall be deemed to have been given to Borrower(s) or the Holder when given in the manner herein designated.

THIS NOTE SHALL BE GOVERNED BY, CONSTRUED UNDER AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND THE COURTS OF THE STATE OF FLORIDA IN THE COUNTY OF ORANGE SHALL BE THE EXCLUSIVE COURTS OF JURISDICTION AND VENUE FOR ANY LITIGATION OR OTHER PROCEEDING THAT MAY BE BASED ON, ARISE OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, UNLESS OTHERWISE REQUIRED BY LAW. HOLDER AND BORROWER(S) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER EXTENDING THE LOAN EVIDENCED BY THIS NOTE.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that: (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder;

(ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

Time is of the essence in the performance of each and every obligation represented by this Note.

Borrower/Purchaser signs here:

BORROWER'S ADDRESS:

(Execute Original Only)

DOCUMENTARY STAMP TAXES HAVE BEEN PAID AND THE PROPER AMOUNTS AFFIXED TO THE MORTGAGE

MASSACHUSETTS SAMPLE (MVC)

Upon closing of the purchase to which this Note applies, the undersigned hereby authorize(s) closing agent or holder to complete this Note by inserting the date of the Note and the appropriate dates for commencement of payments due hereunder, the monthly payment date and the final payment date.

NOTE SECURED BY MORTGAGE

Unit No./Time-Share Estate No(s):_____
Custom House Leasehold Condominium

US$_____ _____

FOR VALUE RECEIVED, the undersigned _____ ("Borrower(s)") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS, INC., (said party or any other party to whom Marriott Ownership Resorts, Inc. may transfer and assign this Note and who holds this Note from time to time is hereinafter called the "Holder"), Post Office Box 8038, Lakeland, Florida 33802, or order, the principal sum of _____ U.S. Dollars (US $_____), with interest on the unpaid balance from _____, until paid, at the rate of _____ percent per annum (_____%) (calculated based on a 360-day year, collected for the actual number of days principal is outstanding in any calendar year). Principal and interest shall be payable in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may, from time to time, designate, in consecutive monthly installments of _____ U.S. Dollars (US $ _____), on the _____ day of each month and continuing thereafter on the same day of each month beginning _____, for a period of _____ months with the remaining unpaid principal balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

The indebtedness evidenced by this Note is secured by a Mortgage, dated of even date herewith, creating a lien on the real property described therein (the "Property"). Reference is made to said Mortgage for rights as to acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a $4.00 service fee.

Borrower(s) shall pay to the Holder a late charge of six percent (6%) of any monthly installment not received by the Holder within ten (10) days after the date the installment is due.

Each monthly payment will be applied as of its scheduled due date and shall be credited first to amounts due pursuant to Paragraph 2 of the Mortgage, then to advances, if any, made by the Lender (as defined in the Mortgage) pursuant to Paragraph 7 of the Mortgage, then to the costs, fees, expenses and other amounts incurred and advanced by the Holder in the enforcement of its rights hereunder and under the Mortgage, including, without limitation, costs and reasonable attorney's fees, then to unpaid service fees, then to interest due hereunder, then to principal due hereunder, then to unpaid late charges, if any, then to interest on any Future Advances made pursuant to Paragraph 20 of the Mortgage, and then to principal of any Future Advances made pursuant to Paragraph 20 of the Mortgage.

Borrower(s) may prepay the principal amount outstanding in whole or in part. Any partial prepayment in excess of the interest then accrued and any other charges then due shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

Demand, presentment, notice of dishonor, and protest are hereby waived by Borrower(s) and all sureties, guarantors and endorsers hereof. This Note shall be a joint and several obligation of Borrower(s) and all sureties, guarantors and endorsers, and shall be binding upon them and their heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon any one of the following events of default:

a) failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from the Holder to Borrower(s);

b) the insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s) as otherwise provided herein;

c) any breach of the Mortgage securing this Note, including a transfer of any interest in the Property without Holder's consent.

The Holder may exercise this option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, reasonable attorney's fees, whether or not action be instituted hereon, and costs of trial and appellate proceedings.

In the event of any default by the Borrower(s) hereunder, Holder at its sole option, may charge the Borrower(s) interest at the rate of nineteen (19) percent per annum on any payment from Borrower(s) to the Holder which is past due and/or pursue any and all remedies available to it under applicable law.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given upon depositing same in any U.S. post office, postage prepaid, addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be given by mailing such notice by certified mail, return receipt requested, to the Holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by written notice to Borrower(s). Any notice provided for in this Note shall be deemed to have been given to Borrower(s) or the Holder when given in the manner herein designated.

THIS NOTE SHALL BE GOVERNED BY, CONSTRUED UNDER AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MASSACHUSETTS AND THE COURTS OF THE STATE OF MASSACHUSETTS IN THE COUNTY OF SUFFOLK SHALL BE THE EXCLUSIVE COURTS OF JURISDICTION AND VENUE FOR ANY LITIGATION OR OTHER PROCEEDING THAT MAY BE BASED ON, ARISE OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE. HOLDER AND BORROWER(S) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER EXTENDING THE LOAN EVIDENCED BY THIS NOTE.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision of the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall never exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest, that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

Time is of the essence in the performance of each and every obligation represented by this Note.

IN WITNESS WHEREOF, Borrower(s) has/have executed this Note as an instrument under seal.

BORROWER'S ADDRESS:

	Borrower/Purchaser signs here
	Borrower/Purchaser signs here
	Borrower/Purchaser signs here
	Borrower/Purchaser signs here

(Execute Original Only)

MASSACHUSETTS SAMPLE (MVC)

Upon closing of the purchase to which this Mortgage applies, the undersigned hereby authorize(s) closing agent to complete this Mortgage by inserting the appropriate date of the Mortgage and to complete, as necessary, the recording information relating to the documents by which the Time-Share Estate(s) being encumbered by this Mortgage was(were) created.

MORTGAGE

THIS MORTGAGE is made as of _____, between the Mortgagor(s),_____ (herein "Borrower(s)"), whose address is _____, and the Mortgagee, **MARRIOTT OWNERSHIP RESORTS, INC.**, a Delaware corporation, the address of which is Post Office Box 24747, Lakeland, Florida 33802 (said party, its successors and assigns is herein called "Lender").

WHEREAS, Borrower(s) is/are indebted to Lender in the principal sum of _____ U.S. Dollars (US$_____), which indebtedness is evidenced by Borrower's Note of even date herewith (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable _____ months from the date hereof.

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower(s) herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower(s) by Lender pursuant to Paragraph 20 hereof (herein "Future Advances"), Borrower(s) does hereby mortgage, grant and convey to Lender and Lender's successors and assigns with Mortgage Covenants, the following described property located in the County of Suffolk, Commonwealth of Massachusetts:

The Time-Share Estate numbered _____ in Unit Numbers(s) _____ all as contained in the Grant of Time-Share Lease from Lender, as grantor, to Borrower(s), as grantee, of even date with this Mortgage and recorded herewith**.** Said Time-Share Estate(s) is/are in the Custom House Leasehold Condominium created by the Leasehold Master Deed and Time-Share Instrument dated December 12, 1996, and recorded with the Suffolk County Registry of Deeds in Book 21068 at Page 001, as it may have been amended from time to time (the "Master Deed").

And Also, all of the rights, privileges, easements, and interests in common areas appertaining to the above-described property as set forth in the Master Deed and the Operating Agreement and By-Laws of Custom House Leasehold Condominium Association, LLC.

TO HAVE AND TO HOLD unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property are herein referred to as the "Property".

Borrower(s) covenants that Borrower(s) is/are lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Return To: MARRIOTT OWNERSHIP RESORTS, INC.
PO BOX 24747
LAKELAND, FLORIDA 33802

Borrower(s) and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Late Charges and Service Fees. Borrower(s) shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Lender for servicing the loan account and the principal of and interest on any Future Advances secured by this Mortgage.

2. Funds for Condominium Assessments and Insurance. Subject to applicable law, upon written request by Lender to Borrower(s), Borrower(s) shall pay to Lender on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the annual maintenance fee and other charges due under the Master Deed (herein "Condominium Assessments"), or such other amounts or for such other periods other than monthly, e.g., quarterly or one-fourth, etc., all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If Lender exercises the foregoing right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Lender shall apply the Funds to pay said Condominium Assessments. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays to Borrower(s) interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Lender shall not be required to pay Borrower(s) any interest or earnings on the Funds. Lender shall give to Borrower(s), without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, and Condominium Assessments shall exceed the amount required to pay such Condominium Assessments as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower(s) or credited to Borrower(s) future monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay Condominium Assessments as they fall due, Borrower(s) shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Lender to Borrower(s) requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower(s) any Funds held by Lender. If under Paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds then held by Lender as a credit against the sums secured by this Mortgage.

3. Application of Payments. Except as otherwise provided by applicable law, all payments accepted and applied by Lender under the Note and Paragraphs 1 and 2 hereof, shall be applied in the following order of priority: (a) first to amounts due pursuant to Paragraph 2 hereof; (b) then to advances, if any, made by Lender pursuant to Paragraph 7 hereof; (c) then to costs, fees, expenses and other amounts incurred and advanced by the Lender in the enforcement of its rights under the Note and this Mortgage, including, without limitation, costs and reasonable attorneys' fees; (d) then to unpaid service fees due under the Note; (e) then to interest due on the Note; (f) then to principal due under the Note; (g) then to unpaid late charges due under the Note, if any; (h) then to interest due on any Future Advances made pursuant to Paragraph 20 hereof; and, (i) then to principal due on any Future Advances made pursuant to Paragraph 20 hereof.

4. Charges; Liens. Borrower(s) shall promptly pay, when due, all Condominium Assessments imposed by Custom House Leasehold Condominium Association, LLC or other governing body of Custom House Leasehold Condominium (the "Condominium Association") pursuant to the provisions of the Master Deed, operating agreement and by-laws, rules and regulations or other constituent documents of Custom House Leasehold Condominium.

Borrower(s) shall pay all charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, in the manner provided under Paragraph 2 hereof or, if not paid in such manner, by Borrower(s) making payment, when due, directly to the payee thereof. Borrower(s) shall promptly furnish to Lender all notices of amounts due under this Paragraph, and in the event Borrower(s) shall make payment directly, Borrower(s) shall promptly furnish to Lender receipts evidencing such payments. Borrower(s) shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower(s) shall not be required to discharge any such lien so long as Borrower(s) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation.

5. Hazard Insurance. Borrower(s) shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. This obligation shall be deemed satisfied so long as the Condominium Association maintains a "master" or "blanket" policy in accordance with the terms hereof.

The insurance carrier providing the insurance shall be chosen by Borrower(s) or the Condominium Association subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. If required, all premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower(s) or the Condominium Association making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower(s) shall give Lender prompt notice of any lapse in hazard insurance coverage. In the event of loss, Borrower(s) shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower(s).

Pursuant to the terms of the Master Deed, insurance proceeds shall be applied to restoration or repair of the Property damaged, whether the unit or the common elements. To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Directors of the Condominium Association decides to disburse such excess, Borrower's share of such excess shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower(s).

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not exceed or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments. If under Paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower(s) in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Condominium. Borrower(s) shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower(s) shall perform all of Borrower's obligations under the Master Deed, the operating agreement and by-laws and rules and regulations of the Condominium Association, and constituent documents. Borrower(s) shall take such actions as may be reasonable to insure that the Condominium Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender. If a Condominium rider is executed by Borrower and recorded together with the Mortgage, the covenants and agreements of such rider shall be incorporated into and amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower(s) fail(s) to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower(s), may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of funds to pay reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower(s) secured by this Mortgage. Unless Borrower(s) and Lender agree to other terms or payment, such amount shall be payable upon notice from Lender to Borrower(s) requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower(s) notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower(s) in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or the common elements or for any conveyance in lieu of condemnation, pursuant to the terms of the Master Deed, are hereby assigned and shall be paid to Lender and applied to the sums secured by this Mortgage.

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower(s) Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower(s) shall not operate to release, in any manner, the liability of the original Borrower(s) and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower(s) and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender, or any other action taken by Lender to protect its interest in the Property shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. Subject to the terms and provisions of Paragraph 17 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower(s). All covenants and agreements of Borrower(s) shall be joint and several. The captions and headings of the Paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower(s) provided for in this Mortgage shall be given by mailing such notice by U.S. Mail, postage prepaid, addressed to Borrower(s) at the Borrower's address as set forth in the Note, or at such other address as Borrower(s) may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower(s) as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower(s) or Lender when given in the manner designated herein.

15. Governing Law; Severability. This Mortgage shall be governed by the laws of the state where the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. Borrower's Copy. Borrower(s) shall be furnished a copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold (or leased with an option to purchase) or transferred by Borrower(s) without Lender's prior written consent, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, (b) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, or (c) the creation of a lien or encumbrance subordinate to this Mortgage, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, and only if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender, that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request, and that such person assumes all of the Borrower(s) obligations under the Note and this Mortgage (as so modified). If Lender has waived the option to accelerate provided in this Paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower(s) from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower(s) notice of acceleration in accordance with Paragraph 14 hereof. Such notice shall provide a period of not less than fifteen (15) days from the date the notice is mailed within which Borrower(s) may pay the sums declared due. If Borrower(s) fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower(s), invoke any remedies permitted by Paragraph 18 hereof.

18. Acceleration; Remedies. Lender shall give notice to Borrower(s) prior to acceleration following the breach by Borrower(s) of any covenant or agreement in this Mortgage (but not prior to acceleration under Paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 15 days from the date the notice is given to Borrower(s), by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Borrower(s) of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower(s) to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may invoke the STATUTORY POWER OF SALE and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 18, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the STATUTORY POWER OF SALE, Lender shall mail a copy of a notice of sale to Borrower(s), and to other persons prescribed by applicable law, in the manner provided by applicable law. Lender shall publish the notice of sale, and the Property shall be sold in the manner prescribed by applicable law at one of the following locations: (a) the Property; (b) the office of the Lender's attorney located in Boston, Massachusetts; or (c) the office of First American Title Insurance Company located in Boson, Massachusetts. Lender or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Mortgage; and (c) any excess to the person or persons legally entitled to it.

19. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower(s) hereby assigns to Lender the rents of the Property, provided that Borrower(s) shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Notwithstanding the foregoing, in the event Borrower(s) is

denied occupancy of the Property for failure to pay Condominium Assessments and the Condominium Association, or its designee, rents the Property pursuant to the provisions of the Master Deed, the income derived therefrom shall be distributed in accordance with the provisions of Section 27 of the Master Deed. The Condominium Association, or its designee, is authorized and entitled to rely conclusively upon written statements furnished to it by Lender regarding the amounts due under the Note and secured by this Mortgage.

Upon acceleration or abandonment of the Property, Lender shall be entitled without notice, to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, management fees, court costs, and reasonable attorneys' fees and then to the sums secured by this Mortgage. The Lender shall be liable to account only for those rents **actually** received. Borrower(s) shall not be entitled to possession or use of the Property after abandonment or after the Lender has accelerated the balance due. Alternatively, Lender may seek the appointment of a receiver to manage and collect rents from the Property. If a receiver is appointed, any income from rents from the Property shall be applied first to the costs of receivership, and then in the order set forth above.

20. Future Advances. Upon request by Borrower(s), Lender, at Lender's option, may make Future Advances to Borrower(s). Such Future Advances, with interest thereon, shall be evidenced by promissory notes which shall be secured by amendments to this Mortgage. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed one hundred fifty percent (150%) of the original amount of the Note.

21. Lender's Prior Consent. Borrower(s) shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) The abandonment or termination of Custom House Leasehold Condominium, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Master Deed, Operating Agreement and By-Laws or Rules and Regulations of the Condominium Association, or equivalent constituent documents of Custom House Leasehold Condominium; or

(iii) any action which would have the effect of rendering the insurance coverage maintained by the Condominium Association unacceptable to Lender.

22. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Mortgage) may be sold one or more times without prior notice to Borrower(s) A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Mortgage. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower(s) will be given written notice of the change in accordance with Paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

23. Release. Upon payment of all sums secured by this Mortgage, Lender shall discharge this Mortgage. Borrower(s) shall pay any recordation costs, Lender's administrative charges and other expenses incurred in connection with such discharge.

24. Waivers. Borrower(s) waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property.

25. Attorneys' Fees. As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees, if any, and related costs incurred by Lender in the enforcement of its rights under the Note and/or Mortgage, whether or not legal action is instituted, and any fees and costs of trial and appellate proceedings.

26. Power of Sale. This Mortgage is upon the Statutory Condition for breach of which Mortgagee shall have the Statutory Power of Sale.

IN WITNESS WHEREOF, Borrower(s) has/have executed this Mortgage as an instrument under seal.

_____
Mortgagor

_____
Mortgagor

_____
Mortgagor

_____
Mortgagor

(ACKNOWLEDGMENT IF MORTGAGORS SIGN BEFORE NOTARIES IN MASSACHUSETTS)

ACKNOWLEDGMENT

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF _____

On this _____ day of _____, 20__, before me, the undersigned notary public, personally appeared _____ and _____ (insert names of document signer), proved to me through satisfactory evidence of identification, which was _____ (insert type of identification provided) to be the persons whose names are signed on the preceding or attached document, and acknowledged to me that he/she/they signed it voluntarily for its stated purpose.

_____
NOTARY PUBLIC

My Commission Expires:

(ADDITIONAL ACKNOWLEDGMENT IF MORTGAGORS SIGN BEFORE DIFFERENT NOTARIES IN MASSACHUSETS)

ACKNOWLEDGMENT

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF _____

On this _____ day of _____, 20__, before me, the undersigned notary public, personally appeared _____ (insert name of document signer), proved to me through satisfactory evidence of identification, which was _____ (insert type of identification provided) to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

_____
NOTARY PUBLIC

My Commission Expires:

(ADDITIONAL ACKNOWLEDGMENT IF MORTGAGORS SIGN BEFORE NOTARIES <u>OUTSIDE</u> MASSACHUSETTS)

STATE OF _____)
COUNTY OF _____)

This Mortgage was acknowledged before me this _____ by _____, _____, _____ and _____, as his/her/their free act and deed. The foregoing person(s) personally appeared before me and (i) is (are) personally known to me or (ii) has (have) produced _____ [list type of identification] as identification.

_____
(Print Name:_____)
NOTARY PUBLIC
My Commission Expires:

MISSOURI SAMPLE (MVC)

[UPON CLOSING OF THE PURCHASE TO WHICH THIS NOTE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT OR HOLDER TO COMPLETE THIS NOTE BY INSERTING THE DATE OF THE NOTE AND APPLICABLE DATES FOR COMMENCEMENT OF PAYMENTS DUE HEREUNDER, THE MONTHLY PAYMENT DATE AND THE FINAL PAYMENT DATE.]
NOTE SECURED BY DEED OF TRUST

Unit No./Unit Week No(s):_____
HAB Condominium

US$_____

_____, 20__

FOR VALUE RECEIVED, the undersigned _____ ("Borrower(s)") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS, INC., (said party or any other party to whom Marriott Ownership Resorts, Inc. may transfer and assign this Note and who holds this Note from time to time is hereinafter called the "Holder"), Post Office Box 8038, Lakeland, Florida 33802, or order, the principal sum of _____ U.S. Dollars (US $_____), with interest on the unpaid balance from _____, until paid, at the rate of _____ percent per annum (_____%). (calculated on the basis of a 360 day year, collected for the actual number of days principal is outstanding in any calendar year.) Principal and interest shall be payable in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may, from time to time, designate, in consecutive monthly installments of _____ U.S. Dollars (US $ _____), on the _____ day of each month and continuing thereafter on the same day of each month beginning _____, for a period of _____ months with the remaining unpaid principal balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

The indebtedness evidenced by this Note is secured by a Deed of Trust dated of even date herewith, creating a lien on the real property described therein (the "Property"). Reference is made to said Deed of Trust for rights as to acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a $_____ service fee.

Borrower(s) shall pay to the Holder a late charge of five percent (5%) of the installment due or $15.00, whichever is greater, not to exceed $50.00 for any monthly installment not received by the Holder within fifteen (15) days after the date the installment is due. The late charge will be deducted from the next payment received.

Each payment shall be credited first to amounts due pursuant to Paragraph 2 of the Deed of Trust, then to advances, if any, made by the Holder pursuant to Paragraph 7 of the Deed of Trust, then to the costs, fees, expenses and other amounts incurred and advanced by the Holder in the enforcement of its rights hereunder, including, without limitation, costs and reasonable attorney's fees, then to unpaid service fees, then to interest due hereunder, then to principal due hereunder, then to unpaid late charges, if any, then to interest on any Future Advances made pursuant to Paragraph 20 of the Deed of Trust, then to principal on any Future Advances.

Borrower(s) may prepay the principal amount outstanding in whole or in part. Any partial prepayment in excess of the interest then accrued shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

Demand, presentment, notice of dishonor, and protest are hereby waived by Borrower(s) all makers, sureties, guarantors and endorsers hereof. This Note shall be a joint and several obligation of Borrower(s), all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon any one of the following events of default:

a) failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from the Holder to Borrower(s);

b) failure of Borrower(s) to perform any other covenant or agreement of Borrower(s) in this Note or the Deed of Trust within fifteen (15) days after the mailing of notice from the Holder to the Borrower(s) specifying the nature of such failure; and

c) the insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s) as otherwise provided herein.

The Holder may exercise this option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, reasonable attorney's fees (not to exceed fifteen (15%) of the balance due and payable), whether or not action be instituted hereon, and costs of foreclosure and costs of trial and appellate proceedings.

In the event of any default by the Borrower(s) hereunder, Holder at its sole option, may charge the Borrower(s) the highest interest rate allowed by law and/or pursue any and all remedies available to it under applicable law.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given upon depositing same in any U.S. post office, postage prepaid, addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be given by mailing such notice by certified mail, return receipt requested, to the Holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by written notice to Borrower(s). Any notice provided for in this Note shall be deemed to have been given to Borrower(s) or the Holder when given in the manner herein designated.

THIS NOTE SHALL BE GOVERNED BY, CONSTRUED UNDER AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MISSOURI AND THE COURTS OF THE STATE OF MISSOURI IN THE COUNTY OF TANEY SHALL BE THE EXCLUSIVE COURTS OF JURISDICTION AND VENUE FOR ANY LITIGATION OR OTHER PROCEEDING THAT MAY BE BASED ON, ARISE OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, UNLESS OTHERWISE REQUIRED BY LAW. HOLDER AND BORROWER(S) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER EXTENDING THE LOAN EVIDENCED BY THIS NOTE.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

Time is of the essence in the performance of each and every obligation represented by this Note.

BORROWER'S ADDRESS:

_____
Borrower/Purchaser signs here

_____
Borrower/Purchaser signs here

_____
Borrower/Purchaser signs here

_____
Borrower/Purchaser signs here

(Execute Original Only)

MISSOURI SAMPLE (MVC)

UPON CLOSING OF THE PURCHASE TO WHICH THIS DEED OF TRUST APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT TO COMPLETE THIS DEED OF TRUST BY INSERTING THE APPROPRIATE DATE OF THE DEED OF TRUST AND TO COMPLETE, AS NECESSARY, THE RECORDING INFORMATION RELATING TO THE DOCUMENTS BY WHICH THE TIMESHARE ESTATE(S) BEING ENCUMBERED BY THIS DEED OF TRUST WAS (WERE) CREATED.

DEED OF TRUST

THIS DEED OF TRUST is made and entered into on this _____ day of _____, 20___, between _____, (herein "Borrower(s)"), as Grantors, whose post office address is c/o Marriott Resorts Hospitality Corporation, P. O. Box 8038, Lakeland, Florida 33802, County of Polk, State of Florida, and Hogan Land Title Co., as Trustee, whose address is 1605 E. Sunshine Street, Springfield, Missouri 65804, and **MARRIOTT OWNERSHIP RESORTS, INC.**, a Delaware corporation, the address of which is Post Office Box 8038, Lakeland, Florida 33802 (said party, its successors and assigns is herein called "Lender"), as Beneficiary.

WITNESSETH, That the said Borrower, in consideration of the debt and trust hereinafter mentioned and created, and the sum of One Dollar to it paid by the said Trustee, the receipt of which is hereby acknowledged does by these presents, grant, bargain and sell, convey and confirm unto the said Trustee the following described real estate, situate, lying and being in the County of Taney and State of Missouri, to wit:

Unit Week _____ in Unit _____, Unit Week _____ in Unit _____

Unit Week _____ in Unit _____, Unit Week _____ in Unit _____

Unit Week _____ in Unit _____, Unit Week _____ in Unit _____

of HAB Condominium, according to the Declaration of Condominium thereof, recorded in Official Records Book 389 at Page 670 in the Public Records of Taney County, Missouri, and any amendments thereof. ("Declaration").

To Have and to Hold unto the Trustee, and to his successor or successors in this trust and to him and his grantees and assigns, forever the same together with all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property are herein referred to as the "Property". In trust, however, for the following purpose:

WHEREAS, Borrower(s) has/have this day made, executed and delivered to the said Beneficiary Borrower(s) promissory note of even date herewith (herein "Note"), by which Borrower promise(s) to pay to the said Beneficiary or order for value received _____ Dollars.

NOW THEREFORE, If the said Borrower(s), or anyone for Borrower(s) shall well and truly pay off and discharge the debt and interest expressed in the said Note and every part thereof, when the same shall become due, which Borrower(s) agree(s) to do, and payable according to the true tenor, date and effect of said Note and pay, when due, all taxes and assessments, general and special, hereafter levied or charged upon such land and improvement, and keep the covenants herein contained; and shall keep the improvements on the land continuously insured in some insurance company, to the satisfaction of Lender in the sum of reasonable Dollars, and the policies therefor assigned and delivered to Lender, and keep said lands and improvements clear of all statutory lien claims of any kind until said indebtedness is paid, all as more fully set forth herein, THEN THIS DEED, shall be void, and the property hereinbefore conveyed shall be released at the cost of the said Borrower(s); but should the Borrower(s) fail or refuse to pay the said debt and interest, or any part thereof, when the same or any part thereof shall become due and payable, according to the true tenor and effect of said Note or to pay any of said taxes, or effect such insurance, or discharge such statutory lien claims, then the holder of said indebtedness, or any part thereof, may pay the same, with the sums so paid bearing interest at the highest rate permissible under applicable law, and being a charge upon said

premises and being secured by this deed, and upon any such failure or refusal, or upon any breach of any covenant herein contained, expressed or implied, this deed shall remain in full force; and at the option of the holder of said indebtedness, or any part thereof, the whole of said indebtedness shall, without notice to the Borrower(s), become due and payable forthwith, and the said Trustee, or in case of his absence, death or refusal to act, or disability in anywise, when any advertisement and sale are to be made hereunder, then whoever shall be sheriff of Taney County, Missouri, at the time such advertisement and sale are to be made, (who shall thereupon for the purposes of that advertisement and sale succeed to the Trustee's title to said real estate and the trust herein created respecting same) may proceed to sell the property hereinbefore described or any part thereof, at public venue to the highest bidder, at the front door at which sheriff's sales are usually made, of the Taney County Court House, in the County of Taney, at Forsyth, Missouri, for cash, first giving twenty (20) days' notice of the time, terms and place of sale, and of the property to be sold, by advertisement in some newspaper printed and published in said county, and upon such sale shall execute and deliver a deed in fee simple of the property sold to the purchaser or purchaser(s) thereof, and receive the proceeds of said sale; and any statement of facts or recitals by the said Trustee, or any person assuming to act as successor to him, in relation to the non-payment of the money secured or agreed to be paid or default in or breach of any condition, covenant, or agreement herein, the advertisement, sale, receipt of the money, appointment as successor or happening of any fact preliminary to the succession as trustee of such person, shall be received as prima facie evidence of such facts and such trustee shall out of the proceeds of said sale, pay, first, the costs and expenses of executing this trust, including legal compensation to the Trustee for his services, and an attorney's fee of reasonable dollars, which shall be immediately due upon first publication of sale aforesaid; and next he shall apply the proceeds remaining over to the payment of taxes, insurance and statutory lien claims paid by the holders of said indebtedness, and interest thereon, as aforesaid; and next to the payment of said debt and interest, or so much thereof as remains unpaid; and the remainder, if any, shall be paid to the said Borrower(s), or Borrower(s) legal representatives; and in case any suit is instituted for the foreclosure of this Deed of Trust will pay reasonable dollars as attorney's fees which shall also be payable upon institution of said suit, and that a decree and judgment may be rendered for the payment of said sum out of the proceeds of sale upon foreclosure, or otherwise, in addition to the taxable costs of such suits. And upon default in the performance of the agreements herein, or payment of any monies hereby secured, in case of foreclosure by suit, by the holder of said indebtedness, or any part thereof, a receiver to take possession of and collect the rents and profits of said lands shall be appointed as a matter of right, at the instance of holder or holders of said indebtedness or any part thereof.

And it is further provided and agreed that without such death, absence, refusal or inability to act, of said Trustee, Lender, or any legal holder of said principal Note or Notes, or the attorney in fact of either of them, may by writing, signed and acknowledged, with or without the consent of the Trustee, and at any time appoint a successor other than said sheriff, to said Trustee in his stead or place, who shall thereupon become vested with all the estate, interest, power and rights in or concerning said lands or property, or any part thereof, by this deed granted to or vested in said Trustee.

And it is further agreed that said Trustee or successor may sell or convey said property under the power aforesaid, although he or such successors has been, may now be, or may hereafter at any time be, the agent or attorney of Lender or the holder of said Notes and all right or equity or redemption shall upon such sale cease and be thereby determined notwithstanding said Trustee be such attorney or agent, and whether the holder of said Notes or some other person be purchaser of such sale.

And until some default in the condition hereof occurs, the Trustee lets and demises said premises to the Borrower(s), for which Borrower(s) agrees to pay the sum of one cent per month. And said Borrower(s) further agree(s) that should default occur and sale under this deed be made, that upon such sale the said Borrower, or the then owner of occupant of said property, shall become the tenant(s) of the purchaser thereat of said property from month to month at a rental of reasonable dollars per month.

Borrower(s) covenants that Borrower(s) is/are lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower(s) will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

In addition, Borrower(s) and Lender further covenant(s) and agree(s) as follows:

1. Payment of Principal, Interest, Late Charges and Service Fees. Borrower(s) shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Lender for servicing the loan account and the principal of and interest on any Future Advances secured by this Deed of Trust.

2. Funds for Taxes, Assessments and Insurance. Subject to applicable law, upon written request by Lender to Borrower(s), Borrower(s) shall pay to Lender on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of Borrower's(s') share of the yearly taxes and assessments relating to the subject Property encumbered by this Deed of Trust and one-twelfth of the annual maintenance fee or assessment due under the Declaration (herein "Condominium Assessments"), or such other amounts or for such other periods other than monthly, e.g., quarterly or one-fourth, etc., all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If Lender exercises the foregoing right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Lender shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes, assessments, and Condominium Assessments. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays to Borrower(s) interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Lender shall not be required to pay Borrower(s) any interest on earnings on the Funds. Lender shall give to Borrower(s), without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, and Condominium Assessments shall exceed the amount required to pay such taxes, assessments, and Condominium Assessments as

they fall due, such excess shall be, at Borrower's(s') option, either promptly repaid to Borrower(s) or credited to Borrower(s) on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, and Condominium Assessments as they fall due, Borrower(s) shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Lender to Borrower(s) requesting payment thereof, but in no event shall Lender require payment in advance for taxes and assessments to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower(s) any Funds held by Lender. If under Paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds then held by Lender as a credit against the sums secured by this Deed of Trust.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower(s) under Paragraph 2 hereof, then against advances, if any, made by Lender pursuant to Paragraph 7 hereof, then to costs, fees, expenses and other amounts incurred and advanced by the Lender in the enforcement of its rights under the Note and this Deed of Trust, including, without limitation, costs and reasonable attorneys' fees, then to unpaid service fees, then to interest payable on the Note, then to the principal of the Note, then to unpaid late charges, if any, then to interest on any Future Advances made at Lender's option pursuant to Paragraph 20 hereof, and then to principal of Future Advances, if any, made at Lender's option pursuant to Paragraph 20 hereof.

4. Charges; Liens. Borrower(s) shall promptly pay, when due, all Condominium Assessments imposed by HAB Condominium Association, Inc. or other governing body of HAB Condominium (the "Condominium Association") pursuant to the provisions of the Declaration, Bylaws, Rules and Regulations or other constituent documents of HAB Condominium.

Borrower(s) shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, in the manner provided under Paragraph 2 hereof or, if not paid in such manner, by Borrower(s) making payment, when due, directly to the payee thereof. Borrower(s) shall promptly furnish to Lender all notices of amounts due under this Paragraph, and in the event Borrower(s) shall make payment directly, Borrower(s) shall promptly furnish to Lender receipts evidencing such payments. Borrower(s) shall promptly discharge any lien which has priority over this Deed of Trust; provided, that Borrower(s) shall not be required to discharge any such lien so long as Borrower(s) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation.

5. Hazard Insurance. Borrower(s) shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust. This obligation shall be deemed satisfied so long as the Condominium Association maintains a "master" or "blanket" policy in accordance with the terms hereof.

The insurance carrier providing the insurance shall be chosen by Borrower(s) or the Condominium Association subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. If required, all premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower(s) or the Condominium Association making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower(s) shall give Lender prompt notice of any lapse in hazard insurance coverage. In the event of loss, Borrower(s) shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower(s).

Pursuant to the terms of the Declaration, insurance proceeds shall be applied to restoration or repair of the Property damaged, whether the Unit or the Common Elements. To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Directors of the Condominium Association decides to disburse such excess, Borrower's(s') share of such excess shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower(s).

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not exceed or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments. If under Paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower(s) in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Condominium. Borrower(s) shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower(s) shall perform all of Borrower's(s') obligations under the Declaration, the Bylaws and Rules and Regulations of the Condominium Association, and constituent documents. Borrower(s) shall take such actions as may be reasonable to insure that the Condominium Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender. If a Condominium rider is executed by Borrower and recorded together with the Deed of Trust, the covenants and agreements of such rider shall be incorporated into and amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower(s) fail(s) to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower(s), may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of funds to pay reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower(s) secured by this Deed of Trust. Unless Borrower(s) and Lender agree to other terms or payment, such amount shall be payable upon notice from Lender to Borrower(s) requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower(s) notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower(s) in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or the common elements or for any conveyance in lieu of condemnation, pursuant to the terms of the Declaration, are hereby assigned and shall be paid to Lender as provided hereunder.

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower(s) Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower(s) shall not operate to release, in any manner, the liability of the original Borrower(s) and Borrower's(s') successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower(s) and Borrower's(s') successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. Subject to the terms and provisions of Paragraph 17 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower(s). All covenants and agreements of Borrower(s) shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower(s) provided for in this Deed of Trust shall be given by mailing such notice by U.S. Mail, postage prepaid, addressed to Borrower(s) at the Borrower's(s') address as set forth in the Note, or at such other address as Borrower(s) may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower(s) as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower(s) or Lender when given in the manner designated herein. In the event of a judicial action to enforce this Deed of Trust, Borrower(s) hereby agree(s) that any notice required or service of process made incident thereto shall be sufficient if made to the above address. Borrower(s) may change such address by giving Lender notice of a change of address in writing to Lender's address stated herein.

15. Governing Law; Severability. This Deed of Trust shall be governed by the laws of the state where the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable.

16. Borrower's(s') Copy. Borrower(s) shall be furnished a copy of the Note and of this Deed of Trust at the time of execution or after recordation hereof.

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold (or leased with an option to purchase) or transferred by Borrower(s) without Lender's prior written consent, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, (b) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, or (c) the creation of a lien or encumbrance subordinate to this Deed of Trust, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall have waived such option to accelerate if, and only if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided

in this Paragraph 17, and if Borrower's(s') successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower(s) from all obligations under this Deed of Trust and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower(s) notice of acceleration in accordance with Paragraph 14 hereof. Such notice shall provide a period of not less than fifteen (15) days from the date the notice is mailed within which Borrower(s) may pay the sums declared due. If Borrower(s) fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower(s), invoke any remedies permitted by Paragraph 18 hereof.

18. Acceleration; Remedies. Except as provided in Paragraph 17 hereof, upon Borrower's(s') breach of any covenant or agreement of Borrower(s) in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower(s) as provided in Paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than fifteen (15) days from the date the notice is mailed to Borrower(s), by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust, foreclosure by power of sale or by judicial proceedings or other proceedings consistent with the law, and sale of Property. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option, subject to any right of reinstatement to which Borrower(s) is entitled under applicable law, may declare, without further demand, all of the sums secured by this Deed of Trust to be immediately due and payable and may foreclose this Deed of Trust as set forth herein. Lender shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

19. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower(s) hereby assigns to Lender the rents of the Property, provided that Borrower(s) shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration of the Note or abandonment of the Property, Lender shall be entitled, without notice, to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected shall be appointed first to payment of the costs of management of the Property and collection of rents, including, but not limited to, management fees, court costs, and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. The Lender shall be liable to account only for those rents actually received. Borrower(s) shall not be entitled to possession or use of the Property after abandonment or after the Lender has accelerated the balance due under the Note. Alternatively, Lender may seek the appointment of a receiver to manage and collect rents from the Property. If a receiver is appointed, any income from rents from the Property shall be applied first to the costs of receivership, and then in the order set forth above.

20. Future Advances. Upon request by Borrower(s), Lender, at Lender's option, may make Future Advances to Borrower(s). Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Deed of Trust, not including sums advanced in accordance herewith to protect the security of this Deed of Trust, exceed one hundred fifty percent (150%) of the original amount of the Note.

21. Lender's Prior Consent. Borrower(s) shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) The abandonment or termination of HAB Condominium, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Declaration, ByLaws or Rules and Regulations of the Condominium Association, or equivalent constituent documents of HAB Condominium which is for the express benefit of Lender; or

(iii) any action which would have the effect of rendering the public liability insurance coverage maintained by the Condominium Association unacceptable to Lender.

22. Attorneys' Fees. As used in this Deed of Trust and in the Note, "attorneys' fees" shall include attorneys' fees, if any, and related costs incurred by Lender in the enforcement of its rights under the Note and/or Deed of Trust, whether or not legal action is instituted, and any fees and costs of trial and appellate proceedings.

23. Venue and Jurisdiction. Borrower hereby consents to the enforcement of the Note and Deed of Trust in Taney County, Missouri and hereby submits to the jurisdiction of the courts of the State of Missouri for such purpose.

IN WITNESS WHEREOF, Borrower(s) has/have executed this Deed of Trust on the day and year first written above.

_____
Borrower

_____
Borrower

_____
Borrower

_____
Borrower

ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, A.D., 20__, before me personally appeared _____ to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that he/she/they executed the same as his/her/their free act and deed.

And the said _____ further declared himself/herself/themselves to be the lawful owner(s) of said property in full possession thereof, and as having good right to mortgage same.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal, at my office in _____, the day and year first above written.

My commission as Notary Public will expire on the _____ day of _____, 20__.

_____ Notary Public

Prepared by and return to: **Angela D. McGee**
Marriott Ownership Resorts, Inc.
1200 Bartow Road, Suite 10
Lakeland, Florida 33801

444120-3 (01.06.10)

NEVADA SAMPLE (MVC)

Upon closing of the purchase to which this Note applies, Borrower(s) hereby authorize(s) closing agent or Holder to complete this Note by inserting the applicable interest rate and dates for commencement of payments due hereunder, the monthly payment date and the final payment date.

PROMISSORY NOTE SECURED BY DEED OF TRUST

Vacation Ownership Interest No.(s):
«VG_BLDG_UNIT_WEEK_SEA_CODE»
Grand Chateau

US $«MTG_AMT»

_____, 20__

FOR VALUE RECEIVED, the undersigned ("Borrower(s)") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS, INC., (said party or any other party to whom this Note may be transferred and assigned is hereinafter called the "Holder"), P.O. Box 24747, Lakeland, Florida 33802, or order, the principal sum of «MTG_TXT» U.S. Dollars (US $«MTG_AMT»), with interest on the unpaid balance from the date of this Note, or _____ (whichever is later), until paid, at the rate of «RATE_TXT» percent («INT_RATE»%) per annum. Interest shall be calculated by applying the stated annual rate against the unpaid principal for the actual number of days principal is outstanding in any calendar year divided by a 360 day year. Principal and interest shall be payable, without offset, in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may from time to time designate, in consecutive monthly installments of «PAY_TXT» U.S. Dollars (US $«PAY_AMT»), beginning on the _____ day of _____ and continuing thereafter on the same day of each month, with the remaining unpaid balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

The indebtedness evidenced by this Note is secured by a Deed of Trust, dated of even date herewith, creating a lien on the real property described therein (the "Vacation Ownership Interest(s)"), located in Clark County, Nevada. Reference is made to the Deed of Trust for rights of the Holder upon acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a «SFEE» service fee. If any monthly installment is not received by the Holder within ten (10) days after the date the installment is due, Borrower(s) shall pay to the Holder a late charge of six percent (6%) of such late installment or $25.00, whichever is greater. The Holder may apply any payment received by it to the payment of all late charges then owing before application to interest or principal. Such late charge is in addition to and not in lieu of or diminution of any other rights and remedies of the Holder of this Note.

Each payment made under this Note shall be applied as of its scheduled due date. Each payment shall be credited on account of amounts due in the order specified in the Deed of Trust securing this Note.

Borrower(s) may prepay the principal amount outstanding in whole or in part without a penalty. Any partial prepayment in excess of the amounts then due shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

The makers, sureties, guarantors and endorsers hereof severally waive presentment for payment, demand and notice of dishonor and nonpayment of this Note, and consent to any and all extensions of time, renewals, waivers or modifications that may be granted by the Holder hereof with respect to the payment or other provisions of this Note, and to the release of any security, or any part thereof, with or without substitution. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their respective heirs, personal representatives, successors and assigns.

Borrower(s) Initials: _____ _____
_____ _____

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon:

a. Failure of Borrower(s) to pay when due any installment payable hereunder which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from the Holder to Borrower(s);

b. The insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s);

c. The sale (or lease with option to purchase) or transfer of all or any part of the Vacation Ownership Interest(s) or any interest therein without the prior written consent of the Holder, excluding a transfer by devise, descent or by operation of law upon the death of a joint tenant therein; or

d. Failure of Borrower(s) to comply with the covenants of the Deed of Trust after notice and failure to cure as provided in the Deed of Trust.

The Holder may exercise its option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, attorney's fees, whether or not action be instituted hereon.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given after mailing same by U.S. mail, postage prepaid (or such other more expeditious method as may be appropriate in the case of foreign addresses, as Holder may choose in its discretion), addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be deemed to have been given by mailing such notice by U.S. certified mail, return receipt requested, (or in the case of a notice originating in a foreign country, by such other method that results in the Holder acknowledging in writing receipt of the notice), at the address stated in the first paragraph of this Note, or at such other address as may be designated by written notice to Borrower(s).

This Note shall be governed by, construed under and enforced in accordance with the laws of the State of Nevada. Borrower(s) consent(s) to jurisdiction and venue in the state and federal courts within the State of Nevada.

Borrower(s), and the person executing this Note on behalf of Borrower(s) if Borrower(s) is not a natural person, has full power and authority to execute this Note and to bind Borrower(s) hereto without the approval of any third party.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

Time is of the essence with respect to all provisions of this Note.

Borrower(s) Initials: _____ _____
_____ _____

By signing below, Borrower(s) accepts and agrees to the terms, conditions, and covenants contained in this Note.

BORROWER(S) ADDRESS:

«ADR1»
«ADR2»
«CSZ»

BORROWER(S):

«LEGAL_NAME_1»

«LEGAL_NAME_2»

«LEGAL_NAME_3»

«LEGAL_NAME_4»

NEVADA SAMPLE (MVC)

APN: 162-21-314-002 AND 162-21-314-003

When recorded mail tax statements to:
Marriott Vacation Club International
Property Tax Department
6649 Westwood Boulevard, Suite 500
Orlando, Florida 32821

When recorded mail to:
First American Title Company
1160 North Town Center Drive, Suite 190
Las Vegas, NV 89144

Space Above This Line for Recorder's Use

Control No. - «VG_BLDG_UNIT_WEEK_SEA_CODE»

UPON CLOSING OF THE PURCHASE TO WHICH THIS DEED OF TRUST APPLIES, BORROWER HEREBY AUTHORIZES CLOSING AGENT TO COMPLETE THIS DEED OF TRUST AND THE NOTE AS PROVIDED FOR IN THE PURCHASE AGREEMENT PURSUANT TO WHICH THE VACATION OWNERSHIP INTEREST(S) WERE ACQUIRED BY BORROWER.

DEED OF TRUST
(Tower 1 & 2)

This DEED OF TRUST, made _____ among the Trustor(s) «LEGAL_NAME», «TITLE_TAKEN» herein called "Borrower" (whether one or more), whose address is «ADR1», «ADR2» «CSZC», FIRST AMERICAN TITLE COMPANY, 1160 North Town Center Drive, Las Vegas, Nevada 89144, herein called "Trustee," and the Beneficiary MARRIOTT OWNERSHIP RESORTS, INC., a Delaware corporation, herein called "Lender."

WITNESSETH: That Borrower grants to Trustee in trust, with power of sale, the Vacation Ownership Interest(s) (hereafter called "Vacation Ownership Interest" whether one or more) in the County of Clark, State of Nevada, described as:

«VG_INT» as identified and established in that certain Record of Survey «VG_PARCEL_INFO» and Record of Survey constitute a subdivision of a portion of Lot 1 of that certain Commercial Subdivision created by the Final Map of the Grand Chateau recorded on May 19, 2004 in Book 117 of Plats, at Page 20, Official Records of Clark County, Nevada, together with the exclusive right to use and occupy a Villa configuration during a reserved Use Period, as established and described in that certain Declaration of Covenants, Conditions, Easements and Restrictions and Vacation Ownership Instrument for Grand Chateau dated April 26, 2004, recorded on May 19, 2004, in Book 20040519, Instrument No. 0004083, in the Official Records of Clark County, Nevada.

The Vacation Ownership Interest purchased is described as follows:
«VG_BLDG_UNIT_WEEK_SEA_CODE»

together with all improvements now or hereafter erected on the Project associated with the Vacation Ownership Interest, and all easements and all other rights thereunto belonging or in anyway now or hereafter appertaining, and the rents, issues and profits thereof, and all fixtures now or hereafter attached to, used in connection with or hereafter a part of the Project associated with the Vacation Ownership Interest, and all replacements and additions, subject, however, to the right, power and authority hereinafter given to and conferred upon Lender to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of $«MTG_AMT» with interest thereon according to the terms of a promissory note or notes of even date herewith made by Borrower, payable to the order of Lender, and extensions or renewals thereof, (2) the performance of each agreement of Borrower incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Borrower, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the Vacation Ownership Interest above described, Borrower expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by, and it is mutually agreed that, each and all of the terms and provisions set forth in the Amended and Restated Master Form Deed of Trust and Security Agreement recorded on November 13, 2008, Book 20081113, Instrument Number 0005152 Official Records of Clark County, Nevada, the county where said property is located, shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Lender may charge for a statement regarding the obligation secured hereby, provided

the charge therefor does not exceed the maximum allowed by NRS 107.310 or other applicable law.

The undersigned Borrower, requests that a copy of any notice of default and any notice of sale hereunder be mailed to Borrower at the address set forth.

Signature of Borrower

«LEGAL_NAME_1»

«LEGAL_NAME_2»

«LEGAL_NAME_3»

«LEGAL_NAME_4»

STATE OF _____)

COUNTY OF _____)

On _____ before me, _____, personally appeared ____ «LEGAL_NAME_1», «LEGAL_NAME_2», «LEGAL_NAME_3», «LEGAL_NAME_4», personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: _____
NOTARY PUBLIC
Commission expires: _____
Commission No.: _____

I UNDERSTAND THAT I AM SIGNING THIS NOTE BEFORE THE CLOSING OF THE PURCHASE TO WHICH THIS NOTE APPLIES. BY SIGNING, I AUTHORIZE THE CLOSING AGENT OR LENDER TO INSERT THE DATE OF THE NOTE, THE DATE OF MY FIRST PAYMENT, THE MONTHLY PAYMENT DATE AND THE FINAL PAYMENT DATE.

NEW JERSEY SAMPLE (MVC)

This Mortgage Note is made on _____ BETWEEN the Borrower(s) «LEGAL_NAME» whose address is «ADR1», «ADR2» «CSZC» referred to as "I," AND the Lender Marriott Ownership Resorts, Inc. whose address is Post Office Box 8038, Lakeland, Florida 33802 referred to as the "Lender." If more than one Borrower signs this Note, the word "I" shall mean each Borrower named above. The word "Lender" means the original Lender and anyone else who takes this note by transfer.

1. Borrower's Promise to Pay Principal and Interest.

In return for a loan that I received, I promise to pay «MTG_TXT» U.S. Dollars ($«MTG_AMT») (called principal), plus interest to the order of the Lender. Interest, at a yearly rate of «INT_RATE»%, will be charged on that part of the principal, which has not been paid from _____ until all principal has been paid.

2. Payments.

I will pay principal and interest based on a 360/365 day year payment schedule with monthly payments of $«PAY_AMT» on the _____ day of each month beginning on _____. I will pay all amounts owed under this Note no later than _____. All payments will be made to the Lender at the address shown above or to a different place if required by the Lender. I will include a $5.00 service fee with each monthly payment to offset the Lender's administrative costs.

3. Early Payments.

I have the right to make payments at any time before they are due. These early payments will mean that this Note will be paid in less time. However, unless I pay this Note in full, my monthly payments will remain the same. I may not make partial payments at any time.

4. Late Charges for Overdue Payments.

If the Lender has not received any payment within ten (10) days after its due date, I will pay the Lender a late charge of 6% of the payment. This charge will be paid with the late payment, or else it will be deducted from the next payment.

5. Mortgage to Secure Payment.

The Lender has been given a Mortgage dated _____, to protect the Lender if the promises made in this Note are not kept. I agree to keep all promises made in the Mortgage covering property I own located in Galloway Township, Atlantic County, State of New Jersey and described as:

Timeshare Estate No. in Unit«MVDATA1»

of FAIRWAY VILLAS AT SEAVIEW CONDOMINIUM, established by the Master Deed of Fairway Villas at Seaview Condominium, recorded in the Atlantic County Clerk's Office in Book 6473, Page 43, and any amendments to the Master Deed. All terms of the Mortgage are made part of this Note.

6. Default.

If I fail to make any payment required by this Note within fifteen (15) days after Lender has given me a notice that such payment is due, or if I fail to keep any other promise I make in this Note or in the Mortgage, or if I file for bankruptcy, or if another creditor institutes bankruptcy proceedings against me, then the Lender may declare that I am in default on the Mortgage and this Note. Upon default, I must immediately pay the full amount of all unpaid principal, interest, other amounts due on the Mortgage and this Note and the Lender's costs of collection, reasonable attorney fees and costs of trial and appeal proceedings.

7. Waivers.

I give up my right to require that the Lender do the following: (a) to demand payment (called "presentment"); (b) to notify me of nonpayment (called "notice of dishonor"); and (c) to obtain an official certified statement showing nonpayment (called a "protest"). The Lender may exercise any right under this

Note, the Mortgage or under any law, even if Lender has delayed in exercising that right or has agreed in an earlier instance not to exercise that right. Lender does not waive its right to declare that I am in default by making payments or incurring expenses on my behalf.

8. Notice:

I will accept any notice from Lender if it is deposited in any U.S. Post Office, with postage paid, and addressed to me at the address, which I have indicated at the top of this Note. I agree to notify Lender in writing if my address changes. Any notice that I may send to Lender will be mailed certified, return receipt requested, to Lender at the address indicated at the top of this Note.

9. Time.

I acknowledge that the times and dates indicated for my payments to Lender are to be strictly followed in order for me to complete my obligations under this Note.

10. Each Person Liable.

The Lender may enforce any of the provisions of this Note against any one or more of the Borrowers who sign this Note.

11. No Oral Changes.

This Note can only be changed by an agreement in writing signed by both the Borrower(s) and the Lender.

12. Signatures.

I agree to the terms of this Note. If the Borrower is a corporation, its proper corporate officers sign and its corporate seal is affixed.

13. WAIVER OF JURY TRIAL.

I ACKNOWLEDGE THAT ANY INTERPRETATION OF THIS NOTE WILL BE MADE BY REFERRING TO THE LAWS OF THE STATE OF NEW JERSEY AND ANY LITIGATION REGARDING THIS NOTE WILL BE BROUGHT IN THE COURTS OF THE STATE OF NEW JERSEY. LENDER AND I GIVE UP ANY RIGHT EITHER OF US MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS NOTE.

Time is of the essence in the performance of each and every obligation represented by this Note.

_____ _____ (Date)
Borrower: «LEGAL_NAME_1»

_____ Borrower (s) Address:
Borrower: «LEGAL_NAME_2» «ADR1»
«CSZC»

_____
Borrower: «LEGAL_NAME_3»

_____
Borrower: «LEGAL_NAME_4»

(Execute Original Only)

DOCUMENTARY STAMP TAXES HAVE BEEN PAID
AND THE PROPER AMOUNTS AFFIXED TO THE MORTGAGE

FW.NOTE.6.2.99

NEW JERSEY SAMPLE (MVC)

(UPON CLOSING OF THE PURCHASE TO WHICH THIS MORTGAGE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT TO COMPLETE THIS MORTGAGE BY INSERTING THE APPROPRIATE DATE OF THE MORTGAGE AND TO COMPLETE, AS NECESSARY, THE RECORDING INFORMATION RELATING TO THE DOCUMENTS BY WHICH THE TIME-SHARE ESTATE(S) BEING ENCUMBERED BY THIS MORTGAGE WAS(WERE) CREATED)

MORTGAGE

This Mortgage is made on _____
BETWEEN the Borrower(s) «LEGAL_NAME»
whose address is «ADR1», «ADR2», «CSZC»
referred to as "I,"
AND the Lender Marriott Ownership Resorts, Inc.
whose address is Post Office Box 8038, Lakeland, Florida 33802
referred to as the "Lender."

If more than one Borrower signs this Note, the word "I" shall mean each Borrower named above. The word "Lender" means the original Lender and anyone else who takes this Note by transfer.

1. MORTGAGE NOTE. In return for a loan that I received, I promise to pay $«MTG_AMT»(called "Principal"), plus interest in accordance with the terms of a Mortgage Note dated _____ (referred to as the "Note"). The Note provides for monthly payments of $ «PAY_AMT» and a yearly interest rate of «INT_RATE» %. All sums owed under the Note are due no later than _____. All terms of the Note are made part of this Mortgage.

2. PROPERTY MORTGAGED. The property mortgaged to the Lender (called the "Property") is located in the Galloway Township of Atlantic County of the State of New Jersey and described as follows:

Timeshare Estate No. in Unit«MVDATA1»

of FAIRWAY VILLAS AT SEAVIEW CONDOMINIUM, established by the Master Deed of Fairway Villas at Seaview Condominium, recorded in the Atlantic County Clerk's Office in Book 6473, Page 43, (referred to as the "Master Deed") and any amendments to the Master Deed.

3. RIGHTS GIVEN TO LENDER. I mortgage the Property to the Lender. This means that I give the Lender those rights stated in this Mortgage and also those rights the law gives to Lenders who hold mortgages on real property. When I pay all amounts due to the Lender under the Note and this Mortgage, the Lender's rights under this Mortgage will end. The Lender will then cancel this Mortgage at my expense.

4. PROMISES. I make the following promises to the Lender:

a. NOTE AND MORTGAGE. I will comply with all of the terms of the Note and this Mortgage.

b. PAYMENTS. I will make all payments required by the Note and this Mortgage, including the reasonable service charges of Lender for servicing my loan account.

c. OWNERSHIP. I warrant title to the premises (N.J.S.A. 46:9-2). This means I own the Property and will defend my ownership against all claims.

d. LIENS, TAXES, AND ASSESSMENTS. I will pay all liens, taxes, assessments and other government charges made against the Property when due. I will pay the annual maintenance fee or assessment due under the Master Deed, referred to as "Condominium Assessments". I will not claim any deduction from the taxable value of the Property because of this Mortgage. I will not claim any credit against the Principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

e. INSURANCE. I must maintain extended coverage insurance on the Property to protect against losses by fire or other hazards. The Lender may also require that I maintain flood insurance or other types of insurance. The insurance companies, policies, amounts, and types of coverage must be acceptable to the Lender. I will notify the Lender in the event of any substantial loss or damage. The Lender may then settle the claim on my behalf if I fail to do so. All payments from the insurance company must be payable to the Lender under a "standard mortgage clause" in the insurance policy. The Lender may use any proceeds to repair and restore the Property or to reduce the amount due under the Note and this Mortgage. This will not delay the due date for any payment under the Note and this Mortgage. My obligation to maintain extended coverage insurance will be satisfied if the Condominium Association maintains a "blanket" policy on the Property.

f. REPAIRS. I will keep the Property in good repair, neither damaging nor abandoning it. I will allow the Lender to inspect the Property upon reasonable notice to me.

g. STATEMENT OF AMOUNT DUE. Upon the request of the Lender, I will certify to the Lender in writing:

(a) the amount due on the Note and this Mortgage, and

(b) whether or not I have any defense to my obligations under the Note and this Mortgage.

h. CONDOMINIUM. I will perform all obligations required of me under the Master Deed, as well as under the certificate of incorporation, the by-laws and the regulations of the Fairway Villas at Seaview Condominium Association, Inc., referred to as "Condominium Association".

i. LAWFUL USE. I will use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

j. CONDOMINIUM ASSESSMENTS. I will pay all Condominium Assessments imposed by the Condominium Association.

5. EMINENT DOMAIN. All or part of the Property may be taken by a government entity for public use. If this occurs, I agree that any compensation be given to the Lender. The Lender may use this to repair and restore the Property or to reduce the amount owed on the Note and Mortgage. This will not delay the due date for any further payment under the Note and this Mortgage. Any remaining balance will be paid to me.

6. TAX, INSURANCE AND ASSESSMENT ESCROW. If the Lender requests, I will make regular monthly payments to the Lender of a sum (herein "Funds") equal to: (a) 1/12 of the yearly real estate taxes and assessments on the Property; and (b) 1/12 of the annual condominium Assessment due for the Property, all of which Funds have been reasonably estimated by Lender. These Funds will be held by the Lender without interest to pay the taxes, assessments, and

Condominium Assessments as they become due. Upon my request, Lender will give me an annual accounting of the Funds, showing payments and disbursements. If the Funds paid by me exceed the amounts necessary to pay the taxes and Condominium Assessments, then the excess will, at my option, be returned to me or credited against my next monthly installment of the Funds. If the amount of Funds paid by me is not sufficient to pay the taxes and Condominium Assessments, I will pay to Lender any amount necessary to make up the difference within thirty (30) days of Lender's request to me. When the entire Principal of the Note is paid by me, the Lender will return any remaining Funds to me. If the Property is sold under a foreclosure, as described in Paragraph 11(c), or is acquired by Lender, Lender will apply any Funds held by it against the amounts due under this Mortgage.

7. PAYMENTS MADE FOR BORROWER. If I do not make all of the repairs or payments as agreed in this Mortgage, the Lender may do so for me. The cost of these repairs and payments will be added to the Principal, will bear interest at the same rate provided in the Note and will be repaid to the Lender upon demand.

8. APPLICATION OF PAYMENT. All payments made by me under the Note and this Mortgage will be applied by Lender in the following order:

(i) Escrow for taxes, insurance and Condominium Assessments;

(ii) Payments made by Lender under Paragraph 7;

(iii) Loan Service fees;

(iv) Late charges, if any;

(v) Costs and expenses paid by Lender because of any default by me;

(vi) Interest under the Note; and

(vii) Principal of the Note.

9. DEFAULT. The Lender may declare that I am in default on the Note and this Mortgage if:

a. I fail to make any payment required by the Note and this Mortgage within five (5) days after its due date;

b. I fail to keep any other promise I make in this Mortgage;

c. the ownership of the Property is changed for any reason;

d. the holder of any lien on the Property starts foreclosure proceedings; or

e. bankruptcy, insolvency or receivership proceedings are started by or against any of the Borrowers.

10. PAYMENTS DUE UPON DEFAULT. If the Lender declares that I am in default, and I fail to correct the default within fifteen (15) days after Lender gives me written notice and an explanation of the default, I must immediately pay the full amount of all unpaid Principal, interest, other amounts due on the Note and this Mortgage and the Lender's costs of collection and reasonable attorney fees.

11. LENDER'S RIGHTS UPON DEFAULT. If the Lender declares that the Note and this Mortgage are in default, the Lender will have all rights given by law or set forth in this Mortgage. This includes the right to do any one or more of the following:

a. take possession of and manage the Property, including the collection of rents and profits;

b. have a court appoint a receiver to accept rent for the Property (I consent to this);

c. start a court action, known as foreclosure, which will result in a sale of the Property to reduce my obligations under the Note and this Mortgage; and

d. sue me for any money that I owe the Lender.

12. NOTICES. All notices must be in writing and personally delivered or sent by certified mail, return receipt requested, to the address given in this Mortgage. Address changes may be made upon notice to the other party.

13. NO WAIVER BY LENDER. Lender may exercise any right under this Mortgage or under any law, even if Lender has delayed in exercising that right or has agreed in an earlier instance not to exercise that right. Lender does not waive its right to declare that I am in default by making payments or incurring expenses on my behalf.

14. EACH PERSON LIABLE. This Mortgage is legally binding upon each Borrower and all who succeed to their responsibilities (such as heirs and executors). The Lender may enforce any of the provisions of the Note and this Mortgage against any one or more of the Borrowers who sign this Mortgage.

15. NO ORAL CHANGES. This Mortgage can only be changed by an agreement in writing signed by both the Borrower(s) and the Lender.

16. BORROWER'S COPY. I understand that I will be given a copy of the Note and this Mortgage either when I sign it or after the Mortgage has been recorded.

17. LENDER'S PRIOR CONSENT. Unless I have received the prior written consent of Lender, I will not divide my interest in the Property or consent to: (i) the termination of Fairway Villas at Seaview Condominium; or (ii) any amendment to the Master Deed or the certificate of incorporation, the by-laws and the regulations of the Condominium Association; or (iii) any action that might make the public liability insurance maintained by the Condominium Association unacceptable to Lender.

18. ATTORNEY'S FEES. The term "attorney's fees" includes any attorney's fees and related costs paid by Lender if it has to enforce any of its rights under the Note or this Mortgage, even if a legal action has not been filed.

19. SIGNATURES. I agree to the terms of this Mortgage. If the Borrower is a corporation, its proper corporate officers sign and its corporate seal is affixed.

IN WITNESS WHEREOF, Borrower(s) has/have executed this Mortgage on the day and year first written above. Signed in the presence of:

_____ _____

Borrower/Mortgagor: «LEGAL_NAME_1» Date

_____ _____

Borrower/Mortgagor: «LEGAL_NAME_2» Date

_____ _____

Borrower/Mortgagor: «LEGAL_NAME_3» Date

_____ _____

Borrower/Mortgagor: «LEGAL_NAME_4» Date

ACKNOWLEDGMENT

STATE OF _____, COUNTY OF _____ SS.

I CERTIFY that on _____, «LEGAL_NAME»

personally came before me and stated to my satisfaction that this person (or if more than one, each person):

(a) was the maker of the attached instrument; and,

(b) executed this instrument as his or her own act

_____

Print Name: _____
NOTARY PUBLIC
My Commission Expires:
Commission No.:

(fw.mort) 09.16.05

ADDITIONAL ACKNOWLEDGMENT

STATE OF _____, COUNTY OF _____ SS.
I CERTIFY that on _____, «LEGAL_NAME»

personally came before me and stated to my satisfaction that this person (or if more than one, each person):

(a) was the maker of the attached instrument; and,

(b) executed this instrument as his or her own act.

_____

Print Name: _____
NOTARY PUBLIC
My Commission Expires:
Commission No.:

STATE OF _____, COUNTY OF _____ SS.
I CERTIFY that on _____, «LEGAL_NAME»

personally came before me and stated to my satisfaction that this person (or if more than one, each person):

(a) was the maker of the attached instrument; and,

(b) was authorized to and did execute this instrument as _____ of _____, the entity named in this instrument.

_____

Print Name: _____
NOTARY PUBLIC
My Commission Expires:
Commission No.:

MORTGAGE

Dated:

_____ Borrower(s)

to

_____

Record and Return to:

_____ Lender(s)

Angela McGee
Marriott Resorts Title Company, Inc.
P.O. Box 24747
Lakeland, Florida 33802

To the County Recording Officer of _____ County:

this Mortgage is fully paid. I authorize you to cancel it of record.

Dated: _____

_____ (Seal)
Lender

(fw.mort) 09.16.05

SOUTH CAROLINA SAMPLE (MVC)

Upon closing of the purchase to which this Note applies, the undersigned hereby authorize(s) closing agent or Holder to complete this Note by inserting the applicable dates for commencement of payments due hereunder, the monthly payment date and the final payment date.

PROMISSORY NOTE

Time Sharing Interest No.(s): «CFID» SurfWatch Horizontal Property Regime

US$ «MTG_AMT» _____, _____

FOR VALUE RECEIVED, the undersigned «LEGAL_NAME» ("Borrower(s)") promise(s) to Pay to the order of MARRIOTT OWNERSHIP RESORTS, INC., (said party or any other party to whom Marriott Ownership Resorts, Inc. may transfer and assign this Note and who holds this Note from time to time is hereinafter called the "Holder"), Post Office Box 24747, Lakeland, Florida 33802, or order, the principal sum of «MTG_TXT» U.S. Dollars (US $«MTG_AMT»), with interest on the unpaid balance from the date of this Note or _____ (whichever is later), until paid, at the rate of «RATE_TXT» percent per annum («INT_RATE»%) (based on a 360-day year and on the actual number of days elapsed). Principal and interest shall be payable in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may, from time to time, designate, in consecutive monthly installments of «PAY_TXT» U.S. Dollars (US $«PAY_AMT»), on the ____ day of each month and continuing thereafter on the same day of each month beginning _____, for a period of «NO_PAY» months with the remaining unpaid principal balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____.

The indebtedness evidenced by this Note is secured by a Mortgage, dated of even date herewith, creating a lien on the real property described therein (the "Property"). Reference is made to said Mortgage for rights as to acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a «SFEE» service fee.

Borrower(s) shall pay to the Holder a late charge of six percent (6%) for any monthly installment not received by the Holder within ten (10) days after the date the installment is due. The late charge will be deducted from the next payment received.

Each payment shall be credited first to amounts due pursuant to Paragraph 2 of the Mortgage, then to advances, if any, made by the Lender (as defined in the Mortgage) pursuant to Paragraph 7 of the Mortgage, then to the costs, fees, expenses and other amounts incurred and advanced by the Holder in the enforcement of its rights hereunder, including, without limitation, costs and reasonable attorney's fees described below, then to unpaid service fees, then to interest due hereunder, then to principal due hereunder, then to unpaid late charges, if any, then to interest on any Future Advances made pursuant to Paragraph 20 of the Mortgage, and then to principal of any Future Advances made pursuant to Paragraph 20 of the Mortgage.

Borrower(s) may prepay the principal amount outstanding in whole or in part. Any partial prepayment in excess of the interest then accrued shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon:

(a) Failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from the Holder to Borrower(s);

(b) failure of Borrower(s) to perform any other covenant or agreement of Borrower(s) in this Note or the Mortgage within fifteen (15) days after the mailing of notice from the Holder to the Borrower(s) specifying the nature of such failure; and

(c) the insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s).

Borrower(s) Initials _____ _____
_____ _____

The Holder may exercise this option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, reasonable attorney's fees, whether or not action be instituted hereon.

Except for the notice required pursuant to the default for failure to make monthly payments outlined in Subparagraph (a) above, any notice to Borrower(s) provided for in this Note shall be deemed to have been given after depositing same in any U.S. post office, postage prepaid, addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Such address shall also serve as the Borrower's official "notice" address for purposes of the non-judicial foreclosure provisions set forth in the Mortgage referenced above. Any notice to the Holder or to the Borrower(s) for defaults relating to non-payment of monthly payments shall be given by mailing such notice by certified mail, return receipt requested, to the Holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by written notice to Borrower(s) and to the Borrower(s) as stated above. Any notice provided for in this Note shall be deemed to have been given to Borrower(s) or the Holder when given in the manner herein designated.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

This Note shall be governed by, construed under and enforced in accordance with the laws of the state of South Carolina. Borrower(s) consents to jurisdiction and venue in the state and federal courts of the State of South Carolina.

	Borrower(s)' Address:
«LEGAL_NAME_1»	«ADR1»
	«ADR2»
«LEGAL_NAME_2»	«CSZ»
«LEGAL_NAME_3»	
«LEGAL_NAME_4»	

(Execute Original Only)

SOUTH CAROLINA SAMPLE (MVC)

Upon closing of the purchase to which this Mortgage applies, the undersigned hereby authorize(s) closing agent to complete this Mortgage by inserting the appropriate date of the Mortgage and to complete, as necessary, the recording information relating to the documents by which the Time Sharing Interest(s) being encumbered by this Mortgage was (were) created.

MORTGAGE

THIS MORTGAGE is made as of _____, _____, between the Mortgagor(s), «LEGAL_NAME» (herein "Borrower(s)"), and the Mortgagee, **MARRIOTT OWNERSHIP RESORTS, INC.**, a Delaware corporation, the address of which is Post Office Box 24747, Lakeland, Florida 33802 (said party, its successors and assigns is herein called "Lender").

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by a promissory note made by the above-named Borrower(s), payable to Lender in the principal sum of «MTG_TXT» U.S. Dollars (US$«MTG_AMT»), (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable on _____; (b) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower(s) herein contained; and (c) the repayment of any future advances, with interest thereon, made to Borrower(s) by Lender pursuant to Paragraph 20 hereof (herein "Future Advances"), Borrower(s) does hereby mortgage, grant and convey to Lender and Lender's successors and assigns the following described property located in the County of Beaufort, State of South Carolina:

An undivided «WEEKS_PER_VILLA_52» fractional interest in Unit No. «VILLA_LIST» respectively, SurfWatch Horizontal Property Regime, lying situate and being in Hilton Head Island, Beaufort County, South Carolina, and being more particularly shown and described by reference to the Master Deed, establishing the said Horizontal Property Regime, being dated June 17, 2004, and recorded in the Land Records for Beaufort County, South Carolina, on June 22, 2004 in Book 01976 at Page 0001, as further amended from time to time, the most recent amendment being the Fourth Amendment to the Master Deed dated April 12, 2006, and recorded April 17, 2006, in Deed Book 2357 at Page 166 and by reference to that certain plat entitled "Plat of Phase 1, 2, 3 & 4 SurfWatch Horizontal Property Regime" said plat prepared by Surveying Consultants, Inc., Terry G. Hatchell, S.C.R.L.S. #11059 said plat being dated March 29, 2006, and recorded in the Land Records for Beaufort County, South Carolina, in Plat Book 112 at Page 175, as may be further revised from time to time.

AND ALSO, all of the rights, privileges, easements, and common areas appertaining to the above-described property as set forth in the Master Deed and By-Laws of SurfWatch Horizontal Property Regime.

AND ALSO, all right, title, interest and privileges extending to Time Sharing Interest Numbers(s) «BLDG_UNIT_WEEK_SEA_CODE» in each of the respective aforedescribed Units, as contained in that certain Time Sharing Declaration, dated June 17, 2004, recorded in the Land Records for Beaufort County, South Carolina, on June 22, 2004 in Book 01976 at Page 0082, as amended from time to time.

The Property mortgaged herein is the same Property conveyed to the within Borrower(s) by deed of the Lender dated the date hereof and recorded herewith.

TO HAVE AND TO HOLD unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property are herein referred to as the "Property".

Borrower(s) covenants that Borrower(s) is/are lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower(s) and Lender covenant and agree as follows:

1. **Payment of Principal, Interest, Late Charges and Service Fees.** Borrower(s) shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Lender for servicing the loan account and the principal of and interest on any Future Advances secured by this Mortgage.

2. **Funds for Taxes, Assessments and Insurance**. Subject to applicable law, upon written request by Lender to Borrower(s), Borrower(s) shall pay to Lender on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of Borrower's share of the yearly taxes and assessments relating to the subject Property encumbered by this Mortgage and one-twelfth of the annual maintenance fee or assessment due under the Master Deed and/or Time Sharing Declaration (herein "Condominium Assessments"), or such other amounts or for such other periods other than monthly, e.g., quarterly or one-fourth, etc., all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If Lender exercises the foregoing right, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Lender shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes, assessments, and Condominium Assessments. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays to Borrower(s) interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Lender shall not be required to pay Borrower(s) any interest on earnings on the Funds. Lender shall give to Borrower(s), without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, and Condominium Assessments shall exceed the amount required to pay such taxes, assessments, and Condominium Assessments as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower(s) or credited to Borrower(s) on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, and Condominium Assessments as they fall due, Borrower(s) shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Lender to Borrower(s) requesting payment thereof, but in no event shall Lender require payment in advance for taxes and assessments to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower(s) any funds held by Lender. If under paragraph 16 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds then held by Lender as a credit against the sums secured by this Mortgage.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower(s) under Paragraph 2 hereof, if any, then against advances, if any, made by Lender pursuant to Paragraph 7 of this Mortgage, then to costs, fees, expenses and other amounts incurred and advanced by the Lender in the enforcement of its rights under the Note and this Mortgage, including, without limitation, costs and reasonable attorneys' fees, then to unpaid service fees, then to interest payable on the Note, then to principal under the Note, then to unpaid late charges, if any, then to interest on any Future Advances made at the Lender's option pursuant to Paragraph 20 hereof, and then to the principal of any Future Advances, if any, made at Lender's option pursuant to Paragraph 20 hereof.

4. **Charges; Liens.** Borrower(s) shall promptly pay, when due, all Condominium Assessments imposed by SurfWatch Owners Association Inc. or other governing body of SurfWatch Horizontal Property Regime (the "Condominium Association") pursuant to the provisions of the Master Deed, Time Sharing Declaration, By-Laws, Rules and Regulations or other constituent documents of SurfWatch Horizontal Property Regime. Borrower(s) shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower(s) making payment, when due, directly to the payee thereof. Borrower(s) shall promptly furnish to Lender all notices of amounts due under this Paragraph, and in the event Borrower(s) shall make payment directly, Borrower(s) shall promptly furnish to Lender receipts evidencing such payments. Borrower(s) shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower(s) shall not be required to discharge any such lien so long as Borrower(s) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation.

5. **Hazard Insurance**. Borrower(s) shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. This obligation shall be deemed satisfied so long as the Condominium Association maintains a "master" or "blanket" policy in accordance with the terms hereof.

The insurance carrier providing the insurance shall be chosen by Borrower(s) or the Condominium Association subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. If required, all premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof, or, if not paid in such manner, by Borrower(s) or the Condominium Association making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower(s) shall give Lender prompt notice of any lapse in hazard insurance coverage. In the event of loss, Borrower(s) shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower(s).

Pursuant to the terms of the Master Deed and/or Time Sharing Declaration, insurance proceeds shall be applied to restoration or repair of the Property damaged, whether the unit or the common elements. To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Directors of the Condominium Association decides to disburse such excess, Borrower's share of such excess shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower(s).

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not exceed or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 17 hereof the Property is acquired by Lender, all right, title and interest of Borrower(s) in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. **Preservation and Maintenance of Property; Condominium**. Borrower(s) shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower(s) shall perform all of Borrower's obligations under the Master Deed and/or Time Sharing Declaration, the By-Laws, Rules and Regulations of the Condominium Association, and constituent documents. Borrower(s) shall take such actions as may be reasonable to insure that the Condominium Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

7. **Protection of Lender's Security.** If Borrower(s) fail(s) to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankruptcy or decedent, then Lender at Lender's option, upon notice to Borrower(s), may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of funds to pay reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower(s) secured by this Mortgage. Unless Borrower(s) and Lender agree to other terms or payment, such amount shall be payable upon notice from Lender to Borrower(s) requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **Inspection**. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower(s) notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower(s) in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or the common elements or for any conveyance in lieu of condemnation, pursuant to the terms of the Master Deed and/or Time Sharing Declaration, are hereby assigned and shall be paid to Lender as provided hereunder.

Unless Lender and Borrower(s) otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. **Borrower(s) Not Released**. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower(s) shall not operate to release, in any manner, the liability of the original Borrower(s) and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower(s) and Borrower's successors in interest.

11. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. **Remedies Cumulative**. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** Subject to the terms and provisions of paragraph 16 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower(s). All covenants and agreements of Borrower(s) shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **Notice.** Except for any notice required under applicable law or under the Note, as applicable, to be given in another manner, (a) any notice to Borrower(s) provided for in this Mortgage shall be given by mailing such notice by U.S. Mail, postage prepaid, addressed to Borrower(s) at the Borrower's address as set forth in the Note, or at such other address as Borrower(s) may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower(s) as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower(s) or Lender when given in the manner designated herein. In the event of a judicial action to enforce this Mortgage, Borrower hereby agrees that any notice required or service of process made incident thereto shall be sufficient if made to the above address. Borrower may change such address by giving Lender notice of a change of address in writing to Lender's address stated herein.

15. **Governing Law; Severability**. This Mortgage shall be governed by the laws of the state where the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. **Transfer of the Property; Assumption**. If all or any part of the Property or an interest therein is sold (or leased with an option to purchase) or transferred by Borrower(s) without Lender's prior written consent, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (b) the creation of a lien or encumbrance subordinate to this Mortgage, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, and only if, prior to the sale (or lease with option to purchase) or transfer, Lender and the person to whom the Property is to be sold (or leased) or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 16, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower(s) from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower(s) notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than fifteen (15) days from the date the notice is mailed within which Borrower(s) may pay the sums declared due. If Borrower(s) fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower(s), invoke any remedies permitted by paragraph 17 hereof.

17. **Acceleration; Remedies**. Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower(s) in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower(s) as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than fifteen (15) days from the date the notice is mailed to Borrower(s), by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding or other proceedings consistent with the law, and sale of Property. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option, may declare, without further demand, all of the sums secured by this Mortgage to be immediately due and payable and may foreclose this Mortgage by judicial proceedings. Lender shall be entitled to collect all expenses of collection, including, but not limited to, reasonable attorney's fees, whether or not action be instituted hereon, court costs, and costs of documentary evidence, abstracts and title reports. As used in this Mortgage and in the Note, "attorney's fees" shall include attorney's fees, if any, which may be awarded by an appellate court.

18. Non-Judicial Foreclosure. There is a mortgage lien against your timeshare estate which must be repaid in accordance with this Mortgage. Your failure to make timely payments required by this Mortgage may result in foreclosure of the mortgage lien. The Borrower (hereinafter in this paragraph 18 referred to as "Mortgagor") acknowledges that, if the obligations established by this Mortgage are not satisfied and the Mortgagor does not cure the default in accordance with the terms hereof, the mortgage lien created by this Mortgage may be foreclosed through a nonjudicial procedure in accordance with Article 3 of Chapter 32 of Title 27 of the Code of Laws of South Carolina. The Mortgagor understands that he or she will not be subject to a deficiency judgment or personal liability for the mortgage lien resulting from a nonjudicial foreclosure procedure even if the sale of his or her timeshare estate resulting from the foreclosure for the mortgage lien is insufficient to satisfy the amount of the mortgage lien. The Mortgagor further acknowledges that the trustee will send the notice required by this procedure to the Mortgagor's notice address, and the Mortgagor agrees to inform the Mortgagee of any change in the Mortgagor's address. The Mortgagor consents to notification by certified or registered mail and agrees that any person at the Mortgagor's notice address may acknowledge receipt of any correspondence received in connection with this procedure. The

Mortgagor understands that the trustee may notify Mortgagor of the commencement of the procedure by publication if delivery of the notice is not accepted at the notice address. If the Mortgagor sends the trustee a written objection to the nonjudicial procedure stating the reasons for such objection, the matter will be transferred to a judicial foreclosure procedure, but the Mortgagor understands and agrees that in the judicial foreclosure procedure, he or she may be subject to a deficiency judgment or personal liability for the mortgage lien if the sale of his or her timeshare estate resulting from the foreclosure is insufficient to satisfy the amount of the mortgage lien. The Mortgagor further understands and agrees that in the judicial foreclosure procedure if the court finds that there is a complete absence of a justifiable issue of either law or fact raised by the objection or defense, the Mortgagor may be personally liable for the costs and attorney's fees incurred by the Mortgagee in the judicial foreclosure.

McNair Law Firm P.A. is hereby named Trustee of the within conveyed Property for the purposes of the timeshare lien foreclosure pursuant to and in accordance with Article 3 of Chapter 32 of Title 27 Code of Laws of South Carolina.

19. **Assignment of Rents; Appointment of Receiver**. As additional security hereunder, Borrower(s) hereby assigns to Lender the rents of the Property, provided that Borrower(s) shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration of the Note or abandonment of the Property, Lender shall be entitled without notice, to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected shall be appointed first to payment of the costs of management of the Property and collection of rents, including, but not limited to, management fees, court costs, and reasonable attorneys' fees and then to the sums secured by this Mortgage. The Lender shall be liable to account only for those rents **actually** received. Borrower(s) shall not be entitled to possession or use of the Property after abandonment or after the Lender has accelerated the balance due under the Note. Alternatively, Lender may seek the appointment of a receiver to manage and collect rents from the Property. If a receiver is appointed, any income from rents from the Property shall be applied first to the costs of receivership, and then in the order set forth above.

20. **Future Advances**. Upon request by Borrower(s), Lender, at Lender's option, may make Future Advances to Borrower(s). Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed one hundred fifty percent (150%) of the original amount of the Note.

21. **Lender's Prior Consent**. Borrower(s) shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) The abandonment or termination of SurfWatch Horizontal Property Regime, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Master Deed and/or Time Sharing Declaration, By-Laws or Rules and Regulations of the Condominium Association, or equivalent constituent documents of SurfWatch Horizontal Property Regime which is for the express benefit of Lender; or

(iii) any action which would have the effect of rendering the public liability insurance coverage maintained by the Condominium Association unacceptable to Lender.

22. **Attorneys' Fees.** As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees, if any, and related costs incurred by Lender in the enforcement of its rights under the Note and/or Mortgage, whether or not legal action is instituted, and any fees and costs of trial and appellate proceedings.

23. **Venue and Jurisdiction**. Borrower hereby consents to the enforcement of the Note and Mortgage in Beaufort County, South Carolina and hereby submits to the jurisdiction of the courts of the state of South Carolina for such purpose.

IN WITNESS WHEREOF, Borrower(s) has/have executed this Mortgage on the day and year first written above.

Signed in the presence of:

(2) _____
First Witness signs here

(3) _____
Second Witness signs here
(Notary may sign as 2nd witness)

(1) _____
Mortgagor: «LEGAL_NAME_1»

(1) _____
Mortgagor: «LEGAL_NAME_2»

(1) _____
Mortgagor: «LEGAL_NAME_3»

(1) _____
Mortgagor: «LEGAL_NAME_4»

STATE OF _____) ACKNOWLEDGMENT

COUNTY OF _____)

I, the undersigned Notary Public do hereby certify that «LEGAL_NAME» personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the _____ day of _____, _____.

NOTARY SIGN_____
NOTARY PUBLIC FOR: _____
My commission expires: _____

(SEAL HERE)

This document prepared and recorded under the supervision of the «SC_ATTY»
Return to: Marriott Ownership Resorts, Inc., P.O. Box 24747, Lakeland, FL 33802

UTAH SAMPLE (MVC)

(INDIVIDUAL)

Upon closing of the purchase to which this Note applies, the undersigned hereby authorize(s) closing agent or Holder to complete this Note by inserting the applicable dates for commencement of payments due hereunder, the monthly payment date and the final payment date. DO NOT DESTROY THIS NOTE. When paid, this Note, with the Trust Deed securing the same, must be surrendered to the Trustee for cancellation before reconveyance will be made.

PROMISSORY NOTE

Resort Interest No.(s):

_____

MountainSide Condominium

US $_____ _____, 20__

FOR VALUE RECEIVED, the undersigned ("Borrower(s)") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS, INC., (said party or any other party to whom this Note may be transferred and assigned is hereinafter called the "Holder"), P.O. Box 8038, Lakeland, Florida 33802, or order, the principal sum of _____ U.S. Dollars (US $ _____), with interest on the unpaid balance from the date of this Note, or _____ (whichever is later), until paid, at the rate of _____ percent (_____%) per annum. Interest shall be calculated by applying the stated annual rate against the unpaid principal for the actual number of days elapsed divided by a 360 day year. Principal and interest shall be payable, without offset, in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may from time to time designate, in consecutive monthly installments of _____ U.S. Dollars (US $_____), beginning on the _____ day of _____ and continuing thereafter on the same day of each month, with the remaining unpaid balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____ _____.

The indebtedness evidenced by this Note is secured by a Trust Deed, dated of even date herewith, creating a lien on the real property described therein (the "Property"), located in Park City, Summit County, Utah. Reference is made to said Trust Deed for rights of the Holder upon acceleration of the indebtedness evidenced by this Note.

Each monthly payment shall be tendered with a $5.00 service fee. If any monthly installment is not received by the Holder within ten (10) days after the date the installment is due, Borrower(s) shall pay to the Holder a late charge of six percent (6%) of such late installment or $15.00, whichever is greater. The Holder may apply any payment received by it to the payment of all late charges then owing before application to interest or principal. Such late charge is in addition to and not in lieu of or diminution of any other rights and remedies of the Holder of this Note.

Each payment made by Borrower(s) shall be credited on account of amounts due in the order specified in Paragraph 20 of the Trust Deed.

Borrower(s) may prepay the principal amount outstanding in whole or in part without a penalty. Any partial prepayment in excess of the amounts then due shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

The makers, sureties, guarantors and endorsers hereof severally waive presentment for payment, demand and notice of dishonor and nonpayment of this Note, and consent to any and all extensions of time, renewals, waivers or modifications that may be granted by the Holder hereof with respect to the payment or other provisions of this Note, and to the release of any security, or any part thereof, with or without substitution. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their respective heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon:

a. Failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from the Holder to Borrower(s);

b. The insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s);

c. The sale (or lease with option to purchase) or transfer of all or any part of the Property or any interest therein without the prior written consent of the Holder, excluding a transfer by devise, descent or by operation of law upon the death of a joint tenant therein; or

d. Failure of Borrower(s) to comply with the covenants of the Trust Deed after notice and failure to cure as provided in the Trust Deed.

The Holder may exercise its option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, attorneys' fees, whether or not action be instituted hereon.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given after mailing same by U.S. mail, postage prepaid (or such other more expeditious method as may be appropriate in the case of foreign addresses, as Holder may choose in its discretion), addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be deemed to have been given by mailing such notice by U.S. certified mail, return receipt requested, (or in the case of a notice originating in a foreign country, by such other method that results in the Holder acknowledging in writing receipt of the notice), at 1200 U.S. 98 South, Lakeland, Florida 33801, or at such other address as may be designated by written notice to Borrower(s).

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or

defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically

deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

This Note shall be governed by, construed under and enforced in accordance with the laws of the State of Utah. Borrower(s) consent(s) to jurisdiction and venue in the state and federal courts within the State of Utah.

BORROWER(S) ADDRESS:

BORROWER(S):

_____ (SEAL)
(Name of Individual)

_____ (SEAL)
(Name of additional Individual)

_____ (SEAL)
(Name of additional Individual)

_____ (SEAL)
(Name of additional Individual)

(Execute Original Only)

UTAH SAMPLE (MVC)

WHEN RECORDED, MAIL TO:
First American Title Insurance Agency, LLC
81 S. Main Street
P.O. Box 160
Heber City, Utah 84032

TRUST DEED

With Assignment of Rents

THIS TRUST DEED, made this _____ day of _____, 20__ between _____, whether one or more, as TRUSTOR, whose address is_____
(Street and number)
_____, and First American Title Insurance Agency, LLC, 81 S. Main Street, P.O. Box 160, Heber City, Utah 84032, as TRUSTEE, and MARRIOTT OWNERSHIP RESORTS, INC., a Delaware Corporation, whose address is 1200 U.S. 98 South, Lakeland, Florida 33801, as BENEFICIARY.

WITNESSETH: That Trustor CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the following described real property (herein the "Property"), lying situate and being in Park City, Summit County, Utah:

Resort Interest No(s):_____, _____, _____, and _____, together with, for each such Resort Interest, an undivided interest in the Common Areas and Facilities in MountainSide Condominium, as more particularly shown and described in the Declaration of Condominium establishing the said condominium, being dated_____ and recorded in the Office of the County Recorder for Summit County, Utah on _____, Entry No._____, Book _____, at Page _____, as may be amended or supplemented from time to time (the "Declaration"), and by reference to that certain recorded Record of Survey Map dated_____, and recorded in the Office of the County Recorder for Summit County, Utah as part of the Declaration, Entry No._____, as may be further amended or supplemented from time to time;

TOGETHER WITH all of the rights, title privileges, easements, and common areas and facilities appertaining to the above described Resort Interest (s), as set forth in the Declaration;

TOGETHER WITH all and singular the rights, members, hereditaments and appurtenances to the said property belonging or in any way incidental or appertaining;

TOGETHER WITH all fixtures and improvements now or hereafter located thereon and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter used or enjoyed with the Property, or any part thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits;

FOR THE PURPOSE OF SECURING (1) payment of the indebtedness evidenced by a promissory note, in the principal sum of $_____, made by Trustor, payable to the order of the Beneficiary at the times, in the manner and with interest as therein set forth, and any extensions and/or renewals or modifications thereof (herein the "Note"); (2) the performance of each agreement of Trustor herein contained; (3) the payment of

such additional loans or advances (herein "Future Advances") as hereafter may be made to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Trust Deed; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

Trustor covenants that Trustor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Beneficiary's interest in the Property.

Trustor shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Beneficiary for servicing the loan account, and the principal of and interest on any Future Advances secured by this Trust Deed.

TO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR AGREES:

1. **Trustor's Obligations Concerning Property**. To keep the Property in good condition and repair; not to remove or demolish any building thereon, to restore promptly and in good and workmanlike manner any building thereon which may be damaged or destroyed; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, including complying with the provisions of the Declaration, the By-Laws and Rules and Regulations of MountainSide Condominium Association Inc. ("Condominium Association"), and all other documents pertaining to the Condominium Association.

Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

2. **Insurance**. To take such actions as may be reasonable to insure that the Condominium Association each provides and maintains insurance of such types and amounts as the Declaration may require, covering the improvements now existing or hereafter erected or placed on the Property. Such insurance shall be carried in companies approved by Beneficiary, with loss payable clauses in favor of and in form acceptable to Beneficiary. In event of loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of Trustor and Beneficiary jointly. The insurance proceeds, if required by the Declaration or vote of the unit owners, shall be applied by Beneficiary to the restoration or repair of the property damaged.

To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Trustees of the Condominium Association decides to disburse such excess, Trustor's share of such excess shall be applied to the sums secured hereby, with the excess, if any, paid to Trustor. Unless Beneficiary and Trustor otherwise agree in writing, any such application of proceeds to principal shall not postpone the due dates of the monthly installments payable by Trustor hereunder, nor change the amount of such installments. If under the provisions of this Trust Deed, the Property is acquired by Beneficiary, all right, title and interest of Trustor in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Property prior to the sale or acquisition shall pass to Beneficiary to the extent of the sums secured by this Trust Deed immediately prior to such sale or acquisition.

3. **Evidence of Title**. To deliver to, pay for and maintain with Beneficiary until the indebtedness secured hereby is paid in full, such evidence of title as Beneficiary may require including a policy of title insurance.

4. **Trustor to Defend Title**. To appear in and defend any action or proceeding purporting to affect the security hereof, the title to the Property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect also to appear in or defend any such action or proceeding, to pay all costs and expenses including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.

5. **Real Estate Taxes; Maintenance Fees; Other Charges**.

(a) To pay at least 10 days before delinquency all taxes and assessments affecting the Property, including all Regular Resort Assessments and Special Resort Assessments (as those terms are defined in the Declaration) arising under the Declaration (collectively the "Common Assessments"); to pay, when due, all

encumbrances, charges, and liens with interest, on the Property or any part thereof, which at any time appear to be prior or superior hereto; to pay all costs, fees, and expenses of this Trust.

(b) Subject to applicable law, upon written request by Beneficiary to Trustor, Trustor shall pay to Beneficiary on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of Trustor's share of the yearly taxes and assessments relating to the subject Property encumbered by this Trust Deed and one-twelfth of the annual Common Assessment due under the Declaration, or such other amounts or for such other periods other than monthly, e.g. quarterly, etc., all as reasonably estimated initially and from time to time by Beneficiary on the basis of assessments and bills and reasonable estimates thereof.

(c) If Beneficiary exercises the right set forth in b) above, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or State agency. Beneficiary shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes and Common Assessments. Beneficiary may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said Common Assessments and bills, unless Beneficiary pays to Trustor interest on the Funds and applicable law permits Beneficiary to make such a charge. Unless applicable law requires, and except as provided above, Beneficiary shall not be required to pay Trustor any interest on the Funds. Beneficiary shall give to Trustor, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Trust Deed.

(d) If the amount of the Funds held by Beneficiary, together with the future monthly installments of Funds payable prior to the due dates of taxes and Common Assessments, shall exceed the amount required to pay such taxes and Common Assessments as they fall due, such excess shall be, at Trustor's option, either promptly repaid to Trustor or credited to Trustor on future monthly installments of Funds. If the amount of the Funds held by Beneficiary shall not be sufficient to pay taxes and Common Assessments as they fall due, Trustor shall pay to Beneficiary any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Beneficiary to Trustor requesting payment thereof, but in no event shall Beneficiary require payment in advance for taxes and Common Assessments to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

(e) Upon payment in full of all sums secured by this Trust Deed, Beneficiary shall promptly refund to Trustor any Funds held by Beneficiary. If in the exercise of Beneficiary's remedies under this Trust Deed, the Property is sold or the Property is otherwise acquired by Beneficiary, Beneficiary shall apply, no later than immediately prior to the sale of the Property or its acquisition by Beneficiary, any Funds then held by Beneficiary as a credit against the sums secured by this Trust Deed.

6. **Protection of Security of Trust Deed**. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may (i) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (ii) commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (iii) pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and (iv) in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title, employ counsel, and pay his reasonable fees. Trustor agrees to pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate payable from time to time on outstanding principal under the Note until paid, and the repayment thereof shall be secured hereby.

7. **Right of Entry**. To permit Beneficiary to make or cause to be made reasonable entries upon and inspections of the Property, provided that Beneficiary shall give Trustor notice prior to any such inspection, specifying reasonable cause.

IT IS MUTUALLY AGREED THAT:

8. **Condemnation Awards and Insurance Proceeds**. Should the Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or

relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting the Property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorney's fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to the indebtedness secured hereby shall not postpone the due date of the monthly installments payable under the terms of the Note or pursuant to Paragraph 5 hereof, nor change the amount of such installments.

9. **Actions by Trustee**. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Trust Deed and the Note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness secured hereby, Trustee may (a) consent to the making of any map or plat of the Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Trust Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the Property. The grantee in any reconveyance may be described as "the person or persons entitled thereto", and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph.

10. **Conditional Assignment of Rents**. As additional security, Trustor hereby assigns to Beneficiary, during the continuance of these trusts, all rents, issues, royalties, and profits of the Property affected by this Trust Deed and of any personal property located thereon. Until Trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties, and profits earned prior to default as they become due and payable. From and after any such default by Trustor, Trustor's right to collect any of such sums shall cease, and Beneficiary shall have the right, with or without taking possession of the Property, to collect all rents, royalties, issues, and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such sums shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Trust Deed to, any such tenancy, lease or option.

11. **Receiver**. Upon any default by Trustor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect any rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. Beneficiary shall be liable to account to Trustor only for those rents actually received.

12. **Exercise of Rights by Beneficiary Shall Not Constitute a Cure**. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the Property and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

13. **Notice of Sale**. The Trustor requests that a copy of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

14. **Trustor's Default**. Time is of the essence hereof. Upon default by Trustor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary, prior to acceleration of the debt, shall mail notice to Trustor as provided in paragraph 23 hereof, specifying: (i) the breach; (ii) the action required to cure such breach; (iii) a date, not less than fifteen (15) days from the date the notice is mailed to Trustor by which such breach must be cured; and (iv) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Trust Deed and sale of the Property by the Trustee or at foreclosure by judicial proceeding. If the breach is not cured on or before the date specified in the notice, Beneficiary, at Beneficiary's option, may declare, without further demand, all of the sums secured by this Trust Deed to be immediately due and payable and may either direct the Trustee to sell the Property or foreclose this Trust Deed

by judicial proceedings. Beneficiary shall be entitled to collect all expenses of collection, including, but not limited to, attorney's fees, whether or not action be instituted hereon, court costs, and costs of documentary evidence, abstracts and title reports. As used in this Trust Deed and in the Note, "attorney's fees" shall include attorney's fees, if any, which may be awarded by an appellate court.

15. **Power of Sale**. In the event of such default and acceleration of the debt, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause the Property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein the Property is situated. Beneficiary also shall deposit with Trustee, the Note and all documents evidencing expenditures secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law; Trustee, without demand on Trustor, shall sell the Property on the date and at the time and place designated in the notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Trustor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold) at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the sale from time to time until it shall be completed and, in every case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, however, if the sale is postponed for longer than one day beyond the day designated in the notice of sale, notice thereof shall be given in the same manner as the original notice of sale. Trustee shall execute and deliver to the purchaser its Deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale to the payment of (i) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees (including any which may be awarded by an appellate court); (2) cost of any evidence of title procured in connection with such sale and revenue stamps, if any, on the Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest from date of expenditure at the rate payable from time to time on outstanding principal under the Note; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the County Clerk of the county in which the sale took place.

16. **Judicial Foreclosure**. Upon the occurrence of any default hereunder, Beneficiary shall have the option to declare all sums secured hereby immediately due and payable and foreclose this Trust Deed in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recover in such proceeding all costs and expenses incident thereto, including an attorney's fee in such amount as shall be fixed by the court (including any which may be awarded by an appellate court).

17. **Successor Trustee**. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of the county in which the Property is situated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed to all the powers, duties, authority and title of the trustee named herein or of any successor trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

18. **Acceptance of Trust**. Trustee accepts this Trust when this Trust Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Trust Deed or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

19. **Parties**. This Trust Deed shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including any pledgee, of the note secured hereby. In this Trust Deed, whenever the context requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

20. **Application of Payments**. Unless applicable law provides otherwise, all payments received by Beneficiary from or on behalf of Trustor, other than payments made specifically for the purpose set forth in paragraph 5 hereof, shall be applied by Beneficiary first in payment of amounts payable to Beneficiary by Trustor under paragraph 5 hereof, if any, then against advances, if any, made by Beneficiary pursuant to paragraph 6 of this Trust Deed, then to costs, fees, expenses and other amounts incurred and advanced by the Beneficiary in the enforcement of its rights hereunder, including, without limitation, costs and reasonable attorneys' fees described

herein, then to unpaid service fees, then to interest due under the Note, then to principal due under the Note, then to unpaid late charges, if any, then to interest on any Future Advances made at Beneficiary's option pursuant to paragraph 24 hereof, then to principal on any Future Advances made at Beneficiary's option pursuant to Paragraph 24 hereof.

21. **Acceleration upon Sale**. If all or any part of the Property or an interest therein is sold (or leased with an option to purchase) or transferred by Trustor without Beneficiary's prior written consent, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (b) the creation of a lien or encumbrance subordinate to this Trust Deed, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Trust Deed to be immediately due and payable. Beneficiary shall have waived such option to accelerate if, and only if, prior to the sale (or lease with option to purchase) or transfer, Beneficiary and the person to whom the Property is to be sold (or leased) or transferred reach agreement in writing that the credit of such person is satisfactory to Beneficiary and that the interest payable on the sums secured by this Trust Deed shall be at such rate as Beneficiary shall request. If Beneficiary has waived the option to accelerate as herein provided, and if Trustor's successor in interest has executed a written assumption agreement accepted in writing by Beneficiary, Beneficiary shall release Trustor from all obligations under this Trust Deed and the Note. If Beneficiary exercises such option to accelerate, Beneficiary shall mail Trustor notice of acceleration. Such notice shall provide a period of not less than fifteen (15) days from the date the notice is mailed within which Trustor may pay the sums declared due. If Trustor fails to pay such sums prior to the expiration of such period, Beneficiary may, without further notice or demand on Trustor, invoke any remedies provided in this Trust Deed or by law.

22. **No Waiver; Remedies Cumulative**. Any forbearance by Beneficiary in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy in the future, and the waiver of Beneficiary of any default shall not constitute a waiver of any other or subsequent default. The procurement of insurance or the payment of taxes or other liens, charges or assessments by Beneficiary shall not be a waiver of Beneficiary's right to accelerate the maturity of the indebtedness secured by this Trust Deed. All remedies provided in this Trust Deed are distinct and cumulative to any other right or remedy under this Trust Deed or afforded by law or equity, and may be exercised concurrently, independently or successively.

23. **Notices**. Except for any notice required under applicable law or under the Note to be given in another manner, (a) any notice to Trustor provided for in this Trust Deed shall be given by mailing such notice by U.S. Mail, postage prepaid (or such other more expeditious method as may be appropriate in the case of foreign addresses, as Beneficiary may choose in its discretion), addressed to Trustor at the Trustor's address as set forth herein or in the Note, or at such other address as Trustor may designate by notice to Beneficiary as provided herein, and (b) any notice to Beneficiary shall be given by certified mail, return receipt requested, (or in the case of a notice originating in a foreign country, by such other method that results in the Beneficiary acknowledging in writing, receipt of the notice), to Beneficiary's address stated herein or to such other address as Beneficiary may designate by notice to Trustor as provided herein. Any notice provided for in this Trust Deed shall be deemed to have been given to Trustor or Beneficiary when given in the manner designated herein.

24. **Future Advances**. Upon request by Trustor, Beneficiary, at Beneficiary's option, may make additional loans to Trustor. Such additional loans ("Future Advances"), with interest thereon, shall be secured by this Trust Deed when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Trust Deed, not including sums advanced in accordance herewith to protect the security of this Trust Deed, exceed one hundred fifty percent (150%) of the original amount of the Note.

25. **Abandonment; Amendments to Condominium Documents**. Trustor shall not, except after notice to Beneficiary and with Beneficiary's prior written consent, either partition or subdivide the Property or consent to:

(i) The abandonment or termination of MountainSide Condominium, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) Any amendment to any provision of the Declaration, By-Laws or Rules and Regulations of the Condominium Association, or equivalent constituent documents of MountainSide Condominium, which is for the express benefit of Beneficiary.

26. **Provisions Severable**. This Trust Deed shall be construed according to the laws of the State of Utah. In the event that any provision or clause of this Trust Deed or the Note conflicts with applicable law, such

conflict shall not affect other provisions of this Trust Deed or the Note which can be given effect without the conflicting provision. To this end the provisions of the Trust Deed and the Note are declared to be severable.

27. **Notice of Sale**. The undersigned Trustor requests that a copy of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

IN WITNESS WHEREOF, Trustor has executed this Trust Deed on the day and year first written above.

Upon closing of the purchase to which this Trust deed applies, the undersigned hereby authorize(s) closing agent to complete this Trust Deed by inserting the appropriate date of the Trust Deed and to complete, as necessary, the recording information relating to the documents by which the Resort Interest(s) being encumbered by this Trust Deed was created.

TRUSTOR

_____
(Name of Trust - Please Print or Type)

_____
(Name of Trustee - Please Print or Type)

By: _____
(Signature of Trustee)
Print name: _____

By: _____
(Signature of additional Trustee if required by Trust Agreement)
Print name: _____

By: _____
(Signature of additional Trustee if required by Trust Agreement)
Print name: _____

STATE OF _____

ss.

COUNTY OF _____

On _____, personally appeared before me _____, and _____, the signer(s) of the above instrument, who duly acknowledged to me that ____s/he____executed the same.

_____
Printed Name of Notary:_____
Notary Public, State of _____
Commission No:_____
Expiration:_____

404008.2 (09.14.09)

REQUEST FOR FULL CONVEYANCE

(To be used only when indebtedness secured hereby has been paid in full)

TO: TRUSTEE

The undersigned is the legal owner and holder of the Note and all other indebtedness secured by the within Trust Deed. Said Note, together with all other indebtedness secured by said Trust Deed has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Trust Deed, to cancel said Note above mentioned, and all other evidences of indebtedness secured by said Trust Deed delivered to you herewith, together with the said Trust Deed, and to reconvey, without warranty, to the parties designated by the terms of said Trust Deed, all the estate now held by you thereunder.

Dated: _____, 20___

_____

Signature of Holder

Mail Conveyance to:

STATE OF _____

ss.

COUNTY OF _____

On _____, personally appeared before me _____ the signer(s) of the above instrument, who duly acknowledged to me that he executed the same.

_____

Printed Name of Notary:_____

Notary Public, State of _____

Commission No:_____

Expiration:_____

404008.2 (09.14.09)

VIRGINIA SAMPLE (MVC)

UPON CLOSING OF THE PURCHASE TO WHICH THIS NOTE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT OR HOLDER TO COMPLETE THIS NOTE BY INSERTING THE DATE OF THIS NOTE AND THE APPLICABLE DATES FOR COMMENCEMENT OF PAYMENTS DUE HEREUNDER, THE MONTHLY PAYMENT DATE AND THE FINAL PAYMENT DATE.

DEED OF TRUST NOTE
Manor Club at Ford's Colony, a Time-Share Condominium

Timeshare Estate No(s): «CFID»

US $ «MTG_AMT» _____(Date)

FOR VALUE RECEIVED, the undersigned «LEGAL_NAME» (herein after referred to as "borrower") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS, INC., a Delaware Corporation, the principal sum of «Mtg_Amt» U.S. Dollars ($ «MTG_AMT»), with interest on the unpaid balance from _____, until paid, at the rate of «Int_Rate» percent («INT_RATE» %) per annum, both principal and interest being payable, without offset, at P.O. Box 24747, Lakeland, Florida 33802, or at such other place as the Holder of this Deed of Trust Note (hereinafter referred to as "Holder") may designate in writing as follows:

Principal and interest shall be due and payable in equal installments of «Pay_Amt» Dollars ($«PAY_AMT»), each on _____, and on the_____ day of every month thereafter until _____, when the remaining principal balance and all accrued and unpaid interest thereon shall be due and payable. Interest shall be paid for the actual number of days elapsed based on a 360 - day year. Each payment shall be applied first to interest and other charges due hereon before application to principal.

The principal balance may be prepaid, in whole or in part, at any time or from time to time without a penalty; provided, however, that Holder may require that any partial prepayments shall be made on the date monthly installments are due. Any partial prepayment in excess of the interest then accrued shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installments or change the amount of such installments.

Each monthly payment shall be tendered with a «SFEE» service fee.

The undersigned agree(s) to pay to the Holder of this note a "late charge" of five percent (5%) of any payment which is not paid within ten (10) days after its due date. The Holder may apply any payment received by it to the payment of all late charges then owing before application to interest or principal. At its option, such late charge is in addition to and not in lieu of or diminution of any other rights and remedies of the Holder of this note.

Any of the following shall constitute a default hereunder: (i) the failure to make any payment hereunder when due; or (ii) a default under the deed of trust securing this note. Upon the happening of a default the entire unpaid principal balance of this note and all accrued but unpaid interest, if any, shall, at the option of the Holder, immediately become due and payable. Any failure of the Holder to exercise such option shall not be deemed a waiver of the right to exercise such option in the event of any subsequent default.

Each of the undersigned (i) waives presentment, protest and notice of dishonor; (ii) waives the benefit of the homestead exemption and any other exemption which may lawfully be waived as to the debt evidenced by this note; (iii) waives any right to require the Holder to proceed against any other person; (iv) agrees that, without notice to any party and without affecting any party's liability, the Holder may, at any time or times, grant extensions of time for payment to any party, permit the renewal of this note or the substitution, exchange or release of any security for this note and add or release a party; (v) agrees that the undersigned's obligations with respect to this note shall remain in effect notwithstanding any other circumstances which might otherwise constitute a legal or equitable discharge of obligations hereunder; (vi) agrees that this note shall be construed in accordance with the laws of the Commonwealth of Virginia and that any action to collect this note or any part hereof may be instituted and maintained in a court having appropriate jurisdiction in the County of James City, Virginia; (vii) agrees to pay all collection expenses, including reasonable attorney's fees and court costs incurred in the collection of this note or any part hereof; and (viii) WAIVES, TO THE FULL EXTENT PERMITTED BY LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR COLLECT THIS NOTE OR RELATING TO THE DEED OF TRUST SECURING THIS NOTE, WHETHER SUCH ACTION OR PROCEEDING IS INSTITUTED BY THE HOLDER, THE UNDERSIGNED OR ANY OTHER PARTY.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

This note is secured by a deed of trust bearing the same date from the undersigned to Jeffrey A. Holdaway, and J. Weili Cheng, Trustees, conveying a Time-Share Estate(s) in Manor Club at Ford's Colony, a Time-Share Condominium located in the County of James City, Virginia, and which will be recorded in the Clerk's Office of the Circuit Court of that jurisdiction.

Witness the following signatures(s) and seal(s).

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

BORROWER(S)' ADDRESS:
«ADD1»
«ADD2»
«CSZC»

(ma.note.yz) 09.03.09
476891_2
Loan «LOANID»

VIRGINIA SAMPLE (MVC)

THIS INSTRUMENT PREPARED BY & RETURN TO:
MRTC, P.O. BOX 24747, LAKELAND, FL 33802

UPON CLOSING OF THE PURCHASE TO WHICH THIS DEED OF TRUST APPLIES, GRANTOR HEREBY AUTHORIZE(S) CLOSING AGENT OR HOLDER OF THE NOTE TO DATE THIS DEED OF TRUST AND INSERT THE MATURITY DATE OF THE NOTE.

DEED OF TRUST

THIS DEED OF TRUST is made as of _____, between _____ whose address is c/o Marriott Resorts Hospitality Corporation, P. O. Box 890 Lakeland, Florida 33802 ("Grantor", whether one or more) and JEFFREY A. HOLDAWAY whose address is 1769 Brookside Lane, Vienna, VA 22182, and J. WEILI CHENG whose address is 4751 N. 34th Road, Arlington, VA 22207, either of whom may act, as Trustees ("Trustee").

W I T N E S S E T H:

In consideration of the sum of Ten Dollars ($10.00) and other good and valuable considerations, the receipt of which is hereby acknowledged, Grantor hereby grants and conveys with General Warranty and, except as hereafter set forth, English Covenants of Title, unto the Trustee, the real estate situated in the County of James City, Virginia, and described as follows (the "Property"):

Time-Share Estate(s) In Condominium Unit «MVDATA1»

in the Time-Share Program located in James City County, Virginia and established by that certain Time-Share Declaration for Manor Club at Ford's Colony, a Time-Share Condominium, dated May 11, 1993 and recorded in the Clerk's Office of the Circuit Court of James City County, Virginia (the "Clerk's Office") in Deed Book 619 at page 1 (as amended and supplemented from time to time and including all Exhibits and Appendices thereto, the "Time-Share Declaration"), and each such Time-Share Estate constituting a one over fifty-one (1/51) undivided interest in the Condominium Unit(s) described above in the Condominium established by Declaration of Condominium of Manor Club at Ford's Colony, a Condominium, dated May 11, 1993 and recorded in the Clerk's Office in Deed Book 618 at page 744 (as amended and supplemented from time to time and including the Exhibits thereto, the "Declaration of Condominium").

This conveyance is subject to (i) the Time-Share Declaration, (ii) the Declaration of Condominium and (iii) other easements, conditions and restrictions of record insofar as they may lawfully affect the Property.

This conveyance is made in trust to secure to the Holder thereof ("Holder"), the payment of all sums owing under a certain note of even date herewith (the "Note") in the original principal sum of «MTG_TXT» U.S. Dollars (US $«MTG_AMT»), with interest on the unpaid balance thereof as provided in the Note. The Note was made by «LEGAL_NAME» payable to the order of Marriott Ownership Resorts, Inc. at P.O. Box 8038, Lakeland, Florida 33802, or at such other place as the Holder may designate in writing. Principal and interest are payable as specified in the Note. If not sooner paid, the entire indebtedness evidenced by the Note shall be due and payable on _____.

The Note contains provisions relating to the payment of late charges and attorneys' fees and the right of prepayment.

Grantor shall timely pay and perform its obligations under, and shall not violate the terms and provisions of, the Time-Share Declaration and the Declaration of Condominium and any rules and regulations promulgated in connection therewith.

Subject to applicable law, upon written request by Holder to Grantor, Grantor shall pay to Holder on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth or such other fractional increments which total 100% of the annual assessments due under the Time-Share Declaration (herein "Maintenance Fees"), as reasonably estimated initially and from time to time by Holder on the basis of assessments and bills and reasonable estimates thereof.

If Holder exercises the foregoing right, the Funds shall be held in an institution, the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Holder shall apply the Funds, upon receipt of the appropriate bill or bills, to pay the Maintenance Fees. Holder may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Holder pays to Grantor interest on the Funds and applicable law permits Holder to make such a charge. Unless applicable law requires, Holder shall not be required to pay Grantor any interest on the Funds. Holder shall give to Grantor, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the Note secured by this Deed of Trust.

If the amount of the Funds held by Holder, together with the future monthly installments of Funds payable prior to the due date of Maintenance Fees, shall exceed the amount required to pay such Maintenance Fees as they fall due, such excess shall be, at Grantor's option, either promptly repaid to Grantor or credited to Grantor on monthly installments of Funds. If the amount of the Funds held by Holder shall not be sufficient to pay Maintenance Fees as they fall due, Grantor shall pay to Holder any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Holder to Grantor requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Holder shall promptly refund to Grantor any Funds then held by Holder. If the Property is conveyed to Holder or its nominee by deed in lieu of foreclosure, Holder shall apply, no later than immediately prior to the sale of the Property or its acquisition by Holder or its nominee, any Funds then held by Holder as a credit against the Note secured by this Deed of Trust.

The indebtedness secured hereby is subject to acceleration or the terms thereof being modified at the option of the Holder should the Property be sold or conveyed without the prior written consent of Holder, which consent Holder shall not be obligated to grant. Holder's consent to such sale or conveyance shall not relieve Grantor of Grantor's obligations under the Note or hereunder.

This Deed of Trust shall be construed to impose and confer upon the parties hereto, and the beneficiaries hereunder, all duties, rights and obligations prescribed in Section 55-59 and Sections 55-59.1 through 55-59.4 of the Code of Virginia (1950), as amended (the "Code"), and to incorporate the following by short form reference to Sections 55-59.2 and 55-60 of the Code:

Deferred purchase money
Exemptions waived
Advertisement required: once a week for two (2) weeks
Subject to all (call) upon default
Renewal, extension or reinstatement permitted
Insurance required: As set forth in the Time-Share
Declaration and the Declaration of Condominium
Any Trustee may act

Substitution of any or all of the Trustees may be made at the discretion of Holder for any reason whatsoever.

NOTICE - THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

All notices to Grantor hereunder or under Va. Code Ann. Sections 55-59.1 or 55-389 shall be in writing and sent by certified mail, return receipt requested, at the address set forth beneath Grantor's signature.

This Deed of Trust shall be construed in accordance with the laws of the Commonwealth of Virginia and any action in connection with this Deed of Trust or the Note shall be instituted and maintained in a court having appropriate jurisdiction in the County of James City, Virginia. The prevailing party in any such action shall be entitled to recover payment of all attorney's fees and court costs.

GRANTOR WAIVES, TO THE FULL EXTENT PERMITTED BY LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR COLLECT THE NOTE OR RELATING TO THIS DEED OF TRUST, WHETHER SUCH ACTION OR PROCEEDING IS INSTITUTED BY THE HOLDER, GRANTOR OR ANY OTHER PARTY.

Witness the following signature(s) and seal(s).

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

Address for notices: as set forth in the Note

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____, by _____

_____
Notary Public

Print Name:_____
Registration No. :_____
Commission Expiration Date:_____

(Notarial Seal)
(not required in Virginia)

Prepared by and return to: Marriott Resorts Title Company
P.O. Box 24747, Lakeland, FL 33802

VIRGINIA: City of Williamsburg and County of James City, to-wit:
This DEED was presented with the certificate annexed and admitted to record on _____, 20___ at _____AM/PM
In the Clerk's Office of the Circuit Court for the City of Williamsburg and County of James City. The taxes imposed by the VA Code Section 58.1-801 802 & 814 have been paid.

STATE TAX	LOCAL TAX	ADDITIONAL TAX
$_____	$_____	$_____

TESTE: BETSY B. WOOLRIDGE, CLERK

BY:_____, Deputy Clerk

ARUBA SAMPLE (MVC)

Upon closing of the purchase to which this Promissory Note applies, the undersigned hereby authorizes the closing agent or Holder to complete this Promissory Note by inserting the date of the Promissory Note and applicable dates for commencement of payments due hereunder, the monthly payment date and the final payment date.

PROMISSORY NOTE

Reference No(s): _____
[MVCIA Cooperative Association]

US$_____ _____, 20___

FOR VALUE RECEIVED, the undersigned _____ ("Borrower(s)") promise(s) to pay to the order of MARRIOTT VACATION CLUB INTERNATIONAL OF ARUBA, N.V. (said party or any other party to whom Marriott Vacation Club International of Aruba, N.V. may transfer and assign this Promissory Note and who holds this Promissory Note from time to time is hereinafter called "Holder"), or order, at P.O. Box 8038, Lakeland, Florida 33802, or such other place as Holder may, from time to time designate, the principal sum of _____ U.S. Dollars (US $_____), with interest on the unpaid balance from _____ until paid, at the rate of _____ percent simple interest per annum (_____%) (calculated on the basis of a 360-day year, collected for the actual number of days principal is outstanding in any calendar year). Principal and interest shall be payable in lawful money of the United States at Holder's address set forth above, or such other place as Holder may, from time to time, designate in writing, in consecutive monthly installments of _____ U.S. Dollars (US $_____), on the _____ day of each month and continuing thereafter on the same day of each month beginning _____, for a period of _____ months with the remaining unpaid principal balance, together with accrued interest thereon and any other amounts due and payable to Holder by Borrower(s), if not sooner paid, on _____.

The indebtedness evidenced by this Promissory Note is secured by that certain Collateral as defined in the Pledge and Security Agreement dated of even date herewith, executed by Borrower(s), as Debtor, in favor of Holder, as Secured Party (the "Pledge and Security Agreement"). Reference is made to the Pledge and Security Agreement for rights upon default and acceleration of the indebtedness evidenced by this Promissory Note.

Each monthly payment shall be tendered with a $4.00 service fee.

Borrower(s) shall pay to Holder a late charge of six percent (6%) of any monthly installment not received by Holder within ten (10) days after the date the installment is due. The late charge shall be payable along with the next payment due and may, at Holder's option, be deducted from the next monthly installment received by Holder if not paid by Borrower along such monthly installment.

Each payment shall be credited first to amounts due pursuant to Section 4 of the Pledge and Security Agreement, then to advances, if any, made by Holder pursuant to Section 8 of the Pledge and Security Agreement, then to the costs, fees, expenses and other amounts incurred and advanced by Holder in the enforcement of its rights hereunder and under the Pledge and Security Agreement, including, without limitation, costs and reasonable attorney's fees, then to unpaid service fees, if any, then to interest due hereunder, then to principal due hereunder, then to unpaid late charges, if any, then to interest due on Future Advance, if any, made pursuant to Section 14 of the Pledge and Security Agreement, then to principal of any Future Advances, if any, made pursuant to Section 14 of the Pledge and Security Agreement.

Borrower(s) may prepay the principal amount outstanding in whole or in part at any time without incurring any penalty. Any partial prepayment in excess of the interest then accrued and any other amounts then due, shall be applied against the principal amount outstanding but shall not postpone the due date of any subsequent monthly installment payment or change the amount of any such installment payment.

Demand, presentment, notice of dishonor, notice of default and protest are hereby waived by all Borrowers, makers, sureties, guarantors and endorsers hereof. This Promissory Note shall be a joint and several obligation of all Borrowers, makers, sureties, guarantors and endorsers, and shall be binding upon each and each of their heirs, personal representatives, successors and assigns, as applicable.

At the option of Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon the occurrence of any one of the following events of default:

a) Failure of Borrower(s) to pay when due any monthly installment or any other sums payable hereunder in accordance with the terms provided herein which remains unpaid after a date specified in a notice (not less than fifteen (15) days from the date such notice is mailed) from Holder to Borrower(s).

b) The insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s).

c) Any default by Borrower(s) under the Pledge and Security Agreement or any of the documents or agreements governing, related to or affecting the Collateral or Borrower(s)' interest therein.

Holder may exercise its option to accelerate this Promissory Note upon the occurrence or continuation of any default by Borrower(s) regardless of any prior forbearance. If this Promissory Note is not paid when due, whether at maturity or by acceleration, Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, reasonable attorney's fees, whether or not action be instituted hereon, and costs of trial and appellate proceedings.

In the event of any default by Borrower(s) hereunder, Holder at its sole option, may charge Borrower(s) the highest interest rate allowed by law and/or pursue any and all remedies available to it under applicable law.

456992-2 06.19.09

Any notice to Borrower(s) provided for in this Promissory Note shall be deemed to have been given upon depositing same in any U.S. post office, postage prepaid, addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to Holder. Any notice to Holder shall be given by mailing such notice by certified mail, return receipt requested, to Holder at the address stated in the first paragraph of this Promissory Note, or at such other address as may have been designated by written notice to Borrower(s). Any notice provided for in this Promissory Note shall be deemed to have been given to Borrower(s) or Holder when given in the manner herein designated.

THIS PROMISSORY NOTE SHALL BE GOVERNED BY, CONSTRUED UNDER AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF FLORIDA, UNITED STATES, AND ENGLISH SHALL BE THE GOVERNING LANGUAGE OF THIS PROMISSORY NOTE. THE COURTS OF ORANGE COUNTY IN THE STATE OF FLORIDA SHALL BE THE EXCLUSIVE COURTS OF JURISDICTION AND VENUE FOR ANY LITIGATION OR OTHER PROCEEDINGS THAT MAY BE BASED ON, ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS PROMISSORY NOTE, UNLESS OTHERWISE REQUIRED BY APPLICABLE LAW. HOLDER AND BORROWER(S) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS PROMISSORY NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER EXTENDING THE LOAN EVIDENCED BY THIS PROMISSORY NOTE.

Wherever possible, each provision of this Promissory Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Promissory Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Promissory Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Promissory Note is accelerated by reason of an election by Holder or if this Promissory Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Promissory Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Promissory Note or otherwise in connection with this loan transaction shall never exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest, that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (ii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or credited on the unpaid principal amount hereof, and this Promissory Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

Time is of the essence in the performance of each and every obligation represented by this Promissory Note.

BORROWER'S ADDRESS:

BORROWER(S):

_____

_____
(Signature of Borrower)

_____

_____
(Printed Name)

_____
Taxpayer ID Number

_____
(Signature of Co-Borrower)

_____
(Printed Name)

(Execute Original Only)

ARUBA SAMPLE (MVC)

Upon closing of the purchase to which this Agreement applies, the undersigned hereby authorizes the closing agent or Secured Party to complete this Agreement by inserting the appropriate date of this Agreement.

Reference No(s)_____

PLEDGE AND SECURITY AGREEMENT
(Marriott Vacation Club International of Aruba, N.V.)

THIS PLEDGE AND SECURITY AGREEMENT ("SECURITY AGREEMENT") is made this _____ day of _____, 20___, between _____, whose address is _____ ("Debtor"), and MARRIOTT VACATION CLUB INTERNATIONAL OF ARUBA, N.V. ("MVCIA), having an address at Post Office Box 8038, Lakeland, Florida 33802, and its successors and/or assigns ("MVCIA" or the "Secured Party").

RECITALS

A. MVCIA has established a timeshare plan (the "Plan") described in a plan offering statement ("POS") with respect to a timeshare project known as Marriott's Aruba Ocean Club (the "Resort").

B. Debtor has purchased from MVCIA, _____ shares (the "Shares") of Marriott Vacation Club International of Aruba Cooperative Association (the "Association"), together with all rights associated with, arising out of or related to the Shares and as a member of the Association, including the right to utilize a residential unit of the type and designation described in that certain Share Purchase Agreement between MVCIA and Debtor dated _____ (the "Unit") and the common facilities at the Resort as described in the POS (collectively the "Collateral").

C. The Association is governed by Articles of Association, Bylaws and rules, regulations and procedures established by the Association's Board of Directors, as may be amended from time to time (the "Governing Documents").

D. As part of the purchase price paid by Debtor to MVCIA for the purchase of the Shares, Debtor has executed and delivered to MVCIA, a Promissory Note dated the date hereof in the amount of _____ U.S. Dollars ($_____) (the "Note").

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, Debtor and Secured Party agree as follows:

1. CREATION OF SECURITY INTEREST. Debtor hereby pledges, assigns and grants to Secured Party, a security interest in the Collateral, to secure the performance and payment of the Note, all expenditures made or advanced by Secured Party for taxes, insurance, repairs to and for maintenance of the Unit or the other amounts required to be paid by Debtor in the form of annual dues, assessments, maintenance fees and other financial obligations as set forth in the Governing Documents with respect to, in relation to or for the use of the Unit and the common facilities described in the POS; all costs and expenses incurred by Secured Party in the collection and enforcement of the Note and other obligations of Debtor; future advances, if any, made pursuant to Section 14 below ("Future Advances"), whether or not evidenced by notes to be made by Debtor to Secured Party; and all liabilities of Debtor to Secured Party now existing or hereafter incurred, matured or unmatured, direct or contingent, and any renewals and extensions thereof and substitutions therefor.

2. DELIVERY OF COLLATERAL. Debtor has delivered to Secured Party and Secured Party acknowledges receipt of Debtor's original Share certificate(s), to be held by Secured Party pursuant to the terms of this Agreement. Upon the occurrence of an Event of Default as described in Section 11 below, Secured Party shall have the right, as set forth hereinafter, to transfer to and to register in the name of Secured Party or any of its nominees, any or all of the Shares. For all purposes under the Florida Uniform Commercial Code (including, without limitation, under

§679.503 and §679.505) of the Florida Statutes possession of the original Share certificate(s) by Secured Party shall be deemed possession of all of the Collateral secured under this Security Agreement, and possession of such original Share certificate(s) shall constitute peaceful possession of the Collateral by Secured Party. Upon execution and delivery of this Agreement, Secured Party shall notify the Association of Debtor's pledge of the Shares and Secured Party's security interest in the Shares.

3. GENERAL OBLIGATIONS OF DEBTOR.

(a) Payment. Debtor shall pay to Secured Party, the sums evidenced by the Note or any renewals or extensions thereof, in accordance with the terms of the Note and shall pay and perform all other obligations that now exist or may hereafter accrue from Debtor to Secured Party and the Association as set forth in the Governing Documents.

(b) Representations, Warranties, and Covenants. Debtor represents, warrants and covenants that:

(i) Debtor is the legal and beneficial owner of the Shares and other Collateral, free and clear of any lien, security interest, option or other charge or encumbrance except for the security interest created by this Agreement.

(ii) The pledge of the Shares pursuant to this Agreement creates a valid, first priority security interest in the Shares, which security interest has been perfected upon possession of the Shares by Secured Party.

(iii) Debtor has used the proceeds of the Note solely to purchase the Shares and for no other purpose.

(c) Performance by Debtor. Debtor shall perform all the covenants and agreements set forth in this Security Agreement, including, but not limited to, prompt payment when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, reasonable service charges imposed by Secured Party for servicing the loan account and the principal of and interest on any future advances secured by this Security Agreement.

(d) Preservation of Collateral. Debtor shall pay promptly when due all assessments, maintenance fees, taxes and membership dues payable with respect to the Shares and do all other things and take all other actions required to preserve the Collateral.

4. ESCROW FUNDS. (a) Subject to applicable law, upon written request by Secured Party to Debtor, Debtor shall pay to Secured Party on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, an amount (the "Funds") equal to one-twelfth (1/12) of Debtor's share of the yearly taxes and assessments relating to the Unit, and one-twelfth (1/12) of the annual maintenance fees and other assessments and charges due under the Governing Documents, all as reasonably estimated initially and from time to time by Secured Party. If Secured Party exercises the foregoing right, the Funds shall be held in an institution, the deposits or accounts of which are insured or guaranteed by a federal or state agency. Lender shall apply the Funds, upon receipt of the appropriate bill(s), to pay said taxes, fees and assessments. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying or compiling said assessments and bills, unless Secured Party pays to Debtor interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Secured Party shall not be required to pay Debtor any interest on earnings on the Funds. Secured Party shall give to Debtor, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes to which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Security Agreement.

(b) If the amount of the Funds held by Secured Party, together with the future monthly installments of the Funds payable prior to the due dates of taxes, fees, assessments and other charges, shall exceed the amount required to pay such taxes, fees, assessments and charges as they come due, such excess shall be, at Debtor's

option, either promptly repaid to Debtor or credited to Debtor's future monthly installments of the Funds. If the amount of the Funds held by Secured Party shall not be sufficient to pay taxes, fees, assessments and other charges as they come due, Debtor shall pay to Secured Party any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Secured Party to Debtor requesting payment thereof, but in no event shall Secured Party require payment in advance for taxes, fees, assessments or other charges to be held and disbursed as set forth hereunder in an amount which exceeds the estimate of the next year's amount for same.

(c) Upon payment in full of all sums secured by this Security Agreement, Secured Party shall promptly refund to Debtor any Funds held by Secured Party. Upon an Event of Default, Secured Party may apply any Funds then held by Secured Party as a credit against the sums secured by this Security Agreement.

5. APPLICATION OF PAYMENTS. Unless Florida law provides otherwise, all payments received by Secured Party under the Note and this Security Agreement shall be applied by Secured Party, first in payment of any assessments, maintenance fees, taxes, memberships dues and other charges, if any, required to be paid pursuant to Section 4 of this Security Agreement; then to repayment of advances, if any, made pursuant to Section 8 of this Security Agreement, which have been paid by Secured Party to protect its security interest; then to the costs, fees, expenses and other amounts incurred and advanced by Secured Party in the enforcement of its rights hereunder, including, without limitation, costs and reasonable attorneys' fees; then to unpaid service fees, if any; then to interest payable on the Note; then to the principal of the Note; then to unpaid late charges pursuant to the Note, if any; then to interest payable on any Future Advances made pursuant to Paragraph 14 hereof; and, then to the principal of any Future Advances made pursuant to Paragraph 14 hereof.

6. VOTING AND OTHER RIGHTS.

(a) Voting Rights. So long as no Event of Default shall have occurred and be continuing under this Security Agreement or the Note, Debtor shall be entitled to exercise any and all voting and other consensual rights of Debtor, if any, pertaining to the Shares or membership in the Association, for any purpose not inconsistent with the terms of this Security Agreement.

(b) Other Rights. Upon the occurrence and during the continuance of an Event of Default under this Security Agreement or the Note, all rights, if any, to exercise the voting and other consensual rights with respect to the Shares which Debtor would otherwise be entitled to exercise shall, upon notice from Secured Party cease, and all such rights shall thereupon become vested in Secured Party which shall thereafter have the sole right to exercise such voting and corporate rights at any meeting of the members of the Association and exercise any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Shares as if it were the absolute owner thereof, including, without limitation, the right to exchange any and all of the Shares upon the merger, consolidation, reorganization, capitalization or other readjustment of the Association. In order to further evidence the rights provided in this paragraph, this Security Agreement shall be deemed to constitute a proxy from Debtor to Secured Party to be effective immediately upon the occurrence of an Event of Default.

7. ALIENATION OF COLLATERAL. Debtor shall not, without the prior written consent of Secured Party (which consent may be withheld in the sole discretion of Secured Party), sell, transfer, further encumber or otherwise dispose of the Collateral or any rights therein, until this Security Agreement and all obligations secured hereby have been fully satisfied.

8. REIMBURSEMENT OF EXPENSES. Secured Party may at any time, at its option, perform or cause to be performed with respect to the Collateral, for and on behalf of Debtor, any actions, obligations or covenants relating to the Collateral that Debtor has failed or refused to perform. All sums so expended shall bear interest from the date of payment at the interest rate set forth in the Note, shall be payable at the place designated in the Note, and shall be secured by this Security Agreement.

9. TIME OF PERFORMANCE. When performing any act under this Security Agreement and the Note secured thereby, time shall be of the essence.

10. WAIVER. Failure of Secured Party to exercise any right or remedy, including, but not limited to, the acceptance of partial or delinquent payments, shall not be a waiver of any obligation of Debtor or right of Secured Party or constitute a waiver of any other similar default subsequently occurring.

11. EVENTS OF DEFAULT. The following shall be "Events of Default" under this Security Agreement:

(a) A breach by Debtor of any term, covenant, condition, obligation or agreement under this Security Agreement, the Note or any of the Governing Documents with respect to the Shares, involving the failure to make any payment, including the payment of principal, interest, assessments, maintenance fees, taxes and membership dues.

(b) A breach by Debtor of any covenant, condition, obligation or agreement under this Security Agreement, the Note or the Governing Documents with respect to the Shares, which does not involve the failure to make any payment, and which breach shall continue for thirty (30) days after notice from Secured Party of the occurrence thereof.

(c) Any representation or warranty by Debtor in this Security Agreement proves to be false, incorrect or misleading in any material respect.

(d) Debtor shall transfer title to or ownership of the Shares unless otherwise permitted by this Security Agreement.

(e) The filing of a petition seeking relief under any federal or state bankruptcy or insolvency laws or the making of an assignment for the benefit of creditors by Debtor.

12. REMEDIES. On any Event of Default, and at any time thereafter:

(a) Secured Party may declare all obligations secured by this Security Agreement (including, without limitation, pursuant to the Note) immediately due and payable and may proceed to enforce payment of the same and exercise any and all of the rights and remedies provided by Article 9 of the Uniform Commercial Code of the State of Florida (Section 679.101 et seq., Florida Statutes (1996)) as well as any and all other rights and remedies available to Secured Party whether under the laws of the State of Florida or any other jurisdiction or otherwise, including without limitation the right to retain the Shares in satisfaction of the payment and performance due to Secured Party, as provided under the Governing Documents or otherwise available to Secured Party.

(b) Retain all of the Shares and cause the Association's transfer agent or secretary to transfer title to the Shares to Secured Party or Secured Party's nominee.

(c) Sell the Collateral at public or private sale conducted in accordance to such practices as may be permitted by applicable law, upon which Secured Party may add to the obligations owed to Secured Party, the expenses of collection, sale and delivery of the Collateral and any other expenses incurred in enforcing its rights pursuant to this Security Agreement, including, but not limited to, reasonable attorneys' fees and disbursements, costs, brokers' commissions, transfer fees and taxes.

(d) Any cash received by Secured Party in respect of any sale or other realization upon all or any part of the Collateral shall be applied first to the payment of all obligations owed to Secured Party as set forth in this Security Agreement and any surplus thereafter remaining shall be paid over to Debtor or whomsoever may lawfully be entitled to receive such surplus.

(e) Secured Party shall, without any further notice to Debtor, have the power, at its election, to request that the Association initiate the process of expulsion of Debtor from the Association in accordance with Article 10 of the Association's Articles of Association.

(f) The parties hereto hereby acknowledge and agree that the remedies provided in the Note and the Security Agreement are not the exclusive remedies available to Secured Party as a result of an Event of Default.

13. ATTORNEY-IN-FACT. So long as Debtor has any obligation outstanding to Secured Party under this Security Agreement or the Note, in consideration of Secured Party's agreement to advance the funds as provided in the Note, Secured Party shall be, irrevocably appointed, from and after the occurrence of an Event of Default, Debtor's attorney-in-fact with respect to execution and delivery of any agreements or documents, and with respect to all other rights of Debtor, under or in relation to the Collateral including, without limitation, the Share certificate(s), the Note and this Security Agreement.

14. FUTURE ADVANCES. Upon request by Debtor, Secured Party, at its option, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Security Agreement whether or not evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by the Security Agreement, not including sums advanced pursuant to Section 8 of this Security Agreement, exceed one hundred fifty percent (150%) of the original principal amount of the Note.

15. **GOVERNING LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, CONSTRUED UNDER AND ENFORCED ACCORDING TO THE LAWS OF THE STATE OF FLORIDA, ONE OF THE STATES OF THE UNITED STATES OF AMERICA AND ENGLISH SHALL BE THE GOVERNING LANGUAGE OF THIS AGREEMENT. THE PARTIES HEREBY WAIVE ANY RIGHT THEY MAY HAVE UNDER ANY APPLICABLE LAW TO A TRIAL BY JURY WITH RESPECT TO ANY SUIT OR LEGAL ACTION WHICH MAY BE COMMENCED BY OR AGAINST ANOTHER PARTY CONCERNING THE INTERPRETATION, CONSTRUCTION, VALIDITY, ENFORCEMENT OR PERFORMANCE OF THIS SECURITY AGREEMENT. IN THE EVENT ANY SUCH SUIT OR LEGAL ACTION IS COMMENCED BY A PARTY, THE OTHER PARTIES HEREBY AGREE, CONSENT AND SUBMIT TO THE PERSONAL JURISDICTION OF THE APPROPRIATE COURTS OF FLORIDA, LOCATED IN ORANGE COUNTY, WITH RESPECT TO SUCH SUIT OR LEGAL ACTION, AND EACH PARTY ALSO HEREBY CONSENTS AND SUBMITS TO AND AGREES THAT VENUE IN ANY SUCH SUIT OR LEGAL ACTION IS PROPER IN SAID COURT, AND EACH PARTY HEREBY WAIVES ANY AND ALL PERSONAL RIGHTS UNDER APPLICABLE LAW OR IN EQUITY TO OBJECT TO THE JURISDICTION AND VENUE IN SAID COURT AND COUNTY. SUCH JURISDICTION AND VENUE SHALL BE EXCLUSIVE OF ANY OTHER JURISDICTION AND VENUE. Wherever possible, each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.**

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY DEBTOR HEREUNDER.

16. CONTINUING SECURITY INTEREST; TRANSFER OF NOTES. This Security Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of all obligations secured hereby, (ii) be binding upon Debtor and its successors and assigns, (iii) inure to the benefit of Secured Party and its successors and assigns. Without limiting the generality of the foregoing, Secured Party may assign or otherwise transfer the Note to any other person or entity and such other person or entity shall be entitled to all of the benefits of this Security Agreement.

17. AMENDMENTS. No amendment or waiver of any provision of this Security Agreement nor consent to any departure by the parties herefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto and in such event such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

18. SEVERABILITY OF PROVISIONS. The provisions of this Security Agreement are severable and if any clause or provisions shall be held invalid or unenforceable in whole or the payment of any obligations secured hereby or in the terms and conditions of any security held therefor Secured Party is hereby expressly given the right at its

option to proceed in the enforcement of this Security Agreement independently of any other remedy or security Secured Party may at any time hold in connection with the allegations secured hereby, and it shall not be necessary for Secured Party to proceed upon or against and/or exhaust any other security or remedy before proceeding to enforce this Security Agreement. No course or dealing between the parties, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power or privilege hereunder or under the Note, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder or under the Note preclude any other or future exercise thereof or the exercise of any other right, power or privilege.

IN WITNESS WHEREOF, the parties have executed this Security Agreement as of the day and year first above written.

WITNESSES:

DEBTOR(S):

Witness signs here

Witness printed name

2nd Witness signs here

2nd Witness' printed name

WITNESSES:

SECURED PARTY:

MARRIOTT VACATION CLUB INTER
NATIONAL OF ARUBA, N.V.

By:

Authorized Representative:

USVI SAMPLE (MVC)

Upon closing of the purchase to which this Note applies, the undersigned hereby authorize(s) closing agent or Holder to complete this Note by inserting the applicable dates for commencement of payments due hereunder, the monthly payment date and the final payment date. DO NOT DESTROY THIS NOTE. When paid in full, this Note, with the Mortgage securing the same, will be surrendered to the Borrower marked "CANCELLED" and a Satisfaction of Mortgage executed and delivered to Borrower.

PROMISSORY NOTE

US $ _____ Reference No. _____

_____[Place of execution] _____, 20___

FOR VALUE RECEIVED, the undersigned _____("Borrower(s)") promise(s) to pay to the order of MARRIOTT OWNERSHIP RESORTS (ST. THOMAS), INC., (said party or any other party to whom Marriott Ownership Resorts (St. Thomas), Inc. may transfer and assign this Note and who holds this Note from time to time is hereinafter called the "Holder"), Post Office Box 24747, Lakeland, Florida 33802, or order, the principal sum of _____ No/100 U.S. Dollars (US $_____) plus interest, on the unpaid balance from the date of this Note, until paid, at the rate of _____ percent (_____%) per annum. Interest shall be calculated by applying the stated annual rate against the unpaid principal for the actual number of days elapsed divided by a 360 day year. Principal and interest shall be payable, without offset, in lawful money of the United States at the Holder's address set forth above, or such other place as the Holder may, from time to time, designate, in _____ consecutive monthly installments of _____ No/100 U.S. Dollars (US $_____), beginning on the _____ day of _____, _____ and continuing thereafter on the same day of each month, with the remaining unpaid balance, together with accrued interest thereon, due and payable, if not sooner paid, on _____. The indebtedness evidenced by this Note is secured by a Mortgage, dated of even date herewith, creating a lien on the real property described therein (the "Property"), located in St. Thomas, Virgin Islands. Reference is made to said Mortgage for rights of the Holder upon acceleration of the indebtedness evidenced by this Note.

Terms not specifically defined herein shall have the meanings ascribed to them in the Declaration of Condominium (the "Declaration of Condominium") or the Mortgage.

If any monthly installment is not received by the Holder within fifteen (15) days after the date the installment is due, Borrower(s) shall pay to the Holder a late charge of five percent (5%) of such late installment. Such late charge is in addition to and not in lieu of or diminution of any other rights and remedies of the Holder of this Note.

Each monthly payment will be applied as of its scheduled due date and will be applied, first to amounts due pursuant to Paragraph 2 of the Mortgage, then to advances, if any, made by the Holder pursuant to Paragraph 7 of the Mortgage, then to the costs, fees, expenses and other amounts incurred and advanced by the Holder in the enforcement of its rights hereunder, including, without limitation, costs and reasonable attorneys' fees, then to unpaid service fees, then to interest due hereunder, then to principal due hereunder, then to unpaid late charges, if any, then to interest on any Future Advances made pursuant to Paragraph 20 of the Mortgage, then to principal on any Future Advances made pursuant to Paragraph 20 of the Mortgage.

The principal balance may be prepaid, in whole or in part, at any time or from time to time without a penalty. Any prepayment shall include interest to the date it is made. Partial prepayments shall be applied to the installments in the inverse order of their maturity. There will be no changes in the due date or in the amount of the monthly payment unless the Holder agrees in writing to those changes.

The makers, sureties, guarantors and endorsers hereof severally waive presentment for payment, demand and notice of dishonor and nonpayment of this Note, and consent to any and all extensions of time, renewals, waivers or modifications that may be granted by the Holder hereof with respect to the payment or other provisions of this Note, and to the release of any security, or any part thereof, with or without substitution. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their respective heirs, personal representatives, successors and assigns.

At the option of the Holder, the entire unpaid principal amount outstanding and accrued interest thereon shall become due and payable without demand or further notice to Borrower(s) upon:

a) Failure of Borrower(s) to pay when due any monthly installment payable hereunder which remains unpaid after a date specified in a notice (not less than thirty (30) days from the date such notice is mailed) from the Holder to Borrower(s);

b) The insolvency (however evidenced) of or the institution of proceedings in bankruptcy by or against Borrower(s);

c) The sale (or lease with option to purchase) or transfer of all or any part of the Property or any interest therein without the prior written consent of the Holder, excluding a transfer by devise, descent or by operation of law upon the death of a joint tenant therein; or

d) Failure of Borrower(s) to comply with the covenants of the Mortgage after notice and failure to cure as provided in the Mortgage.

The Holder may exercise its option to accelerate during any default by Borrower(s) regardless of any prior forbearance. If this Note is not paid when due, whether at maturity or by acceleration, the Holder shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, attorney's fees, whether or not action be instituted hereon.

Any notice to Borrower(s) provided for in this Note shall be deemed to have been given after mailing same by U.S. mail, postage prepaid (or such other more expeditious method as may be appropriate in the case of foreign addresses, as Holder may choose in its discretion), addressed to Borrower(s) at the address stated below, or to such other address as Borrower(s) may designate by written notice to the Holder. Any notice to the Holder shall be deemed to have been given by mailing such notice by U.S. certified mail, return receipt requested (or in the case of a notice originating in a foreign country, by such other method that results in the Holder acknowledging in writing receipt of the notice), at 1200 U.S. 98 South, Lakeland, Florida 33801, or at such other address as may be designated by written notice to Borrower(s).

This Note shall be governed by, construed under and enforced in accordance with the laws of the State of Florida, without regard for its conflict of law provisions. Borrower(s) consent(s) to jurisdiction and venue in the courts within United States Virgin Islands.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

It is the intention of Borrower(s) and Holder to conform strictly to the applicable usury laws. It is, therefore, agreed that (i) in the event that the maturity of this Note is accelerated by reason of an election by Holder or if this Note is prepaid prior to maturity, all unearned interest, if any, shall be canceled automatically, or, if theretofore paid, shall either be refunded to Borrower(s) or credited to the unpaid principal amount of this Note, whichever remedy is chosen by Holder; (ii) the aggregate of all interest and other charges constituting interest under applicable law, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction shall neither exceed the maximum amount of interest, nor produce a rate in excess of the maximum non-usurious rate of interest that Holder may charge Borrower(s) under applicable law and in regard to which Borrower(s) may not successfully assert the claim or defense of usury; and (iii) if any excess interest is provided for or collected, it shall be deemed a mistake and the same shall either be refunded to Borrower(s) or be credited on the unpaid principal amount hereof, and this Note shall be automatically deemed reformed so as to permit only the collection of the maximum non-usurious rate and amount of interest allowable under applicable law.

BORROWER(S) ADDRESS:

_____

Borrower

_____ _____

Borrower

_____ _____

Borrower

_____

Borrower

(Execute Original Only)

(uv.note.yz) 474463_6
07.30.09

USVI SAMPLE (MVC)

[UPON CLOSING OF THE PURCHASE TO WHICH THIS MORTGAGE APPLIES, THE UNDERSIGNED HEREBY AUTHORIZE(S) CLOSING AGENT TO COMPLETE THIS MORTGAGE BY INSERTING THE APPROPRIATE DATE OF THE MORTGAGE AND TO COMPLETE, AS NECESSARY, THE RECORDING INFORMATION RELATING TO THE DOCUMENTS BY WHICH THE TIMESHARE INTEREST(S) BEING ENCUMBERED BY THIS MORTGAGE WAS (WERE) CREATED]

MORTGAGE

THIS MORTGAGE, made this _____ day of _____ , 20_____ , by _____ ("Borrower") to MARRIOTT OWNERSHIP RESORTS (ST. THOMAS), INC., a United States Virgin Islands corporation, the address of which is No. 5 Estate Bakkeroe, St. Thomas, Virgin Islands 00802 (said party, its successors and assigns is herein called "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of _____ U.S. Dollars (US $_____), which indebtedness is evidenced by Borrower's Promissory Note of even date herewith ("Note"), providing for equal monthly installments of principal and interest, with the balance of the indebtedness, due and payable, if not sooner paid, on _____.

WITNESSETH, To secure for the benefit of the Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to Paragraph 20 hereof ("Future Advances"), and also in consideration of One U.S. Dollar (U.S. $1.00), receipt whereof is hereby acknowledged, Borrower irrevocably does grant, release, assign, transfer, set-over and mortgage to the Lender the following-described mortgaged premises located in St. Thomas, United States Virgin Islands and identified by that specific Timeshare Interest Number(s) as follows:

Timeshare Interest Number _____ with usage of a Unit on _____ *[an annual/a biennial]* basis within the _____ Season *[and… repeat as needed]*, in Frenchman's Cove Condominium, located at Parcel No. 4-C-Rem, Parcel No. 4-C-2, Parcel No. 4-D, Parcel No. 4-E, Parcel No. 4-F, Parcel No. 4-G, Parcel No. 4-H, and Parcel No. 4-J Estate Bakkeroe No. 5 Frenchman's Bay Quarter, St. Thomas, United States Virgin Islands according to and as said terms and all other terms not otherwise defined herein are defined in the Declaration of Condominium thereof, as recorded as Document No. 2005006878 on July 14, 2005, respectively, as subsequently expanded and amended (the "Declaration of Condominium").

TOGETHER ALSO WITH the Timeshare Interest's percentage interest in the Common Elements as set forth in the Declaration of Condominium;

TOGETHER ALSO WITH the appurtenances and all the estate and rights of the Borrower in and to the Timeshare Interest(s);

TOGETHER ALSO WITH the rents, issues and profits of the above-described Timeshare Interest(s), including, without limitation, the Borrower's right, title and interest in the common profits.

TOGETHER ALSO WITH all awards heretofore and hereafter made for taking by eminent domain the whole or any part of the aforedescribed property, rights and interests or any easement therein, including any awards for changes of grade of streets, which said awards are hereby assigned to the Lender, which is hereby authorized, subject to the provisions of the Bylaws hereinafter identified, to collect and receive the proceeds of such awards and to give proper receipts and acquittances therefore, and to apply the same toward the payment of the mortgage debt, notwithstanding the fact that the amount owing thereon may not then be due and payable.

The above-described Timeshare Interest(s), together with the appurtenances, rights, and other interests hereinabove or as described in said Declaration of Condominium in connection with the Timeshare Interest(s) now or hereafter vested or attached to or installed in the Unit(s) to which the Timeshare Interest(s) is (are) appurtenant, are hereinafter collectively referred to as the "Mortgaged Premises".

TO HAVE AND TO HOLD the Mortgaged Premises unto the Lender, its successors and assigns, forever.

PROVIDED, always that if the Borrower shall pay or cause to be paid unto the Lender the said sum of money and the interest thereon on demand, then these presents and the estate hereby granted shall cease, determine and be void.

For the purposes of this Mortgage, unless the context otherwise requires, the terms used but not defined herein which are defined in the provisions of Chapter 33, Title 28, United States Virgin Islands Code (the "Condominium Act") or the aforedescribed Note or Declaration of Condominium shall have the meanings set forth therein.

Borrower covenants that Borrower is lawfully seized of the estate hereby mortgaged and has the right to grant, release, assign, transfer, set-over and mortgage the Mortgaged Premises to Lender, that the Mortgaged Premises is unencumbered, and that Borrower will warrant and defend generally the title to the Mortgaged Premises against all claims and demands, subject to any declaration, easements, or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Mortgaged Premises. Borrower further agrees and covenants with the Lender as follows:

1. **Payment of Principal, Interest, Late Charges and Service Fees.** Borrower shall promptly pay when due all payments due under the Note. Except as otherwise provided by applicable law, all payments accepted and applied by Lender under the

Note and Paragraphs 1 and 2 hereof shall be applied in the following order of priority: (a) interest due under the Note and Paragraph 20 hereof; (b) principal due under the Note and Paragraph 20 hereof; (c) service fees, if any, due under the Note; (d) late charges, if any, due under the Note; (e) amounts due under Paragraph 2 hereof; (f) amounts due under Paragraph 7 hereof.

2. **Funds for Taxes, Assessments and Insurance.** Subject to applicable law, upon written request by Lender to Borrower, Borrower shall pay to Lender on the day when monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of Borrower's share of the yearly taxes and assessments which may attain priority over this Mortgage and one-twelfth of the annual Maintenance Fees due under the Declaration of Condominium, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If Lender exercises the foregoing right, the Funds shall be held in an institution, the deposits or accounts of which are insured or guaranteed by a federal or state agency. Lender shall apply the Funds, upon receipt of the appropriate bill or bills, to pay said taxes and Maintenance Fees. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays to Borrower interest on the Funds and applicable law permits Lender to make such a charge. Unless applicable law requires, Lender shall not be required to pay Borrower any interest on earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes and/or Maintenance Fees shall exceed the amount required to pay such taxes and/or Maintenance Fees as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes and/or Maintenance Fees as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date of a notice mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under Paragraph 17 hereof the Mortgaged Premises is sold or the Mortgaged Premises is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Mortgaged Premises or its acquisition by Lender, any Funds then held by Lender as a credit against the sums secured by this Mortgage.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender first, in payment of amounts payable to Lender by Borrower(s) under Paragraph 2 hereof, then against advances, if any, made by Lender pursuant to Paragraph 7 hereof, then to costs, fees, expenses and other amounts incurred and advanced by the Lender in the enforcement of its rights under the Note and this Mortgage, including, without limitation, costs and reasonable attorneys' fees, then to unpaid service fees, then to interest payable on the Note, then to the principal of the Note, then to unpaid late charges, if any, then to interest on any Future Advances made at Lender's option pursuant to Paragraph 20 hereof, and then to principal on Future Advances, if any, made at Lender's option pursuant to Paragraph 20 hereof.

4. **Charges; Liens.** Borrower shall promptly pay, when due, all Maintenance Fees imposed by the Association pursuant to the provisions of the Condominium Documents. Borrower shall pay all taxes, Maintenance Fees and other charges, fines and impositions attributable to the Mortgaged Premises which may attain a priority over this Mortgage, in the manner provided under Paragraph 1 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this Paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender and if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of such lien or forfeiture of the Mortgaged Premises or any part thereof and, if requested by Lender, immediately post with Lender an amount necessary to satisfy said obligation.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Mortgaged Premises insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. This obligation shall be deemed satisfied so long as the Association maintains a "master" or "blanket" policies for liability and casualty insurance in accordance with the terms hereof.

The insurance carrier providing the insurance shall be chosen by Borrower or the Association subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. If required, all premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower or the Association making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Borrower shall give Lender prompt notice of any lapse in hazard insurance coverage. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Pursuant to the terms of the Condominium Documents, insurance proceeds shall be applied to restoration or repair of the property damaged, whether to the Unit or the Common Elements. To the extent such insurance proceeds exceed the cost of such restoration or repair and the Board of Directors of the Association decides to disburse such excess, Borrower's share of such excess shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not exceed or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments. If under Paragraph 18 hereof the Mortgaged Premises is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to any excess insurance proceeds thereof from damage to the Mortgaged Premises prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. **Preservation and Maintenance of Mortgaged Premises.** Borrower shall keep the Mortgaged Premises in good repair and shall not commit waste or permit impairment or deterioration of the Mortgaged Premises. Borrower shall perform all of Borrower's obligations under the Condominium Documents. Borrower shall take such actions as may be reasonable to insure that the Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Mortgaged Premises, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of funds to pay reasonable attorneys' fees and entry upon the Mortgaged Premises to make repairs.

Any amounts disbursed by Lender pursuant to this Mortgage, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms or payment, such amount shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Mortgaged Premises, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Mortgaged Premises.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or part of the Mortgaged Premises, whether of the Unit(s) to which the Timeshare Interest(s) is appurtenant or the Common Elements or for any conveyance in lieu of condemnation, pursuant to the terms of the Condominium Documents, shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

10. **Borrower Not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successor in interest.

11. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. **Remedies Cumulative.** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** Subject to the terms and provisions of Paragraph 17 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the Paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by U.S. Mail, postage prepaid (or such other more expeditious method as may be appropriate in the case of foreign addresses, as Lender may choose in its discretion), addressed to Borrower at the Borrower's address as set forth in the Note, or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested (or in the case of a notice originating in a foreign country, by such other method that results in Lender acknowledging in writing receipt of the notice), to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice that is provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. **Governing Law; Venue; Severability.** This Mortgage shall be governed by the laws of the United States Virgin Islands. Venue for any cause of action brought under this Mortgage shall be in the courts on St. Thomas in the United States Virgin Islands. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of the Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be furnished a copy of the Note and this Mortgage at the time of execution or after recordation hereof.

17. **Transfer of the Mortgaged Premises; Assumption.** If all or any part of the Mortgaged Premises or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, (b) the creation of a purchase money security interest for household appliances, (c) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, or (d) the creation of a lien or encumbrance subordinate to this Mortgage, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, and only if, prior to the sale or transfer, Lender and the person to whom the Mortgaged Premises is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate Lender shall request, and if the assumption fee set by Lender has been paid. If Lender has waived the option to accelerate provided in this Paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage, and the Note. Assumption of Borrower's Mortgage and Note shall be permitted only with written approval of, and at the sole discretion of, Lender.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Paragraph 14 hereof. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Paragraph 18 hereof.

18. **Acceleration; Remedies.** Except as provided in Paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower(s) in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender, prior to acceleration, shall mail notice to Borrower, as provided in Paragraph 14 hereof, specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is mailed to Borrower by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may

result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of Mortgaged Premises. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option, subject to any right of reinstatement to which Borrower is entitled under applicable law, may declare, without further demand, all of the sums secured by this Mortgage to be immediately due and payable and may foreclose this Mortgage by judicial proceedings. Lender shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

19. **Assignment of Rents; Appointment of Receiver.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Mortgaged Premises, provided that Borrower shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Mortgaged Premises, have the right to collect and retain such rents as they become due and payable. Upon acceleration or abandonment of the Mortgaged Premises, Lender shall be entitled, without notice, to enter upon, take possession of, and manage the Mortgaged Premises and to collect the rents of the Mortgaged Premises, including those that are past due. All rents collected shall be applied first to payment of the costs of management of the Mortgaged Premises and collection of rents, including, but not limited to, management fees, court costs, and reasonable attorneys' fees, and then to the sum secured by this Mortgage. The Lender shall be liable to account only for those rents actually received. Borrower shall not be entitled to possession or use of the Mortgaged Premises after abandonment or after the Lender has accelerated the balance due. Alternatively, Lender may seek the appointment of a receiver to manage and collect rents from the Mortgaged Premises. If a receiver is appointed, any income from rents from the Mortgaged Premises shall be applied first to the costs of receivership, and then in the order set forth above.

20. **Future Advances.** Upon request by Borrower, Lender, at Lender's option, may make future advances ("Future Advances") to Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage whether or not evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed one hundred fifty percent (150%) of the original amount of the Note.

21. **Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, which consent may be withheld by Lender in its sole and absolute discretion, either partition or subdivide the Mortgaged Premises or consent to: (i) the abandonment or termination of the Condominium, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Condominium Documents which is for the express benefit of Lender; (iii) and amendment that could adversely affect the Lender's security interest in the Mortgaged Premises; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Association unacceptable to Lender.

22 **Remedies.** In the event Borrower defaults in payment of the Note secured hereby or in the performance of any covenants herein set forth, then the Lender shall have all legal and equitable remedies available to it under United States Virgin Islands law. In addition, Lender shall have the automatic right, without the appointment of a receiver, to have access to and exclusive possession of the Timeshare Interest(s) encumbered hereby or such other Timeshare Interest(s) whose use has been assigned to Borrower by the Association or by any exchange company. This right to exclusive occupancy and possession shall entitle, but shall not obligate, Lender to receive and retain any rental payments to which Borrower would otherwise be entitled, which are received by Lender or any of its related companies, or by the Association or any other rental agent.

Lender may implement the remedies provided herein by, among other methods, giving notice of default to the Borrower, the Association and the Management Company responsible for the administration and management of the Mortgaged Premises encumbered hereby.

If the Borrower fails to deliver to Lender and to the Management Company an affidavit setting forth facts contesting the default alleged by Lender prior to the date Borrower's use of a Unit pursuant to the Condominium Documents commences, then the Management Company shall thereupon be entitled to deliver possession of the Unit or the rental, net only of any rental management fee, if any, to Lender. Lender, the Association and the Management Company shall be released from any claims by Borrower in connection with the exercise by Lender of remedies herein described.

23. **Attorneys' Fees.** As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees, if any, which may be awarded by a trial or an appellate court.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

First Witness signs here	Borrower
Second Witness signs here (Notary may sign as 2nd witness)	Borrower
	Borrower
	Borrower

STATE OF _____)

ss:

COUNTY OF _____)

This foregoing instrument was acknowledged before me this _____ day of _____, 20_____ by _____ _____.

WITNESS my hand and this official seal.

[S E A L]

Notary Public

WHEN RECORDED RETURN TO:

My commission expires: _____

James H. Hindels, Esq., H.C.
Birch, deJongh & Hindels
Poinsettia House at Bluebeard’s Castle
1330 Estate Taarnebjerg
St. Thomas, Virgin Islands 00802

Exhibit C

Form Of Lost Note Affidavit

STATE OF _____

COUNTY OF _____

_____ ("**Affiant**"), on behalf of and as _____ of MORI SPC Series Corp., a Delaware special purpose corporation (the "**Seller**"), being duly sworn, deposes and says:

1. This Lost Note Affidavit is being delivered by the Affiant pursuant to Section [2(b)] of the Sale Agreement (the "**Agreement**"), dated as of [DATE], 2011, by and between the Seller and Marriott Vacations Worldwide Owner Trust 2011-1, a Delaware statutory trust, as the Issuer, which Section requires the Seller to deliver Timeshare Loan Files to the Custodian on behalf of the Issuer. Unless otherwise defined herein, capitalized terms have the meanings ascribed to such terms in the Agreement and the Standard Definitions thereto.

2. That _____ has issued an Obligor Note evidencing a Timeshare Loan dated _____ in the principal amount of $_____ (the "**Original Note**") to _____.

3. The Original Note has been lost, destroyed, or stolen so that it cannot be found or produced, and the Seller has not endorsed, assigned, sold, pledged, hypothecated, negotiated or otherwise transferred the Original Note or an interest therein.

4. That the Seller has made a diligent effort to find the Original Note.

5. It is understood by the Seller that if the Original Note is found, that it will surrender said Original Note to the Custodian or its permitted successors and assigns for cancellation.

_____

The foregoing affidavit was sworn to and subscribed before me this _____ day of _____, _____, by _____, as _____ of [MORI SPC Series Corp.], who is personally known to me or who has produced _____ as identification and who did take an Oath.

_____

(AFFIX NOTARIAL SEAL)

Notary Public, State of _____

(Name)

Commission Number: _____

My Commission Expires:

Exhibit D

FORM OF ADDITIONAL TIMESHARE LOAN SUPPLEMENT

ADDITIONAL TIMESHARE LOAN SUPPLEMENT NO. __ (this "Supplement") dated as of _____, by and between MORI SPC SERIES Corp., a Delaware special purpose corporation, as seller (the "Seller") and MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1, a Delaware statutory trust, as issuer (the "Issuer"), pursuant to the Sale Agreement referred to below.

WITNESSETH:

WHEREAS, the Seller and the Issuer are parties to that certain Sale Agreement dated as of September 1, 2011 (as such agreement may have been, or may from time to time be, further amended, supplemented or otherwise modified, the "Sale Agreement");

WHEREAS, pursuant to the Sale Agreement, the Seller wishes to designate Additional Timeshare Loans to be included on the Schedule of Timeshare Loans, and the Seller wishes to sell its right, title and interest in and to the Additional Timeshare Loans to the Issuer pursuant to this Supplement; and

WHEREAS, the Issuer wishes to purchase such Additional Timeshare Loans subject to the terms and conditions hereof.

NOW, THEREFORE, the Seller and the Issuer hereby agree as follows:

1. Defined Terms. All capitalized terms used herein shall have the meanings ascribed to them in the Sale Agreement unless otherwise defined herein.

"Cut-Off Date" shall mean, with respect to the Additional Timeshare Loans, _____.

"[Funding][Transfer] Date" shall mean, with respect to the Additional Timeshare Loans, _____.

"Additional Conveyed Timeshare Loan Assets" shall have the meaning set forth in Section 3(a).

"Additional Timeshare Loans" shall mean the Additional Timeshare Loans that are sold hereby and listed on Schedule 1 attached hereto.

2. Designation of Additional Timeshare Loans. The Seller delivers herewith Schedule 1 containing a true and complete list of the Additional Timeshare Loans. Such Schedule 1 is incorporated into and made part of this Supplement, shall be Schedule 1 to this Supplement and shall supplement the Schedule of Timeshare Loans.

3. Sale of Additional Timeshare Loans.

The Seller does hereby sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse except as provided in Section 6 and Section 8 of the Sale Agreement, all of the Seller's right, title and interest in, to and under (i) each Additional Timeshare Loan listed on the Schedule 1 hereto, (ii) the Receivables in respect of such Timeshare Loans due on and after the related Cut-Off Date, (iii) the related Timeshare Loan Files, (iv) all Related Security in respect of each such Timeshare Loan, (v) all rights and remedies of the Seller pursuant to the Purchase Agreement, and (vi) all income, payments, proceeds and other benefits and rights related to any of the foregoing (the "**Additional Conveyed Timeshare Loan Assets**").

In connection with the foregoing sale and if necessary, the Seller agrees to record and file one or more financing statements (and continuation statements or other amendments with respect to such financing statements when applicable) with respect to the Additional Conveyed Timeshare Loan Assets meeting the requirements of applicable law in such manner and in such jurisdictions as are necessary to perfect the sale of the Additional Conveyed Timeshare Loan Assets to the Issuer, and to deliver a file-stamped copy of such financing statements and continuation statements (or other amendments) or other evidence of such filing to the Issuer.

In connection with the foregoing sale, the Seller further agrees, on or prior to the date of this Supplement, to cause the portions of its computer files relating to the Additional Timeshare Loans sold on such date to the Issuer to be clearly and unambiguously marked to indicate that each such Additional Timeshare Loan and the other Additional Conveyed Timeshare Assets have been sold on such date to the Issuer pursuant to the Sale Agreement and this Supplement.

It is the express and specific intent of the parties that the transfer of the Additional Timeshare Loans and the other Additional Conveyed Timeshare Assets from the Seller to the Issuer as provided is and shall be construed for all purposes as a true and absolute sale of such Additional Timeshare Loans and Additional Conveyed Timeshare Assets, shall be absolute and irrevocable and provide the Issuer with the full benefits of ownership of the Additional Timeshare Loans and the other Additional Conveyed Timeshare Assets. In the event, however, that a court of competent jurisdiction were to hold that any such transfer constitutes a loan and not a sale, it is the intention of the parties that the Seller shall be deemed to have Granted to the Issuer as of the date of this Supplement, a first priority perfection security interest in all of the Seller's right, title and interest in, to and under each Timeshare Loan whether now owned or hereafter acquired, and the related property described in Section 2 of the Sale Agreement. The Seller acknowledges that the Issuer intends to grant to the Indenture Trustee a security interest in the Additional Conveyed Timeshare Assets and that the Additional Timeshare Loans and other Additional Conveyed Timeshare Assets are subject to the Lien of the Indenture and Servicing Agreement for the benefit of the Indenture Trustee on behalf of the Noteholders and the Hedge Counterparty.

4. Acceptance by the Issuer. The Issuer hereby acknowledges that, prior to or simultaneously with the execution and delivery of this Supplement, the Seller delivered to the

Issuer the Schedule described in Section 2 of this Supplement with respect to all Additional Timeshare Loans.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Issuer on the [Funding][Transfer] Date that each representation and warranty to be made by it on such [Funding][Transfer] Date pursuant to the Sale Agreement is true and correct, and that each such representation and warranty is hereby incorporated herein by reference as though fully set out in this Supplement.

6. Ratification of the Sale Agreement. The Sale Agreement is hereby ratified, and all references to the Sale Agreement shall be deemed from and after the [Funding][Transfer] Date to be references to the Sale Agreement as supplemented and amended by this Supplement. Except as expressly amended hereby, all the representations, warranties, terms, covenants and conditions of the Sale Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or consent to non-compliance with any term or provision of the Sale Agreement.

7. Counterparts. This Supplement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or other electronic transmission (i.e., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart hereof and deemed an original.

8. GOVERNING LAW. THIS SUPPLEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

IN WITNESS WHEREOF, each of the parties hereto has caused this Assignment to be duly executed by their respective officers as of the day and year first written above.

MORI SPC SERIES CORP., as Seller

By: /s/ Jean Pierre Parisien

Name:	Jean Pierre Parisien
Title:	Vice President
Address:	6649 Westwood Boulevard Orlando, Florida 32821
Telephone:	(407) 206-6000
Facsimile:	(407) 206-6420

MARRIOTT VACATIONS WORLDWIDE OWNER TRUST 2011-1

By: WILMINGTON TRUST, NATIONAL ASSOCIATION, not individually but solely in its capacity as Owner Trustee

By: /s/ Rita Marie Ritrovato

Name:	Rita Marie Ritrovato
Title:	Assistant Vice President
Address:	1220 North Market Street, Suite 202 Wilmington, Delaware 19801
Telephone:	(302) 255-4966
Facsimile:	(302) 661-2266

ANNEX A

Standard Definitions

[Superseded by Annex A to Amendment No. 1 to the Sale Agreement.]

Exhibit 10.14

Amendment No. 1 to Sale Agreement

This Amendment No. 1 (this "**Amendment**") to that certain Sale Agreement (the "**Sale Agreement**"), dated as of September 1, 2011, by and among MORI SPC Series Corp., a Delaware special purpose corporation (the "**Seller**"), and Marriott Vacations Worldwide Owner Trust 2011-1, a Delaware statutory trust (the "**Issuer**"), is entered into as of October 6, 2011, by and among the parties to the Sale Agreement.

W I T N E S S E T H:

WHEREAS, pursuant to Section 13 of the Sale Agreement, the parties to the Sale Agreement may amend the Sale Agreement and any required consents to do so as required by Section 13 of the Sale Agreement have been obtained; and

WHEREAS, the parties hereto desire to amend the Sale Agreement by incorporating the amended and restated standard definitions attached hereto as Exhibit A (the "**Amended and Restated Standard Definitions**").

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

SECTION 1. Amendment to the Sale Agreement. Annex A to the Sale Agreement is hereby amended by deleting the same in its entirety and replacing it with the Amended and Restated Standard Definitions.

SECTION 2. GOVERNING LAW; CONSENT TO JURISDICTION.

(a) THIS AMENDMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK.

(b) THE SELLER AND THE ISSUER HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY AND EACH WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO THE ADDRESS SET FORTH ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID. THE SELLER AND THE ISSUER EACH HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS

IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION 2 SHALL AFFECT THE RIGHT OF THE SELLER OR THE ISSUER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY OF THEM TO BRING ANY ACTION OR PROCEEDING IN THE COURTS OF ANY OTHER JURISDICTION.

SECTION 3. Continuing Effect. Except as expressly amended hereby, the Sale Agreement shall continue in full force and effect in accordance with the provisions thereof and the Sale Agreement is in all respects hereby ratified, confirmed and preserved.

SECTION 4. Execution in Counterparts. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and both of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile or other electronic transmission (i.e., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart hereof and deemed an original.

SECTION 5. Owner Trustee. It is expressly understood and agreed by the parties hereto that (a) this Amendment is executed and delivered by Wilmington Trust, N.A. not individually or personally but solely as Owner Trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made or on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by Wilmington Trust, N.A., but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on Wilmington Trust, N.A., individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto, and (d) under no circumstances shall Wilmington Trust, N.A. be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Amendment or any other related document. Notwithstanding the foregoing, Wilmington Trust, N.A. shall not be relieved of any of its duties and obligations under the Administration Agreement or the Trust Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

MORI SPC SERIES CORP., as Seller

By: /s/ Jean Pierre Parisien

Name:	Jean Pierre Parisien
Title:	Vice President
Address:	10400 Fernwood Road Bethesda, Maryland 20817
Telephone:	(301) 380-3153
Facsimile:	(301) 380-5067

MARRIOTT VACATIONS WORLDWIDE
OWNER TRUST 2011-1

By: WILMINGTON TRUST, NATIONAL ASSOCIATION,
not individually, but solely in its capacity as Owner Trustee

By: /s/ Rita Marie Ritrovato

Name:	Rita Marie Ritrovato
Title:	Assistant Vice President
Address:	1220 North Market Street, Suite 202 Wilmington, Delaware 19801
Telephone:	(302) 255-4966
Facsimile:	(302) 661-2266

Exhibit A

Amended and Restated Standard Definitions

Annex A

AMENDED AND RESTATED STANDARD DEFINITIONS

Rules of Construction. In these Amended and Restated Standard Definitions and with respect to the Facility Documents (as defined below), (a) the meanings of defined terms are equally applicable to the singular and plural forms of the defined terms, (b) in any Facility Document, the words "hereof," "herein," "hereunder" and similar words refer to such Facility Document as a whole and not to any particular provisions of such Facility Document, (c) any subsection, Section, Article, Annex, Schedule and Exhibit references in any Facility Document are to such Facility Document unless otherwise specified, (d) the term "documents" includes any and all documents, instruments, agreements, certificates, indentures, notices and other writings, however evidenced (including electronically), (e) the term "including" is not limiting and (except to the extent specifically provided otherwise) shall mean "including (without limitation)", (f) unless otherwise specified, in the computation of periods of time from a specified date to a later specified date, the word "from" shall mean "from and including," the words "to" and "until" each shall mean "to but excluding," and the word "through" shall mean "to and including", and (g) the words "may" and "might" and similar terms used with respect to the taking of an action by any Person shall reflect that such action is optional and not required to be taken by such Person.

"Act" shall have the meaning specified in Section 1.04 of the Indenture and Servicing Agreement.

"Acceleration Event" shall have the meaning specified in Section 6.06 of the Indenture and Servicing Agreement.

"Accounting Based Consolidation Event" shall mean the consolidation, for financial and/or regulatory accounting purposes, of all or any portion of the assets and liabilities of any Conduit that are subject to the Note Purchase Agreement or any other Facility Document with all or any portion of the assets and liabilities of an Affected Entity. An Accounting Based Consolidation Event shall be deemed to occur on the date any Affected Entity shall acknowledge in writing that any such consolidation of the assets and liabilities of the related Conduit shall occur.

"Acquiring Alternate Purchaser" shall have the meaning set forth in Section 5.10(d) of the Note Purchase Agreement.

"Acquiring Non-Conduit Committed Purchaser" shall have the meaning set forth in Section 5.10(f) of the Note Purchase Agreement.

"Acquiring Purchaser" shall mean an Acquiring Purchaser Group or an Acquiring Non-Conduit Committed Purchaser.

"Acquiring Purchaser Group" shall have the meaning set forth in Section 5.10(f) of the Note Purchase Agreement.

"Additional Conduit" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Additional Funding Agent" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Additional Non-Conduit Committed Purchaser" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Additional Purchaser" shall mean an Additional Conduit and the Related Additional Alternate Purchasers or an Additional Non-Conduit Committed Purchaser.

"Additional Timeshare Loans" shall mean any Timeshare Loans (including Qualified Substitute Timeshare Loans) conveyed by MORI to the Seller and by the Seller to the Issuer and pledged by the Issuer to the Indenture Trustee on a Funding Date or Transfer Date, as applicable.

"Additional Timeshare Loan Supplement" shall mean, with respect to any Additional Timeshare Loans, an Additional Timeshare Loan Supplement, substantially in the form of Exhibit D to the Purchase Agreement or Sale Agreement, as applicable.

"Adjusted Commitment" shall mean on any date of determination with respect to an Alternate Purchaser for a Conduit, such Alternate Purchaser's Commitment minus the sum of (a) the portion of the Purchaser Invested Amount with respect to the Purchaser Group of which such Conduit is a member funded by such Alternate Purchaser and (b) the portion of such Purchaser Invested Amount an interest in which was acquired by such Alternate Purchaser acting as a Liquidity Provider pursuant to a Liquidity Agreement.

"Adjusted LIBOR Rate" shall mean, with respect to any Funding Period, the sum of (A) the Applicable Percentage and (B) a rate per annum equal to the rate (rounded upwards, if necessary, to the next higher 1/100 of 1%) obtained by dividing (i) the LIBOR Rate for such Funding Period by (ii) a percentage equal to 100% minus the reserve percentage (rounded upward to the next 1/100th of 1%) in effect on such day and applicable to the Alternate Purchaser or related Liquidity Provider for which this rate is calculated under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "eurocurrency liabilities"). The Adjusted LIBOR Rate shall be adjusted automatically as of the effective date of any change in such reserve percentage.

"Administration Agreement" shall mean that certain administration agreement, dated as of September 1, 2011, by and among the Issuer, the Indenture Trustee, the Owner Trustee and the Administrator.

"Administrative Agent" shall mean Credit Suisse AG, New York Branch, in its capacity as Administrative Agent for the Purchasers and the Funding Agents, and any successor Administrative Agent appointed pursuant to the terms of the Note Purchase Agreement.

"Administrative Agent-Related Persons" shall mean the Administrative Agent, together with its Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and their respective Affiliates.

"Administrative Agent Fee" shall have the meaning set forth in the related Fee Letter; provided that the Administrative Agent Fee shall not be greater than 0.10% of the Facility Limit per annum.

"Administrator" shall mean Marriott Ownership Resorts, Inc., a Delaware corporation.

"Administrator Fee" shall equal $1,000 paid annually in accordance with Section 3.04 of the Indenture and Servicing Agreement.

"Advance Rate" shall mean, with respect to the Borrowing Base Loans related to a Borrowing Base Loan Group, the applicable Advance Rate specified in the chart below:

Borrowing Base Loan Group	Applicable Advance Rate
FICO 600 to 649 Loan Group	50%
FICO 650 to 699 Loan Group	76%
FICO 700 to 749 Loan Group	91%
FICO 750 Plus Loan Group	96%
Foreign Timeshare Loan Group I	68%
Foreign Timeshare Loan Group II	40%

"Adverse Claim" shall mean any claim of ownership or any lien, security interest, title retention, trust or other charge or encumbrance, or other type of preferential arrangement having the effect or purpose of creating a lien or security interest, other than the interests created under the Indenture and Servicing Agreement in favor of the Indenture Trustee and the Noteholders.

"Affected Entity" shall mean (i) any Alternate Purchaser, (ii) any Liquidity Provider, (iii) any agent, administrator or manager of any Conduit, or (iv) any bank holding company in respect of any of the foregoing.

"Affiliate" shall mean any Person: (a) which directly or indirectly controls, or is controlled by, or is under common control with such Person; (b) which directly or indirectly beneficially owns or holds five percent (5%) or more of the voting stock of such Person; or (c) for which five percent (5%) or more of the voting stock of which is directly or indirectly beneficially owned or held by such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Without

limiting the generality of the foregoing, for purposes of the definition of "Outstanding," MVCO Series LLC, MORI, MVC Trust, MVCI Finance, C.V., The Ritz-Carlton Development Company, Inc., Marriott Ownership Resorts (St. Thomas), Inc., prior to the Spin-Off Date, Marriott International, Marriott Vacation Worldwide Corporation and their Affiliates shall be deemed an Affiliate of the Issuer.

"Aggregate Loan Balance" shall mean the sum of the Loan Balances for all Borrowing Base Loans.

"Alternate Purchasers" shall mean, with respect to a Conduit, each Purchaser identified as an Alternate Purchaser for such Conduit on Schedule I to the Note Purchase Agreement or in the Assignment and Assumption Agreement pursuant to which such Conduit became a party to the Note Purchase Agreement, and any permitted assignee thereof.

"Alternate Purchaser Assignment and Assumption Agreement" shall mean an Assignment and Assumption Agreement substantially in the form of Exhibit A to the Note Purchase Agreement.

"Alternate Purchaser Percentage" shall mean, with respect to any Alternate Purchaser for a Conduit, such Alternate Purchaser's Commitment with respect to such Conduit as a percentage of the Purchaser Commitment Amount with respect to the Purchaser Group of which such Conduit is a member.

"Amortization Event" shall exist on and after a Determination Date if any of the following shall have occurred:

(a) the Warehouse Portfolio Three Month Rolling Average Delinquency Percentage is greater than 5.50%; or

(b) the Securitized Portfolio Three Month Rolling Average Delinquency Percentage is greater than 5.50%; or

(c) the Warehouse Portfolio Three Month Rolling Average Default Percentage is greater than 0.75%; or

(d) the Securitized Portfolio Three Month Rolling Average Default Percentage is greater than 0.75%; or

(e) to the extent the Aggregate Loan Balance is more than $0, the Gross Excess Spread Percentage for the related Due Period is less than 5.00%; or

(f) an Event of Default occurs; or

(g) a Servicer Event of Default occurs; or

(h) the amount on deposit in the Reserve Account is less than the Reserve Account Required Balance for any three consecutive Business Days.

Upon the first occurrence of an Amortization Event of a type described in any of clauses (a), (b), (c), (d) or (e) above, such Amortization Event shall continue until the Determination Date on which the Warehouse Portfolio Three Month Rolling Average Delinquency Percentage, Securitized Portfolio Three Month Rolling Average Delinquency Percentage, Warehouse Portfolio Three Month Rolling Average Default Percentage, Securitized Portfolio Three Month Rolling Average Default Percentage or Gross Excess Spread Percentage, as the case may be, is equal to or less than (in the case of clauses (a), (b), (c) or (d)) or equal to or greater than (in the case of clause (e)), the specified threshold. Upon the second occurrence of an Amortization Event of a type described in any of clauses (a), (b), (c), (d) or (e) above, an Amortization Event shall exist and continue until the Outstanding Note Balance has been reduced to zero.

An Amortization Event of the type described in clauses (f), (g) or (h) shall continue until the Outstanding Note Balance of the Notes has been reduced to zero.

"Anticipated Completion Date" shall mean, for a Pre-Completion Loan, the date set forth in the related Additional Timeshare Loan Supplement as specified by resort and building on which the related Unit is expected to be an Available Unit.

"Applicable Percentage" shall mean 1.50%.

"Assignment and Assumption Agreement" shall mean any Alternate Purchaser Assignment and Assumption Agreement or any Purchaser Assignment and Assumption Agreement.

"Assumption Date" shall have the meaning specified in Section 5.19(f) of the Indenture and Servicing Agreement.

"Authorized Officer" shall mean (a) with respect to any corporation, limited liability company or partnership, the Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer, Managing Member and each other officer of such corporation or limited liability company or the general partner of such partnership customarily performing functions similar to those performed by any of the above designated officers, and with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge and familiarity with the particular subject or such officer specifically authorized in resolutions of the Board of Directors of such corporation or managing member of such limited liability company to sign agreements, instruments or other documents in connection with the Indenture and Servicing Agreement on behalf of such corporation, limited liability company or partnership, as the case may be or (b) with respect to a trust, any person meeting the criteria specified in clause (a) above with respect to the related trustee.

"Available Funds" shall mean for any Payment Date, (A) all funds on deposit in the Collection Account after making all transfers and deposits required from or by (i) the Servicer pursuant to the Indenture and Servicing Agreement, (ii) the Reserve Account pursuant to Section 3.02(b) of the Indenture and Servicing Agreement, (iii) the Seller or the Issuer pursuant to Section 4.06 of the Indenture and Servicing Agreement, (iv) the Performance Guarantor pursuant to the Performance Guaranty, and (v) a Hedge Counterparty in respect of a Hedge Agreement, less (B) amounts on deposit in the Collection Account related to collections related to any Due Periods subsequent to the Due Period related to such Payment Date.

"Available Unit" shall mean a Unit where the Unit's construction has been completed in accordance with applicable brand standards and becomes available for occupancy by timeshare owners.

"Back-Up Servicer" shall mean Wells Fargo Bank, National Association and its permitted successors and assigns, as provided in the Indenture and Servicing Agreement.

"Back-Up Servicing Fee" shall mean for any Payment Date, an amount equal to the greater of (a) $2,500 and (b) the product of (x) one-twelfth of 0.02% and (y) the Aggregate Loan Balance as of the first day of the related Due Period.

"Bank Base Rate" shall mean, with respect to any Purchaser for any day, a rate per annum equal to the sum of (i) the Base Rate with respect to such Purchaser on such date and (ii) the Applicable Percentage.

"Base Rate" shall mean, with respect to any Purchaser for any day, a rate per annum equal to the greatest of (i) the prime rate of interest announced publicly by (x) if such Purchaser is a Non-Conduit Committed Purchaser, such Purchaser (or the Affiliate of such Purchaser that announces such rate), and (y) if such Purchaser is a member of a Purchaser Group, the Funding Agent with respect to such Purchaser Group (or the Affiliate of such Purchaser or Funding Agent, as applicable, that announces such rate) as in effect at its principal office from time to time, changing when and as said prime rate changes (such rate not necessarily being the lowest or best rate charged by such Person), (ii) the sum of (a) 0.50% and (b) the rate equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by such Purchaser (or if such Purchaser is a member of a Purchaser Group, the Funding Agent with respect to such Purchaser Group) from three Federal funds brokers of recognized standing selected by it and (iii) the sum of (x) 1.00% and (b) the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page or such other page or service as such Purchaser shall determine in its sole discretion) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) on such date (or if such day is not a London Business Day, on the next preceding London Business Day) for a term of one month, or, if more than one rate is specified on the applicable page or screen, the arithmetic mean of all such rates. Notwithstanding any of the foregoing to the contrary, solely for the purposes of Sections 2.8(c) and 2.8(d) of the Note Purchase Agreement, "Base Rate" shall mean the greater of the rates described in clause (i) and clause (ii) of the preceding sentence.

"Bankruptcy Code" shall mean the federal Bankruptcy Code, as amended (Title 11 of the United States Code).

"Beneficial Interest" shall mean the beneficial interests in the MVC Trust owned by an Obligor.

"Benefit Plan" shall mean an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA or any other "plan" as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code or any entity whose underlying assets include plan assets by reason of an employee benefit plan's or plan's investment in such entity or any plan that is subject to any substantially similar provision of federal, state or local law.

"Borrowing Base" means for any date of determination, the lesser of:

(x) the sum of the products of (i) the aggregate Loan Balance of each Borrowing Base Loan Group minus its related Excluded Loan Group Balance and (ii) the applicable Advance Rate; and

(y) the sum of the products of (i) the aggregate Loan Balance of each Borrowing Base Loan Group minus its related Excluded Loan Group Balance and (ii) 85%.

For purposes of calculating the Borrowing Base on a Funding Date, the aggregate Loan Balance of a Borrowing Base Loan Group, the Aggregate Loan Balance and Excluded Loan Balance shall be measured as of the last day of the Due Period related to the immediately preceding Payment Date (or, with respect to the Additional Timeshare Loans conveyed on such Funding Date or Timeshare Loans conveyed during the same Due Period, the related Cut-off Date). For purposes of calculating the Borrowing Base with respect to any Determination Date, the aggregate Loan Balance of a Borrowing Base Loan Group, the Aggregate Loan Balance and Excluded Loan Balance shall be measured as of the end of the related Due Period (or, with respect to the Additional Timeshare Loans conveyed on such Funding Date or Timeshare Loans conveyed during the same Due Period, the related Cut-off Date). All Defaulted Timeshare Loans, Delinquent Timeshare Loans and Defective Timeshare Loans shall be deemed to have a Loan Balance of zero ($0) for purposes of this definition.

"Borrowing Base Loan Group" means any of the Foreign Timeshare Loan Group I, Foreign Timeshare Loan Group II, FICO 600 to 649 Loan Group, FICO 650 to 699 Loan Group, FICO 700 to 749 Loan Group and FICO 750 Plus Loan Group.

"Borrowing Base Loans" shall mean, as of any date of determination, all Timeshare Loans that are Eligible Timeshare Loans on such date and owned directly by the Issuer and pledged to the Indenture Trustee pursuant to the Indenture and Servicing Agreement or a Supplemental Grant.

"Borrowing Base Shortfall" means on as of any date of determination, the amount, if any, by which the Outstanding Note Balance (without giving effect to any Increase on such date) exceeds the Borrowing Base on such date (without giving effect to any pledge of Additional Timeshare Loans to the Indenture Trustee on such date).

"Borrowing Notice" shall mean the notice presented by the Issuer to the Administrative Agent, each Funding Agent, each Non-Conduit Committed Purchaser, the Servicer and the Indenture Trustee to request the initial advance on the Initial Funding Date or thereafter, an Increase, in the form attached as Exhibit D to the Note Purchase Agreement.

"Breakage and Other Costs" shall mean any and all amounts owing by the Issuer to any Purchaser or Funding Agent or the Administrative Agent pursuant to this Agreement or any other Facility Document, other than in respect of interest or principal on any Note and shall include without limitation (i) the amount of all fees due under the Fee Letter (other than Purchaser Fees and the Up-Front Fees), (ii) the amount of any Early Collection Fee and (iii) any other amounts due from the Issuer hereunder but not included in interest or principal on the Notes including, without limitation, under Sections 4.1, 4.2, 4.3 and 4.4 of the Note Purchase Agreement.

"Business Day" shall mean any day other than (i) a Saturday or a Sunday, or (ii) a day on which banking institutions in New York City, the city in which the Servicer is located or the city in which the Corporate Trust Office is located, are authorized or obligated by law or executive order to be closed.

"Carrying Costs" shall mean, with respect to any Interest Accrual Period the sum (without duplication) of the following amounts determined on an accrual basis in accordance with GAAP consistently applied: with respect to (x) any Purchaser Group, (a) the amount of interest accrued with respect to the portion of the Purchaser Invested Amount funded by the Conduit which is a member of such Purchaser Group at a rate equal to the CP Rate applicable to such Conduit for such Interest Accrual Period and (b) the amount of interest accrued with respect to the portion of the Purchaser Invested Amount funded by any Alternate Purchaser which is a member of such Purchaser Group or any Liquidity Provider with respect to such Conduit at either the Adjusted LIBOR Rate or the Bank Base Rate, as applicable in accordance with Section 2.8(a) of the Note Purchase Agreement and (y) any Non-Conduit Committed Purchaser, the amount of interest accrued with respect to its Purchaser Invested Amount at the LIBOR Rate or the LIBOR Rate plus the Applicable Percentage, as applicable, in accordance with Section 2.8(a) of the Note Purchase Agreement; provided, however, that following the occurrence of an Event of Default, the Carrying Costs with respect to any Purchaser Group or Non-Conduit Committed Purchaser shall be determined in accordance with Section 2.8(b) of the Note Purchase Agreement. The Carrying Costs for any Interest Accrual Period determined by reference to the applicable CP Rate or daily LIBOR Rate shall be calculated using an estimate for the days in such Interest Accrual Period remaining after the date on which the applicable Funding Agent or Non-Conduit Committed Purchaser notifies the Administrative Agent of the applicable Carrying Costs pursuant to Section 2.8(a)(v) of the Note Purchase Agreement. On or before the day on which the applicable Funding Agent or Non-Conduit Committed Purchaser is required to notify the Administrative Agent of the applicable Carrying Costs with respect to the next succeeding Accrual Period, such Funding Agent or Non-Conduit Committed Purchaser shall re-determine the Carrying Costs in respect of the prior Accrual Period and if such re-determined amount is higher or lower than the Carrying Costs initially reported as described above, such Funding Agent or Non-Conduit Committed Purchaser shall advise the Administrative Agent of the re-determined Carrying Costs, specifying the amount of any Carrying Costs Underpayment or any Carrying Costs Overpayment.

"Carrying Costs Overpayment" shall mean, with respect to any Accrual Period (x) with respect to a Purchaser Group the excess, if any, of (i) the amount of Carrying Costs for such Accrual Period determined based on the CP Rate as initially determined by the applicable Funding Agent pursuant to the definition of "Carrying Costs", over (ii) the amount of Carrying Costs for such Accrual Period determined based on the CP Rate as re-determined by such Funding Agent prior to the next succeeding Payment Date pursuant to the definition of "Carrying Costs" and (y) with respect to a Non-Conduit Committed Purchaser, the excess, if any, of (i) the amount of Carrying Costs for such Accrual Period determined based on the LIBOR Rate as initially determined by such Non-Conduit Committed Purchaser pursuant to the definition of "Carrying Costs", over (ii) the amount of Carrying Costs for such Accrual Period determined based on the LIBOR Rate as re-determined by such Non-Conduit Committed Purchaser prior to the next succeeding Payment Date pursuant to the definition of "Carrying Costs".

"Carrying Costs Underpayment" shall mean, with respect to any Accrual Period (x) with respect to a Purchaser Group, the excess, if any, of (i) the amount of Carrying Costs for such Accrual Period determined based on the CP Rate as re-determined by the applicable Funding Agent prior to the next succeeding Payment Date pursuant to the definition of "Carrying Costs", over (ii) the amount of Carrying Costs for such Accrual Period determined based on the CP Rate as initially determined by such Funding Agent pursuant to the definition of "Carrying Costs" and (y) with respect to a Non-Conduit Committed Purchaser, the excess, if any, of (i) the amount of Carrying Costs for such Accrual Period determined based on the LIBOR Rate as re-determined by such Non-Conduit Committed Purchaser prior to the next succeeding Payment Date pursuant to the definition of "Carrying Costs", over (ii) the amount of Carrying Costs for such Accrual Period determined based on the LIBOR Rate as initially determined by such Non-Conduit Committed Purchaser pursuant to the definition of "Carrying Costs".

"Certificate of Trust" shall mean the Certificate of Trust filed with the Secretary of State for the State of Delaware on September 6, 2011 in order to form the Issuer, as the same may be amended, supplemented or otherwise modified in accordance with the terms thereof.

"Change of Control" means (i) prior to the consummation of the transactions contemplated to occur on the Spin-Off Date, Marriott International shall cease to own and control of record and beneficially, directly or indirectly, 100% of the outstanding common stock (or equity interests) of MVW, MORI, the Seller and the Owner, (ii) after consummation of the transactions contemplated to occur on the Spin-Off Date, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 30% of the outstanding common stock of the Performance Guarantor, (iii) the board of directors of the Performance Guarantor shall cease to consist the majority of Continuing Directors; or (iv) the Performance Guarantor shall cease to own and control, of record and beneficially, directly 100% of each class of outstanding Capital Stock of MORI, the Seller and the Owner, free and clear of all Liens (except Liens created hereunder or under the Corporate Revolver Facility.

"Closing Date" shall mean September 28, 2011.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and any successor statute, together with the rules and regulations thereunder.

"Collection Account" shall mean the account established and maintained by the Indenture Trustee pursuant to Section 3.02(a) of the Indenture and Servicing Agreement.

"Commercial Paper" shall mean either (i) the promissory notes of any Conduit issued by such Conduit in the commercial paper market or (ii) the promissory notes issued in the commercial paper market by a multi-seller commercial paper conduit the proceeds of which are loaned to a Conduit.

"Commitment" shall mean, for each Committed Purchaser, on any date of determination, the commitment of such Committed Purchaser to purchase a Note on the Initial Funding Date and, thereafter, to maintain and, subject to certain conditions, increase its investment therein in accordance with the terms of the Note Purchase Agreement in an amount not to exceed (a) (i) in the case of any Committed Purchaser which is a party hereto on the Closing Date, the dollar amount set forth opposite the name of such Committed Purchaser on Schedule I of the Note Purchase Agreement, (ii) in the case of any Committed Purchaser which is not a party hereto on the Closing Date, the dollar amount specified as such in the Purchaser Assignment and Assumption Agreement for such Purchaser or (iii) in the case of any permitted assignee of an Alternate Purchaser pursuant to Section 5.10(d) of the Note Purchase Agreement, the amount specified as such in the Alternate Purchaser Assignment and Assumption Agreement pursuant to which such assignee acquired its interest in the Notes, minus (b) the dollar amount of any portion thereof assigned pursuant to an Assignment and Assumption Agreement in accordance with Section 5.10 of the Note Purchase Agreement prior to such date of determination, plus (c) the dollar amount of any increase to such Committed Purchaser's Commitment consented to by such Committed Purchaser prior to such date of determination.

"Commitment Percentage" shall mean, on any date of determination, with respect to any Non-Conduit Committed Purchaser or Purchaser Group, the ratio, expressed as a percentage, which the Purchaser Commitment Amount of such Non-Conduit Committed Purchaser or Purchaser Group bears to the Facility Limit on such date.

"Committed Purchaser" shall mean any Alternate Purchaser or any Non-Conduit Committed Purchaser.

"Competes" shall mean (1) to compete, conduct or participate or engage in, or bid for or otherwise pursue a business, whether as a principal, sole proprietor, partner, stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity; or (2) have any debt or equity ownership interest in or actively assist, any Person or business that conducts, participates or engages in, or bids for or otherwise pursues a business, whether as a principal, sole proprietor, partner or stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity; provided, that "Competes" shall not include ownership of less than 5% of the outstanding equity securities of a publicly-traded Person; provided, further, that "Competes" shall not include acting as a lender (including a Purchaser under the Facility Documents) to a Direct Competitor or acting in an advisory role to a Direct Competitor.

"Conduit" shall mean any commercial paper conduit identified as a Conduit on Schedule I to the Note Purchase Agreement or in the Assignment and Assumption Agreement pursuant to which such Purchaser became a party thereto, and any permitted assignee thereof.

"Conduit Assignee" shall mean, with respect to any Conduit, either (x) any commercial paper conduit administered by the Funding Agent with respect to such Conduit or (y) any other commercial paper conduit which has entered into a Liquidity Agreement with one or more Alternate Purchasers (or any Affiliate of such Alternate Purchasers) with respect to such Conduit, in either case designated by the Funding Agent with respect to such Conduit to accept an assignment from such Conduit of the Purchaser Invested Amount or a portion thereof with respect to the Purchaser Group of which such Conduit is a member and such Conduit's rights and obligations under this Agreement pursuant to Section 5.10(c) of the Note Purchase Agreement; provided that no Conduit Assignee pursuant to clause (y) of this definition shall be a direct competitor (or an Affiliate thereof) of the Performance Guarantor or the Servicer in the lodging, vacation exchange and rentals or vacation ownership businesses.

"Continued Errors" shall have the meaning specified in Section 5.19(f)(i) of the Indenture and Servicing Agreement.

"Continuing Directors" shall mean the directors of a Performance Guarantor on the Closing Date and each other director, if, in each case, such other director's nomination for election to the board of directors of such Performance Guarantor is recommended by at least 66-2/3% of the then Continuing Directors.

"Conveyed Timeshare Loan Assets" shall have the meaning set forth in Section 2 of the Purchase Agreement and Sale Agreement.

"Control Account" shall mean any account subject to a Control Agreement. A list of all Control Accounts on the Closing Date has been provided by the Issuer (or its agent) to the Administrative Agent and the Indenture Trustee.

"Control Account Bank" shall mean a commercial bank at which a Control Account is established. A list of all Control Account Banks on the Closing Date has been provided by the Issuer (or its agent) to the Administrative Agent and the Indenture Trustee.

"Control Agreement" shall mean a control agreement by and among the Issuer (or its agent), the Indenture Trustee (or its agent), the Servicer and the related Control Account Bank, which agreement sets forth the rights of the parties thereto with respect to the disposition and application of collections deposited in the related Control Account, including the right of the Indenture Trustee (or its agent) to direct the Control Account Bank to remit collections directly to the Indenture Trustee for the benefit of the Noteholders.

"Control Account Intercreditor Agreement" means that certain intercreditor, security and agency agreement, dated as of September 1, 2011, by and among the Issuer, the Indenture Trustee, MVW, MORI, the Servicer, the various issuers and indenture trustees and other creditors party thereto from time to time, and Wells Fargo Bank, National Association, as agent.

"Corporate Revolver Facility" means that certain facility to be evidenced by a Credit Agreement among MVW, MORI as borrower, JPMorgan Chase Bank, N.A. as Administrative Agent, the other agents named therein and the lenders from time to time party thereto, as amended, modified or supplemented from time to time, or any credit agreement similar in nature.

"Corporate Trust Office" shall mean (i) the office of the Indenture Trustee, which office is at the address set forth in Section 13.03 of the Indenture and Servicing Agreement, or (ii) the office of the Owner Trustee, which is at the address set forth in Section 2.2 of the Trust Agreement, as applicable.

"CP Rate" shall mean, with respect to (a) a Conduit that is funding a portion of the Purchaser Invested Amount with respect to the Purchaser Group of which it is a member on a pooled basis, for each day, the weighted average rate at which interest or discount is accruing on or in respect of the Commercial Paper with respect to such Conduit allocated, in whole or in part, by the related Funding Agent, to fund the purchase or maintenance of such portion of such Purchaser Invested Amount (including, without limitation, any interest attributable to the commissions of placement agents and dealers in respect of such Commercial Paper and any costs associated with funding small or odd-lot amounts, to the extent that such commissions or costs are allocated, in whole or in part, to such Commercial Paper by such Funding Agent) or (b) a Conduit that is funding a portion of the Purchaser Invested Amount with respect to the Purchaser Group of which it is a member with Commercial Paper with respect to such Conduit issued in specified tranches (such Conduit, a "Match Funded Conduit"), the weighted average rate of the Commercial Paper with respect to such Conduit issued to fund or maintain such portion of such Purchaser Invested Amount, including an amount equal to the portion of the Face Amount of the outstanding Commercial Paper issued to fund or maintain such portion of such Purchaser Invested Amount that corresponds to the portion of the proceeds of such Commercial Paper that was used to pay the interest or discount component of maturing Commercial Paper issued to fund or maintain such portion of such Purchaser Invested Amount, to the extent that such Conduit has not received payments of interest in respect of such interest component prior to the maturity date of such maturing Commercial Paper, and including the portion of such interest or discount component constituting dealer or placement agent commissions; provided, however, that each such Match Funded Conduit shall approve the length of each tranche period and the portion of such Purchaser Invested Amount allocated to such tranche period.

"CRD" shall mean the European Union Directive 2006/48/EC, as amended from time to time.

"CRD Marriott Entity" means each of the Owner, MORI and the Seller.

"Credit and Collection Policy" shall mean those credit and collection policies and practices of the initial Servicer in effect as of a specified date; and for any successor Servicer shall mean the credit and collection policies and practices of such successor in effect on the date which it commences servicing. The Credit and Collection Policy of the initial Servicer in effect on the Closing Date has been delivered to the Administrative Agent and the Indenture Trustee.

"Credit Card Account" shall mean an arrangement whereby an Obligor makes payments under a Timeshare Loan via pre-authorized debit to a Major Credit Card.

"Custodial Agreement" shall mean that certain custodial agreement, dated as of September 1, 2011, by and among, the Custodian, the Indenture Trustee, the Servicer and the Issuer.

"Custodial Fees" shall mean such fees as the Custodian shall charge from time to time for access to Timeshare Loan Files, as specified in the Custodial Agreement.

"Custodian" shall mean Wells Fargo Bank, National Association or its permitted successors and assigns.

"Cut-Off Date" shall mean the date specified in the related Schedule of Timeshare Loans as the date after which all subsequent collections related to such Timeshare Loans are sold by MORI to the Seller and by the Seller to the Issuer and pledged by the Issuer to the Indenture Trustee.

"Cut-Off Date Loan Balance" shall mean the Loan Balance of a Timeshare Loan on the related Cut-Off Date.

"Defaulted Timeshare Loan" is any Timeshare Loan for which any of the earliest following events may have occurred: (i) any payment or part thereof has been delinquent more than 150 days as of the end of the related Due Period (as determined by the Servicer in accordance with the Servicing Standard), (ii) the Servicer has initiated foreclosure or similar proceedings with respect to the related Timeshare Property or has received the related deed or assignment in lieu of foreclosure, or (iii) provided that such Timeshare Loan is at least one day delinquent, the Servicer has determined that such Timeshare Loan should be fully written off in accordance with the Credit and Collection Policy.

"Defective Timeshare Loan" shall have the meaning specified in Section 4.06 of the Indenture and Servicing Agreement.

"Deficit" shall have the meaning specified in Section 2.4 of the Note Purchase Agreement.

"Delinquent Timeshare Loan" is a Timeshare Loan for which any payment or part thereof has been delinquent more than 30 days as of the end of the related Due Period.

"Determination Date" shall mean, with respect to any Payment Date, the second Business Day prior to such Payment Date.

"Direct Competitor" means any Person that Competes with MVW, MORI or any Vacation Ownership Business or any Subsidiary of such Person or other Person that controls, is controlled by, or is under common control with, any of the foregoing Persons. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or to cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Domestic Obligor" shall mean any Obligor other than a Foreign Obligor.

"Due Period" shall mean with respect to (i) any Payment Date other than the initial Payment Date, the immediately preceding calendar month and (ii) the initial Payment Date, the period from the Closing Date to and including the last day of the calendar month prior to such Payment Date.

"Early Collection Fee" shall mean, (i) with respect to any Purchaser Group and any Funding Period during which the portion of the Outstanding Note Balance that was allocated to such Funding Period is reduced for any reason whatsoever, the excess, if any, of (x) the additional Carrying Costs that would have accrued during such Funding Period if such reductions had not occurred, minus (y) the income, if any, received by the recipient of such reductions from investing the proceeds of such reductions and (ii) with respect to any Non-Conduit Committed Purchaser and any Interest Accrual Period during which the Purchaser Invested Amount of such Non-Conduit Committed Purchaser is reduced for any reason whatsoever on a date other than a Payment Date, the excess, if any, of (x) the additional Carrying Costs that would have accrued during such Interest Accrual Period if such reductions had not occurred, minus (y) the income, if any, received by the recipient of such reductions from investing the proceeds of such reductions.

"Effective Date" shall mean, with respect to any Purchaser which becomes a party to the Note Purchase Agreement after the Closing Date, the date on which such Purchaser becomes a party hereto, whether by assignment or direct execution of the Note Purchase Agreement or otherwise.

"Eligible Bank Account" shall mean a segregated account, which may be an account maintained with the Indenture Trustee, which is either (a) maintained with a depository institution or trust company whose long-term unsecured debt obligations are rated at least A by S&P and A2 by Moody's and whose short-term unsecured obligations are rated at least A-1 by S&P and P-1 by Moody's; or (b) a trust account or similar account maintained at the corporate trust department of the Indenture Trustee.

"Eligible Investments" shall mean one or more of the following obligations or securities:

(1) direct obligations of, and obligations fully guaranteed as to timely payment of principal and interest by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are backed by the full faith and credit of the United States of America ("Direct Obligations");

(2) federal funds, or demand and time deposits in, certificates of deposit of, or bankers' acceptances issued by, any depository institution or trust company (including U.S. subsidiaries of foreign depositories and the Indenture Trustee or any agent of the Indenture Trustee, acting in its respective commercial capacity) incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking

authorities, so long as at the time of investment, the commercial paper or other short-term unsecured debt obligations or long-term unsecured debt obligations of such depository institution or trust company have been rated by each Rating Agency in its highest short-term rating category or one of its two highest long-term rating categories (and no such rating shall include a subscript of “f”, “r”, “p”, “pi”, “q” or “t”);

(3) securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States of America or any state thereof which has a short-term unsecured debt rating from each Rating Agency, at the time of investment at least equal to the highest short-term unsecured debt ratings of each Rating Agency (and no such rating shall include a subscript of “f”, “r”, “p”, “pi”, “q” or “t”), provided, however, that securities issued by any particular corporation will not be Eligible Investments to the extent that investment therein will cause the then outstanding principal amount of securities issued by such corporation and held as part of the Trust Estate to exceed 20% of the sum of the Outstanding Note Balance and the aggregate principal amount of all Eligible Investments in the Collection Account, provided, further, that such securities will not be Eligible Investments if they are published as being under review with negative implications from either Rating Agency;

(4) commercial paper (including both non interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than 180 days after the date of issuance thereof) rated by each Rating Agency in its highest short-term ratings (and no such rating shall include a subscript of “f”, “r”, “p”, “pi”, “q” or “t”); and

(5) any other demand, money market fund, common trust estate or time deposit or obligation, or interest-bearing or other security or investment (including those managed or advised by the Indenture Trustee or an Affiliate thereof), rated in the highest rating category by each Rating Agency (and no such rating shall include a subscript of “f”, “r”, “p”, “pi”, “q” or “t”). Such investments in this subsection (5) may include money market mutual funds rated either “AAAm” or “AAAm-G” by S&P or common trust estates, including any other fund for which the Indenture Trustee or an Affiliate thereof serves as an investment advisor, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (x) the Indenture Trustee or an Affiliate thereof charges and collects fees and expenses from such funds for services rendered, (y) the Indenture Trustee or an Affiliate thereof charges and collects fees and expenses for services rendered pursuant to the Indenture and Servicing Agreement, and (z) services performed for such funds and pursuant to this Indenture and Servicing Agreement may converge at any time;

provided, however, that (a) any Eligible Investment must be money-market or other relatively risk-free instruments without options and with maturities no later than the Business Day prior to the expected Payment Date, and (b) no such instrument shall be an

Eligible Investment if such instrument (1) evidences either (x) a right to receive only interest payments with respect to the obligations underlying such instrument or (y) both principal and interest payments derived from obligations underlying such instrument and the principal and interest payments with respect to such instrument provide a yield to maturity of greater than 120% of the yield to maturity at par of such underlying obligations, and (2) is purchased at a price in excess of par.

"Eligible Timeshare Loan" shall mean a Timeshare Loan conforming to each of the representations and warranties set forth in Schedule I to the Sale Agreement as of the Funding Date, Transfer Date or, with respect to a Determination Date (and the related Payment Date), the last day of the related Due Period, as the case may be. Delinquent Timeshare Loans, Defaulted Timeshare Loans and Defective Timeshare Loans, as of any date of determination, are not Eligible Timeshare Loans.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and the rulings issued thereunder.

"ERISA Affiliate" shall mean, with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as such Person; (ii) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with such Person; or (iii) for purposes of Code Section 412, a member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as such Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above.

"Errors" shall have the meaning specified in Section 5.19(f)(i) of the Indenture and Servicing Agreement.

"Event of Default" shall have the meaning specified in Section 6.01 of the Indenture and Servicing Agreement.

"Exchange Notes" shall mean notes issued pursuant to an Exchange Notes Indenture in exchange for Notes held by an Extending Noteholder.

"Exchange Notes Indenture" shall have the meaning set forth in Section 2.13 of the Indenture and Servicing Agreement.

"Excluded Loan Balance" as of any date of determination shall mean the sum of the following:

(i) the amount by which the aggregate Loan Balance of all Borrowing Base Loans relating to a Timeshare Property at an RCC Resort or a GRM Resort exceeds 10.0% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(ii) the amount by which the aggregate Loan Balance of all Borrowing Base Loans with an original term to stated maturity more than 120 months exceeds 30.0% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(iii) the amount by which the aggregate Loan Balance of all Borrowing Base Loans with both an original term to stated maturity of more than 180 months and were originated after the Closing Date, exceeds 5% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(iv) the amount by which the aggregate Loan Balance of all Borrowing Base Loans for which the related Obligor is a resident of the Highest State Concentration exceeds 30.0% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(v) the amount by which the aggregate Loan Balance of all Borrowing Base Loans for which the related Obligor is a resident of the Highest Five State Concentration exceeds 60.0% of the Aggregate Loan Balance of all Borrowing Base Loans, plus

(vi) the amount by which the aggregate Loan Balance of all Borrowing Base Loans having a Foreign Obligor from the Highest Country Concentration exceeds 30.0% of the aggregate Loan Balance of all Borrowing Base Loans having a Foreign Obligor; plus

(vii) the amount by which the aggregate Loan Balance of all Borrowing Base Loans having a Foreign Obligor from the Highest Three Countries Concentration exceeds 60.0% of the aggregate Loan Balance of all Borrowing Base Loans having a Foreign Obligor; plus

(viii) the Loan Balance of any Pre-Completion Loan with more than 9 months remaining until its Anticipated Completion Date; plus

(ix) the amount by which the aggregate Loan Balance of all Pre-Completion Loans with 9 months or less until their respective Anticipated Completion Date exceeds 7.5% of the Aggregate Loan Balance of all Borrowing Base Loans; plus

(x) the Loan Balance of any Pre-Completion Loan for which the related Unit is not an Available Unit as of its Anticipated Completion date; plus

(xi) the amount by which aggregate Loan Balance of all Borrowing Base Loans with a Loan Balance greater than $125,000 exceeds 15.0% of the Aggregate Loan Balance of all Borrowing Base Loans.

"Excluded Loan Group Balance" means for any Borrowing Base Loan Group, an amount equal to the Excluded Loan Balance multiplied by a fraction, the numerator of which is the aggregate Loan Balance of Borrowing Base Loans in such Borrowing Base Loan Group and the denominator of which is the Aggregate Loan Balance of the Borrowing Base Loans.

"Excluded Taxes" shall have the meaning set forth in Section 4.3 of the Note Purchase Agreement.

"Extended Portion" shall mean, with respect to any Purchaser Group or Non-Conduit Committed Purchaser that is extending the Facility Termination Date with respect to less than all of its Purchaser Commitment Amount, an amount equal to the portion of such Purchaser Group or Non-Conduit Committed Purchaser's Purchaser Invested Amount that is being extended.

"Extending Noteholder" shall mean a Noteholder that is either (x) the Funding Agent for a Purchaser Group that is an Extending Purchaser or (y) a Non-Conduit Committed Purchaser that is an Extending Purchaser.

"Extending Noteholder's Percentage" shall mean, as of any Facility Termination Date, the percentage equivalent of a fraction (i) the numerator of which is equal to the aggregate principal amount of the Notes held by each Extending Noteholder (or, in the case of any Extending Noteholder which is extending its Facility Termination Date for an amount that is less than its entire Purchaser Commitment Amount, the Extended Portion with respect to such Extending Noteholder) on such date and (ii) the denominator of which is equal to the Outstanding Note Balance on such date.

"Extending Purchaser" shall mean a Purchaser Group or a Non-Conduit Committed Purchaser other than a Non-Extending Purchaser.

"Face Amount" shall mean, with respect to any Commercial Paper, the amount to be paid by the applicable Conduit on the maturity date of such Commercial Paper, whether issued on a discount basis or on an interest-bearing basis.

"Facility Documents" shall mean, collectively, the Indenture and Servicing Agreement, the Performance Guaranty, the Purchase Agreement, the Sale Agreement, the Custodial Agreement, the Administration Agreement, the Trust Agreement, the UCC financing statements, the Fee Letter, the Control Agreement, the Control Account Intercreditor Agreement, each Hedge Agreement and all other agreements, documents or instruments delivered in connection with the transactions contemplated thereby, and "Facility Document" shall mean any of them.

"Facility Limit" shall mean, on any date of determination, the sum of the Purchaser Commitment Amounts with respect to each of the Purchaser Groups and the Non-Conduit Committed Purchasers on such date. The Facility Limit shall be reduced by the Purchaser Commitment Amount of each Non-Extending Purchaser on the Facility Termination Date with respect to such Non-Extending Purchaser (or, in the case of an Extending Noteholder which is extending its Facility Termination Date for an amount less than its entire Purchaser Commitment Amount, the non-Extended Portion of the related Purchaser Commitment Amount). On the Closing Date, the Facility Limit shall be $300,000,000.

"Facility Termination Date" shall mean, with respect to any Purchaser Group or Non-Conduit Committed Purchaser, September 26, 2012, as such date may be extended in accordance with Section 2.3(c) of the Note Purchase Agreement.

"Fee Letter" shall mean, as the context shall require, the (i) Fee Letter among the Issuer, the Performance Guarantor, MORI, each Purchaser, the Administrative Agent, each Funding Agent and Non-Conduit Committed Purchaser relating to the Up-Front Fees, (ii) Fee Letter among the Issuer, the Performance Guarantor, MORI and the Structuring Agent relating to the Structuring Fee, or (iii) Fee Letter among the Issuer, MORI, the Performance Guarantor and the Administrative Agent relating to the Administrative Agent Fee, in each case, as such fee letter may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

"FICO" means a credit risk score for individuals calculated using the model developed by Fair, Isaac and Company. Any reference to a FICO score in a Facility Document shall mean the FICO score attributed to any Domestic Obligor at the time of sale of an interest in a Timeshare Property to such Domestic Obligor; provided that if there is more than one Domestic Obligor with respect to a Timeshare Loan, any reference to a FICO score in a Facility Document shall mean the FICO score attributed to, (i) if such Timeshare Loan was originated on or prior to November 30, 2005, either (A) the FICO score of the primary Domestic Obligor or (B) the average of the FICO Scores of the primary and secondary Domestic Obligor or (ii) if such Timeshare Loan was originated after November 30, 2005, the primary Domestic Obligor, in each case at the time of sale of an interest in a Timeshare Property to such Domestic Obligors.

"FICO 600 to 649 Loan Group" means all Borrowing Base Loans for which the related Domestic Obligors have FICO scores in the range from and including 600 to and including 649.

"FICO 650 to 699 Loan Group" means all Borrowing Base Loans for which the related Domestic Obligors have FICO scores in the range from and including 650 to and including 699.

"FICO 700 to 749 Loan Group" means all Borrowing Base Loans for which the related Domestic Obligors have FICO scores in the range from and including 700 to and including 749.

"FICO 750 Plus Loan Group" means all Borrowing Base Loans for which the related Domestic Obligors have FICO scores equal to or greater than 750.

"Financial Covenants" means:

(i) prior to the Spin-Off Date or if the Spin-Off Date does not occur, (A) the covenant contained in the MI Credit Facility that Marriott International maintain a maximum Leverage Ratio (as such term is defined in the MI Credit Facility) and (B) any other numerical financial covenant or covenants found in the MI Credit Facility, in each case, as and when required under the MI Credit Facility; or

(ii) if the Spin-Off Date does occur and the Corporate Revolver Facility is executed and is in full force and effect, (A) the covenant contained in the Corporate Revolver Facility that relate to (1) Consolidated Tangible Net Worth, (2) the maximum ratio of Consolidated Total Debt to Consolidated Adjusted EBITDA and (3) minimum Consolidated Interest Coverage Ratio (as such terms are defined in the Corporate Revolver Facility), (B) the Minimum Consolidated Tangible Net Worth Floor Covenant and (C) any other numerical financial covenant or covenants found in the Corporate Revolver Facility, as and when required under the Corporate Revolver Facility; or

(iii) if the Spin-Off Date does occur but the Corporate Revolver Facility is not executed or if the Corporate Revolver Facility is executed but subsequently terminated, (A) the Minimum Consolidated Tangible Net Worth Covenant, (B) the Consolidated Total Debt to Consolidated Adjusted EBITDA Covenant, (C) the Consolidated Interest Coverage Ratio Covenant and (D) the Minimum Consolidated Tangible Net Worth Floor Covenant, in each case, utilizing the definitions, to the extent necessary, contained in Schedule I to these Standard Definitions.

"Foreign Country" shall mean a jurisdiction that is not the "United States" (as defined in Section 7701(a)(9) of the Code), Canada, Guam, Puerto Rico, the U.S. Virgin Islands or any of the territories of the United States.

"Foreign Obligor" shall mean an Obligor that is not a citizen or resident of, and making payments from, the "United States" (as defined in Section 7701(a)(9) of the Code), Canada, Guam, Puerto Rico, the U.S. Virgin Islands or any of the territories of the United States, provided, that having a "military address" outside of the United States or making payments from such an address shall not cause a United States citizen or resident Obligor to be deemed a Foreign Obligor.

"Foreign Timeshare Loan" means a Borrowing Base Loan for which the related Obligor is a Foreign Obligor.

"Foreign Timeshare Loan Group I" means Borrowing Base Loans which are Foreign Timeshare Loans with an aggregate Loan Balance up to and including an amount equal to 25% of the Aggregate Loan Balance of all Borrowing Base Loans.

"Foreign Timeshare Loan Group II" means Borrowing Base Loans which are Foreign Timeshare Loans with an aggregate Loan Balance in excess of 25% but less than 40% of the Aggregate Loan Balance of all Borrowing Base Loans.

"Funding Agent-Related Persons" shall mean the applicable Funding Agent, together with its Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and their respective Affiliates.

"Funding Agent" shall have the meaning set forth in the Preliminary Statement of the Note Purchase Agreement.

"Funding Date" shall mean the Initial Funding Date or the date on which the Outstanding Note Balance is increased pursuant to Section 2.2 of the Note Purchase Agreement.

"Funding Period" shall mean, with respect to any portion of the Purchaser Invested Amount with respect to any Purchaser Group: (i) if such amount accrues interest by reference to the CP Rate in accordance with Section 2.8 of the Note Purchase Agreement a period selected by the Funding Agent for such Purchaser Group and notified to the Issuer and with the consultation of the Issuer, it being understood that such Funding Agent shall have the sole right to choose such period; (ii) if such amount accrues interest by reference to the Adjusted LIBOR Rate in accordance with Section 2.8 of the Note Purchase Agreement, the period determined in accordance with Section 2.8 of the Note Purchase Agreement; (iii) if such amount accrues interest by reference to the Bank Base Rate in accordance with Section 2.8 of the Note Purchase Agreement, a period of from 1 to 30 days; provided, however, that whenever the last day of a Funding Period would otherwise occur on a day other than a Business Day, the last day of such Funding Period shall be extended to occur on the next succeeding Business Day.

"Funding Source" shall have the meaning set forth in Section 4.2 of the Note Purchase Agreement.

"GAAP" generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of the Financial Covenants, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 3.1(t) of the Note Purchase Agreement. In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Indenture and Servicing Agreement, then the Issuer and the Administrative Agent agree to enter into negotiations in order to amend such provisions of the Indenture and Servicing Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Performance Guarantor's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Issuer, the Administrative Agent and the Majority Facility Investors, all financial covenants, standards and terms in the Indenture and Servicing Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the Securities and Exchange Commission.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Grant" shall mean to grant, bargain, convey, assign, transfer, mortgage, pledge, create and grant a security interest in and right of set-off against, deposit, set over and confirm.

"GRM Resort" means a Resort operating under the Grand Residences by Marriott brand.

"Gross Excess Spread Percentage" shall mean for any Due Period the percentage equivalent of a fraction:

(A) the numerator of which is the product of:

(x) the sum of (i) all collections for such Due Period on the Borrowing Base Loans attributable to interest and (ii) amounts received from a Qualified Hedge Counterparty during such Due Period, minus the sum of (i) the Interest Distribution Amount on the related Payment Date, (ii) the Servicing Fee on the related Payment Date; and (iii) any Net Hedge Payment due on the related Payment Date;

(y) 360, divided by the actual number of days in such Due Period, and

(B) the denominator of which is the average daily Aggregate Loan Balance for such Due Period.

"Hedge Agreement" shall mean collectively (i)(A) the related ISDA Master Agreement, the related Schedule to the ISDA Master Agreement, and the related Confirmation or (B) an ISDA long form confirmation, and (ii) to the extent applicable, pursuant to Section 3.03(a)(ix) of the Indenture, an ISDA Credit Support Annex relating thereto.

"Hedge Agreement Collateral Posting Requirements" shall have the meaning set forth in Section 3.03(a)(ix) of the Indenture and Servicing Agreement.

"Hedge Amortization Schedule" shall mean the amortization schedule prepared from time to time by the Administrative Agent in accordance with Section 3.03(e) of the Indenture in connection with the Hedge Agreements based on (i) the timeshare loan data file prepared by the Issuer and the Servicer for the Administrative Agent and (ii) the commercially reasonable assumptions regarding payment, prepayment and defaults on the Timeshare Loans agreed upon by the Issuer and the Administrative Agent in writing.

"Hedge Collateral Account" shall mean the account established and maintained by the Indenture Trustee pursuant to Section 3.02(d) of the Indenture and Servicing Agreement.

"Hedge Counterparty" shall mean the initial counterparty under a Hedge Agreement, and any Qualified Hedge Counterparty to such Hedge Agreement thereafter.

"Hedge Event of Default or Termination Event" shall mean any event of default or termination event under a Hedge Agreement.

"Hedge Requirements" shall have the meaning specified in Section 3.03 of the Indenture and Servicing Agreement.

"Hedge Termination Payment" shall mean any termination payment due to a Hedge Counterparty as a result of a termination of a Hedge Agreement.

"Highest Country Concentration" shall mean, with respect to all the Borrowing Base Loans, the Foreign Country with the highest concentration of Foreign Obligors, measured by Loan Balance.

"Highest Five State Concentration" shall mean, with respect to all the Borrowing Base Loans, the states in the United States with the five highest concentrations of Obligors, measured by Loan Balance.

"Highest Lawful Rate" shall have the meaning specified in Section 3 of the Sale Agreement.

"Highest State Concentration" shall mean, with respect to all the Borrowing Base Loans, the state in the United States with the highest concentration of Obligors, measured by Loan Balance.

"Highest Three Countries Concentration" shall mean, with respect to all the Borrowing Base Loans, the Foreign Countries with the three highest concentrations of Foreign Obligors, measured by Loan Balance.

"Holder" or "Noteholder" shall mean a holder of any Note.

"Increase" shall have the meaning set forth in Section 2.2(a) of the Note Purchase Agreement.

"Indemnified Amounts" shall have the meaning set forth in Section 4.1 of the Note Purchase Agreement.

"Indemnified Parties" shall have the meaning set forth in Section 4.1 of the Note Purchase Agreement.

"Indenture and Servicing Agreement" shall mean the Indenture and Servicing Agreement, dated as of September 1, 2011, among the Issuer, the Servicer, the Indenture Trustee and the Back-Up Servicer, as such agreement may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

"Indenture Trustee" shall mean Wells Fargo Bank, National Association, or such successor as set forth in Section 7.09 of the Indenture and Servicing Agreement.

"Indenture Trustee Expenses" shall mean reasonable out-of-pocket expenses of the Indenture Trustee incurred in connection with performance of the Indenture Trustee's obligations and duties under the Indenture and Servicing Agreement.

"Indenture Trustee Fee" shall equal $1,500 per month.

"Initial Funding Date" shall mean the date initial advances are made on the Notes pursuant to Sections 2.2 and 3.3 of the Note Purchase Agreement.

"Initial Outstanding Note Balance" shall be zero on the Closing Date and thereafter shall have the meaning set forth in Section 2.1 of the Note Purchase Agreement.

"Initial Trial Balance" shall have the meaning specified in Section 5.19 of the Indenture and Servicing Agreement.

"Insurance Proceeds" means (i) proceeds of any insurance policy, including property insurance policies, casualty insurance policies and title insurance policies and (ii) any condemnation proceeds, in each case which relate to the Timeshare Loans or the Timeshare Properties and are paid or required to be paid to, and may be retained by, the Issuer, any of its Affiliates or to any mortgagee of record.

"Intended Tax Characterization" shall have the meaning specified in Section 4.04(b) of the Indenture and Servicing Agreement.

"Interest Accrual Period" shall mean, with respect to a Payment Date, the period beginning on and including the immediately preceding Payment Date and ending on and excluding such Payment Date; provided that the initial Interest Accrual Period will begin on and include the Closing Date and end on and exclude the initial Payment Date.

"Interest Distribution Amount" shall mean for each Note on any Payment Date, the sum of:

(i) an amount equal to the Carrying Costs for the related Interest Accrual Period with respect to a Non-Conduit Committed Purchaser that holds such Note or the Purchaser Group in whose Funding Agent's name such Note is registered, as applicable, as such amount is reported to the Indenture Trustee by the Administrative Agent or the Servicer, and

(ii) the related Usage Fees; and

(iii) any unpaid Interest Distribution Amounts from prior Payment Dates plus, to the extent permitted by law, interest thereon at the rate used to calculate the Carrying Cost plus the rate used to calculate the Usage Fees for such Payment Date.

"Issuer" shall mean Marriott Vacations Worldwide Owner Trust 2011-1, a Delaware statutory trust, together with its successors and permitted assigns.

"Issuer Order" shall mean a written order or request delivered to the Indenture Trustee and signed in the name of the Issuer by an Authorized Officer.

"Law" shall mean any applicable law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body.

"LIBOR Rate" shall mean, (a) with respect to any Funding Period, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two London Business Days prior to the first day of such Funding Period for a term equal to the length of such Funding Period, as determined in accordance with Section 2.8 of the Note Purchase Agreement or (b) with respect to any day during an Interest Accrual Period, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page or such other page or service as each Non-Conduit Committed Purchaser shall determine in its sole discretion) as the London interbank offered rate for deposits in U.S. dollars for a term of thirty (30) days at approximately 11:00 A.M. (London time) on such day, or if such day is not a London Business Day on the immediately preceding London Business Day; provided, however, if more than one rate is specified on the applicable page or screen, the applicable rate shall be the arithmetic mean of all such rates. If for any reason such rate is not available, the term "LIBOR Rate" shall mean, (a) for any Funding Period, the rate at which deposits in U.S. dollars are offered to the applicable Funding Agent in the London interbank market at approximately 11:00 A.M. (London time) two London Business Days prior to the first day of such Funding Period for a term equal to the length of such Funding Period or (b) for any day during an Interest Accrual Period, the rate at which deposits in U.S. dollars are offered to the applicable Non-Conduit Committed Purchaser in the London interbank market at approximately 11:00 A.M. (London time) on such day, or if such day is not a London Business Day on the immediately preceding London Business Day for a term of thirty (30) days.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment for security, security interest, claim, participation, encumbrance, levy, lien or charge.

"Liquidation" shall mean with respect to any Defaulted Timeshare Loan, the sale or compulsory disposition of the related Timeshare Property, following foreclosure, other enforcement action or the taking of a deed-in-lieu of foreclosure, to a Person other than the Servicer or the Issuer and the delivery of a bill of sale or the recording of a deed of conveyance with respect thereto, as applicable.

"Liquidation Expenses" shall mean, with respect to a Defaulted Timeshare Loan, the out-of-pocket expenses (exclusive of overhead expenses) incurred by the Servicer in connection with the performance of its obligations under Sections 5.03 (a) (vii) through (ix) in the Indenture and Servicing Agreement, including (i) any foreclosure and other repossession expenses incurred with respect to such Timeshare Loan, (ii) (a) if MORI or an Affiliate thereof (a "Marriott Servicer") is the Servicer, commissions and marketing and sales expenses incurred with respect to the sale of the related Timeshare Property or Vacation Interest (calculated as the Marriott Average Marketing and Sales Percentage of the total liquidation or resale price of such Timeshare Property or Vacation Interest (expressed as a dollar figure)), or (b) if a Marriott Servicer is no longer the Servicer or, a Marriott Servicer in its sole discretion elects to permanently cease using the methodology described in (a) above, actual commissions and actual marketing and sales expenses incurred with respect to the sale of the related Timeshare Property or Vacation Interest, and (iii) any other fees and expenses reasonably applied or allocated in the ordinary course of business with respect to the Liquidation of such Defaulted Timeshare Loan

(including any assessed timeshare association fees); provided, however, that in each case, any fees, expenses and commissions must be commercially reasonable and incurred in accordance with the Servicing Standard.

"Liquidation Proceeds" shall mean with respect to the Liquidation of any Defaulted Timeshare Loan, the amounts actually received by the Servicer in connection with such Liquidation including any rental income, less related rental expenses.

"Liquidity Agreement" shall mean an agreement between a Conduit and a Liquidity Provider evidencing the obligation of such Liquidity Provider to provide liquidity support, credit enhancement or asset purchase facilities for or in respect of any assets or liabilities of such Conduit in connection with the issuance by such Conduit of Commercial Paper or the borrowing by such Conduit of the proceeds of Commercial Paper.

"Liquidity Provider" shall mean the Person or Persons who will provide liquidity or program support to a Conduit in connection with the issuance by such Conduit of Commercial Paper or the borrowing by such Conduit of the proceeds of Commercial Paper.

"Loan Balance" shall mean, for any date of determination, the outstanding principal balance due under or in respect of a Timeshare Loan (including a Defaulted Timeshare Loan).

"Loan Number" shall mean, with respect to any Timeshare Loan, the number assigned to such Timeshare Loan by the Servicer, which number is set forth in the related Schedule of Timeshare Loans, as amended from time to time.

"London Business Day" shall mean, with respect to the determination of the LIBOR Rate, any Business Day other than a Business Day on which banking institutions in London, England trading in dollar deposits in the London interbank market are authorized or obligated by law or executive order to be closed.

"Lost Note Affidavit" shall mean the affidavit to be executed in connection with any delivery of a copy of an original Obligor Note in lieu of such original, in the form of Exhibit C attached to the Purchase Agreement and the Sale Agreement.

"Major Credit Card" shall mean a credit card issued by any VISA USA, Inc., MasterCard International Incorporated, American Express Company, Discover Bank or Diners Club International Ltd. credit card affiliate or member entity.

"Majority Facility Investors" shall mean at any time, Purchaser Groups and/or Non-Conduit Committed Purchasers having Commitment Percentages aggregating more than 51%.

"Majority Purchaser Group Investors" shall mean at any time, with respect to each Purchaser Group, the Alternate Purchasers with respect to such Purchaser Group having Alternate Purchaser Percentages aggregating more than 51%.

"Mandatory Redemption Date" means the Payment Date occurring in the 13th calendar month after the calendar month in which the last Facility Termination Date occurs; provided, however, if, on the Facility Termination Date, an Amortization Event exists, the Mandatory Redemption Date means the Payment Date occurring in the 3rd calendar month after the calendar month in which the Facility Termination Date occurs.

"Margin Stock" shall have the meaning provided in Regulation U.

"Marriott Average Marketing and Sales Percentage" shall mean, with respect to any Payment Date, (a) the sum of the Marriott Marketing and Sales Percentages for the three four week accounting periods immediately preceding the first day of the calendar month in which such Payment Date occurs, divided by (b) three.

"Marriott Entity" means any of (a) the Issuer, (b) the Seller, (c) MORI and (d) the Performance Guarantor.

"Marriott International" shall mean Marriott International, Inc., a Delaware corporation.

"Marriott IP Agreement" means the license, services and development agreement, by and among Marriott International, Marriott Worldwide Corporation and MVW pursuant to which, among other things, MVW licenses the right to use the certain marks and intellectual property of Marriott International and Marriott Worldwide Corporation, including the name and mark "Marriott" in connection with the MVW's Vacation Ownership Business.

"Marriott Marketing and Sales Percentage" shall mean the (a) the marketing and sales expenses (including sales commissions) incurred by all resorts of the applicable Marriott Vacation Club International brand during a four week accounting period, divided by (b) the aggregate sales revenue for all resorts of the applicable Marriott Vacation Club International brand during such four week accounting period (expressed as a percentage).

"Material Adverse Effect" shall mean, with respect to any Person and any event or circumstance, a material adverse effect on (a) the business, properties, operations or condition (financial or otherwise) of such Person, (b) the ability of such Person to perform its respective obligations under any Facility Documents to which it is a party, (c) the validity or enforceability of, or collectability of amounts payable under, any Facility Documents to which it is a party, (d) the status, existence, perfection or priority of any Lien granted by such Person under any Facility Documents to which it is a party, or (e) the value, validity, enforceability or collectability of the Trust Estate.

"MI Credit Facility" means that certain U.S. $1,750,000,000 Second Amended and Restated Credit Agreement dated as of June 23, 2011, among Marriott International, Bank of America, N.A., as administrative agent, and the other financial institutions identified therein, as such agreement may be amended, supplemented, replaced, refinanced or otherwise modified or waived from time to time. In the event that such agreement or its successor is terminated without replacement, "MI Credit Facility" shall mean Marriott International's principal bank revolving credit agreement as in effect at the time of determination, and in the event that no such bank revolving credit agreement exists, the "MI Credit Facility" shall mean the MI Credit Facility as most recently in effect.

"Minimum Consolidated Tangible Net Worth Floor Covenant" shall mean the requirement that the Consolidated Tangible Net Worth of MVW must be, at all times, at least $700,000,000.

"Miscellaneous Payments" shall mean, with respect to any Timeshare Loan, any amounts received from or on behalf of the related Obligor representing assessments, payments relating to real property taxes, insurance premiums, maintenance fees and charges and condominium association fees and any other payments not owed under the related Obligor Note.

"Monthly Reports" shall have the meaning specified in Section 5.19(b) of the Indenture and Servicing Agreement.

"Monthly Servicer Report" shall have the meaning specified in Section 5.05 of the Indenture and Servicing Agreement.

"Moody's" shall mean Moody's Investors Service, Inc.

"MORI" shall mean Marriott Ownership Resorts, Inc., a Delaware corporation.

"MORI Affiliated Manager" shall mean MRHC or any other wholly-owned subsidiary of MORI.

"Mortgage" shall mean the original recorded mortgage, deed of trust or other act or instrument creating a first priority lien on a Timeshare Property securing a Mortgage Loan, or a copy thereof certified by the applicable recording office.

"Mortgage Loan" shall mean any Timeshare Loan that is not a Right-To-Use Loan. As used in the Facility Documents, the term "Mortgage Loan" shall include the related Obligor Note, Mortgage and other security documents contained in the related Timeshare Loan File.

"MRHC" shall mean, collectively, Marriott Resorts Hospitality Corporation, a wholly owned subsidiary of MORI, Marriott Resorts Hospitality (Bahamas) Limited, a wholly owned subsidiary of Marriott Resorts Hospitality Corporation or another Affiliate of MORI, as applicable, together with their respective successors and assigns.

"MVC Resort" shall mean a resort of any Marriott Vacation Club International brand, including but not limited to, The Ritz-Carlton Club, The Ritz-Carlton Destination Club, Marriott Vacation Club Destinations and Grand Residences by Marriott, in which a fractional interest in one or more residential units or dwellings thereof has been conveyed to the MVC Trust.

"MVC Resort Association" shall mean a timeshare association relating to any MVC Resort.

"MVC Trust" shall mean MVC Trust, a Florida land trust (Florida Land Trust No. 1082-0300-00) established pursuant to the MVC Trust Agreement.

"MVC Trust Agreement" shall mean that certain trust agreement, dated March 11, 2010, by and among MORI, First American Trust, FSB and MVC Trust Owners Association, a Florida corporation not for profit.

"MVC Trust Association" means MVC Trust Owners Association, Inc., a Florida not-for-profit corporation

"MVC Trustee" shall mean First American Trust, FSB, as Trustee of the MVC Trust.

"MVC Unit" shall mean a residential unit or dwelling at a MVC Resort.

"MVW" shall mean Marriott Vacations Worldwide Corporation, a Delaware corporation.

"1940 Act" shall mean the Investment Company Act of 1940, as amended.

"Net Hedge Payment" shall mean the net amount, if any, then payable by the Issuer to the Hedge Counterparty under a Hedge Agreement, excluding any Hedge Termination Payment.

"Non-Conduit Committed Purchaser" shall mean any Purchaser which is designated as a Non-Conduit Committed Purchaser on Schedule I to the Note Purchase Agreement or in the Assignment and Assumption Agreement pursuant to which such Purchaser became a party to the Note Purchase Agreement, and any permitted assignee thereof.

"Non-Extending Purchaser" means any Purchaser Group or Non-Conduit Committed Purchaser who shall not have agreed to an extension of its Facility Termination Date pursuant to Section 2.3(c) of the Note Purchase Agreement.

"Note Purchase Agreement" shall mean that note purchase agreement, dated the Closing Date, by and among the Issuer, the Seller, the Performance Guarantor, the Servicer, the Purchasers, Funding Agents and the Administrative Agent.

"Note Register" shall have the meaning specified in Section 2.03(a) of the Indenture and Servicing Agreement.

"Note Registrar" shall have the meaning specified in Section 2.03(a) of the Indenture and Servicing Agreement.

"Notes" shall mean the Issuer's Timeshare Loan-Backed Variable Funding Notes, Series 2011-1, issued pursuant to the Indenture and Servicing Agreement.

"Notes Increase Amount" shall have the meaning set forth in Section 2.2(a) of the Note Purchase Agreement.

"NPA Costs" means, as of any Payment Date, the Breakage and Other Costs due and payable on such Payment Date in accordance with the Note Purchase Agreement.

"Obligations" shall have the meaning set forth in Section 1(a)(ii) of the Performance Guaranty.

"Obligor" shall mean a Person obligated to make payments under a Timeshare Loan.

"Obligor Note" shall mean the original, executed promissory note or other instrument of indebtedness evidencing the indebtedness of an Obligor under a Timeshare Loan, which note or instrument shall be substantially in the form of Exhibit B attached to the Sale Agreement, together with any rider, addendum or amendment thereto, or any renewal, substitution or replacement of such note or instrument.

"Officer's Certificate" shall mean a certificate executed by a Responsible Officer of the related party.

"Official Body" shall mean any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

"Opinion of Counsel" shall mean a written opinion of counsel, in each case reasonably acceptable to the addressees thereof.

"Originator" shall mean, with respect to a Timeshare Loan, the original lender, mortgagee or similar party.

"Other Issuer" shall mean any Person other than the Issuer that has entered into a receivables purchase agreement, transfer and administration agreement or other similar agreement with the applicable Conduit.

"Outstanding" shall mean, with respect to the Notes, as of any date of determination, all Notes theretofore authenticated and delivered under the Indenture and Servicing Agreement except:

(a) Notes theretofore canceled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;

(b) Notes or portions thereof for whose payment money in the necessary amount has been theretofore irrevocably deposited with the Indenture Trustee in trust for the holders of such Notes for the payment of principal; and

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture and Servicing Agreement unless proof satisfactory to the Indenture Trustee is presented that any such Notes are held by a Person in

whose hands the Note is a valid obligation; provided, however, that in determining whether the holders of the requisite percentage of the Outstanding Note Balance have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Notes owned by the Issuer or any Affiliate of the Issuer or any entity consolidated in Marriott International's financial statements prior to the Spin-Off Date, or in MORI's and/or MVW's consolidated financial statements shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Notes that a Responsible Officer of the Indenture Trustee actually has notice are so owned shall be so disregarded.

"Outstanding Note Balance" shall mean, as of any date of determination, the Initial Outstanding Note Balance plus (i) the aggregate amount of Increases made with respect to the Notes pursuant to the Indenture and Servicing Agreement and the Note Purchase Agreement, less (ii) the aggregate amount of all principal payments on the Notes on or prior to such date of determination, less (iii) the principal amount of any Notes cancelled pursuant to Section 2.13 of the Indenture and Servicing Agreement; provided, that any principal payments required to be returned to the Issuer shall be reinstated to the Outstanding Note Balance. For purposes of consents, approvals, voting or other similar acts of the Noteholders under any of the Facility Documents, "Outstanding Note Balance" shall exclude amounts with respect to Notes or interests in Notes which are held by the Issuer or any Affiliate of the Issuer or any entity consolidated in Marriott International's financial statements prior to the Spin-Off Date or in MORI's and/or MVW's, consolidated financial statements.

"Owner" shall mean MVCO Series LLC, a Delaware limited liability company, or any subsequent owner of the beneficial interest in the Issuer.

"Owner Trustee" shall mean Wilmington Trust, National Association, or any successor thereof, acting not in its individual capacity but solely as trustee under the Trust Agreement.

"Owner Trustee Fee" shall equal $4,500 a year paid in accordance with Section 3.04 of the Indenture and Servicing Agreement.

"Participants" shall have the meaning set forth in Section 5.10(e) of the Note Purchase Agreement.

"Payment Date" shall mean the 20th day of each calendar month, or, if such date is not a Business Day, then the next succeeding Business Day, commencing in October 2011.

"PAC" shall mean an arrangement whereby an Obligor makes payments under the Timeshare Loan via pre-authorized debit.

"Percentage Interest" shall mean, as of any date with respect to any Purchaser Group or Non-Conduit Committed Purchaser, the percentage equivalent of a fraction, (i) the numerator of which is the outstanding principal amount on such date of the Note registered in the name of the Funding Agent for such Purchaser Group or such Non-Conduit Purchaser, as applicable and (ii) the denominator of which is the Outstanding Note Balance on such date.

"Performance Guarantor" shall mean (i) prior to the Spin-Off Date, both Marriott International and MVW or their respective successors, and (ii) on and after the Spin-Off Date, MVW or such successor.

"Performance Guaranty" shall mean that Performance Guaranty, dated as of September 1, 2011, given by the Performance Guarantor in favor of the Issuer, the Servicer, the Seller and the Indenture Trustee.

"Permitted Liens" shall mean, as to any Timeshare Property, (a) the lien of current real property taxes, maintenance fees, ground rents, water charges, sewer rents and assessments not yet due and payable, (b) covenants, conditions and restrictions, rights of way, easements and other matters of public record, none of which, individually or in the aggregate, materially interferes with the current use of the Timeshare Property or the security intended to be provided by the related Mortgage or with the Obligor's ability to pay his or her obligations when they become due or materially and adversely affects the value of the Timeshare Property and (c) the exceptions (general and specific) set forth in the related title insurance policy, none of which, individually or in the aggregate, materially interferes with the security intended to be provided by such Mortgage or with the Obligor's ability to pay his or her obligations when they become due or materially and adversely affects the value of the Timeshare Property.

"Permitted Transferee" shall mean any commercial paper conduit, bank, financial institution or other Person, as applicable (i) which is an existing Purchaser, (ii) the unsecured debt obligations of which are rated no lower than the applicable rating of the Purchaser from which it is purchasing an interest in a Note pursuant to Section 5.10 or (iii) to which the Issuer has consented becoming a Purchaser (such consent not to be unreasonably withheld).

"Person" shall mean an individual, partnership, limited liability company, corporation, joint stock company, trust (including a business trust), unincorporated association, joint venture, firm, enterprise, Official Body or any other entity.

"Post-Office Box" shall mean each post office box to which Obligors are directed to make payments in respect of the Timeshare Loans. A list of all Post-Office Boxes on the Closing Date has been provided by the Issuer (or its agent) to the Administrative Agent and the Indenture Trustee.

"Potential Amortization Event" means an event which, but for the lapse of time or the giving of notice or both, would constitute an Amortization Event.

"Potential Event of Default" means an event which, but for the lapse of time or the giving of notice or both, would constitute an Event of Default.

"Potential Servicer Event of Default" means an event which, but for the lapse of time or the giving of notice or both, would constitute a Servicer Event of Default.

"Pre-Completion Loan" shall mean any Weeks-Based Timeshare Loan for which the related Unit is not completed and located in or on the floor or building in the Resort specified in the related Additional Timeshare Loan Supplement, or is not ready for occupancy by

timeshare owners. A Timeshare Loan shall cease to be a Pre-Completion Loan on the date on which the related Unit's construction has been completed in accordance with applicable brand standards and becomes available for occupancy by timeshare owners.

"Predecessor Servicer Work Product" shall have the meaning specified in Section 5.19 of the Indenture and Servicing Agreement.

"Prepayment Notice" shall have the meaning set forth in Section 10.01 of the Indenture and Servicing Agreement.

"Pricing Increase Notice" shall have the meaning set forth in Section 2.8(a) of the Note Purchase Agreement.

"Pricing Increase Rescission" shall have the meaning set forth in Section 2.8(a) of the Note Purchase Agreement.

"Principal Distribution Amount" shall mean an amount equal to the Borrowing Base Shortfall on such Payment Date.

"Processing Charges" shall mean any amounts due under an Obligor Note in respect of processing fees, service fees or late fees.

"Purchase Agreement" shall mean the agreement, dated as of September 1, 2011, by and between MORI and the Seller pursuant to which MORI sells the Timeshare Loans to the Seller.

"Purchase Contract" shall mean the purchase contract pursuant to which an Obligor purchased a Timeshare Property.

"Purchase Price" shall mean the original price of the Timeshare Property purchased by an Obligor.

"Purchasers" shall mean, collectively, the Conduits and the Committed Purchasers.

"Purchaser Addition Date" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Purchaser Assignment and Assumption Agreement" shall mean an Assignment and Assumption Agreement substantially in the form of Exhibit B to the Note Purchase Agreement.

"Purchaser Commitment Amount" shall mean (x) with respect to any Purchaser Group, the aggregate Commitments of the Alternate Purchasers which are members of such Purchaser Group and (y) with respect to any Non-Conduit Committed Purchaser, the Commitment of such Non-Conduit Committed Purchaser. The Purchaser Commitment Amount with respect to each Purchaser Group or Non-Conduit Committed Purchaser shall be reduced to zero on the Facility Termination Date with respect to such Purchaser Group or Non-Conduit Committed Purchaser.

"Purchaser Fees" shall have the meaning specified in the Fee Letter.

"Purchaser Group" shall mean, collectively, a Conduit and the Alternate Purchaser or Alternate Purchasers with respect to such Conduit.

"Purchaser Invested Amount" means, with respect to any Purchaser Group or Non-Conduit Committed Purchaser as of any date, such Purchaser Group's or Non-Conduit Committed Purchaser's Percentage Interest multiplied by the Outstanding Note Balance on such date.

"Purchaser Termination Date" shall mean, with respect to each Purchaser Group or Non-Conduit Committed Purchaser, the earlier of (i) the date on which an Amortization Event or an Event of Default occurs and (ii) two Business Days prior to the Facility Termination Date with respect to such Purchaser Group or Non-Conduit Committed Purchaser.

"Qualified Hedge Counterparty" means (a) a counterparty to a Hedge Agreement and which has a long-term unsecured debt rating of at least Baa2 from Moody's and a short-term unsecured debt rating of at least P-1 from Moody's, or (b) a counterparty to an existing Hedge Agreement who experiences a downgrade by Moody's below the ratings specified in clause (a) above but satisfies the Hedge Agreement Collateral Posting Requirements; provided that for purposes of this clause (b), a downgraded counterparty shall cease to be a Qualified Hedge Counterparty if such counterparty has not been upgraded to meet the requirements of clause (a) above within 60 days of such downgrade.

"Qualified Substitute Timeshare Loan" shall mean a Timeshare Loan which on the related Transfer Date is an Eligible Timeshare Loan.

"Rating Agencies" shall mean S&P and Moody's, or their permitted successors and assigns.

"RCC Resort" means a Resort operating under The Ritz-Carlton Club brand.

"Receivables" shall mean all funds, collections and other proceeds of a Timeshare Loan including without limitation (i) all scheduled payments or recoveries made in the form of money, checks, and like items to, or a wire transfer or an automated clearinghouse transfer received by the Issuer, the Servicer or the Indenture Trustee in respect of such Timeshare Loan, and (ii) all amounts received by the Issuer, the Servicer or the Indenture Trustee in respect of the Related Security for such Timeshare Loan.

"Recipient" shall have the meaning set forth in Section 2.6 of the Note Purchase Agreement.

"Record Date" shall mean, with respect to any Payment Date, the close of business on the last Business Day of the month preceding the month in which such Payment Date occurs.

"Records" shall mean all Timeshare Loan Files and other documents, books, records and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related property and rights) maintained with respect to Timeshare Loans and the related Obligors.

"Regulatory Change" shall have the meaning set forth in Section 4.2 of the Note Purchase Agreement.

"Related Additional Alternate Purchasers" shall have the meaning set forth in Section 2.3(d) of the Note Purchase Agreement.

"Related Commercial Paper" shall mean, with respect to any Conduit, the Commercial Paper of such Conduit, all or a portion of the proceeds of which were used to finance the acquisition or maintenance of an interest in the Notes.

"Related Security" shall mean with respect to any Timeshare Loan, (i) all of the Issuer's interest in the Timeshare Property arising under or in connection with the related Mortgage or Right-to-Use Agreement, and the related Timeshare Loan Files relating to such Timeshare Loan, but not including any Miscellaneous Payments, (ii) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Timeshare Loan, together with all mortgages, assignments and financing statements signed by an Obligor describing any collateral securing such Timeshare Loan, (iii) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Timeshare Loan, (iv) all other security and books, records and computer tapes relating to the foregoing and (v) all of the Issuer's right, title and interest in and to the Custodial Agreement and the Collection Account (or any other account into which collections in respect of the Timeshare Loans may be deposited from time to time).

"Relevant UCC" shall mean the Uniform Commercial Code as in effect in the applicable jurisdiction.

"Repurchase Price" shall mean with respect to any Timeshare Loan to be purchased by the Seller pursuant to the Sale Agreement, a cash price equal to the Loan Balance of such Timeshare Loan as of the date of such repurchase, together with all accrued and unpaid interest on such Timeshare Loan at the related coupon rate to but not including the due date in the then current Due Period; provided that the "Repurchase Price" with respect to any Defaulted Timeshare Loan repurchased by the Seller pursuant to the Sale Agreement prior to the date which is one year after the Closing Date, shall mean a cash price equal to the Loan Balance of such Defaulted Timeshare Loan as of the date of such repurchase.

. "Repurchased Timeshare Loans" shall mean the most seasoned $30,000,000 of Timeshare Loans that were part of the Securitized Portfolio and were released from the related securitization pursuant to a clean-up call, optional redemption or similar mechanism and subsequently sold by the Seller to the Issuer pursuant to the Sale Agreement and included as Borrowing Base Loans**.**

"Request for Release" shall be a request signed by the Servicer in the form attached as Exhibit B to the Custodial Agreement.

"Required Cap Rate" means for any Interest Accrual Period and for any Hedge Agreement in the form of an interest rate cap, the weighted average coupon for the Borrowing Base Loans as of the last day of the related Due Period, less 8.50%.

"Required Facility Investors" shall mean at any time Purchaser Groups and/or Non-Conduit Committed Purchasers having Commitment Percentages aggregating more than 66 2/3%.

"Required Payments" shall mean with respect to any Payment Date, the items set forth in (i) through (xii) of Section 3.04(a) of the Indenture and Servicing Agreement without regard to Available Funds.

"Required Rating" shall have the meaning set forth in Section 3.7 of the Note Purchase Agreement.

"Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.02(b) of the Indenture and Servicing Agreement.

"Reserve Account Draw Amount" shall have the meaning specified in Section 3.02(b)(ii) of the Indenture and Servicing Agreement.

"Reserve Account Required Balance" shall mean for any date of determination, 0.50% of the Aggregate Loan Balance of the Borrowing Base Loans.

"Reserve Account Required Funding Date Deposit" means, as of any Funding Date, the amount required to be deposited on such Funding Date such that the amount on deposit in the Reserve Account is equal to the Reserve Account Required Balance. For purposes of calculating the Reserve Account Required Funding Date Deposit for a Funding Date, the Aggregate Loan Balance shall be measured as of the last day of the Due Period related to the immediately preceding Payment Date (or, with respect to the Additional Timeshare Loans conveyed on such Funding Date or Timeshare Loan conveyed during the same Due Period, the related Cut-off Date).

"Resort" shall mean any of the following resorts: Marriott's Aruba Ocean Club; Marriott's Aruba Surf Club; Marriott's Barony Beach Club; Marriott's BeachPlace Towers; Marriott's Canyon Villas; Marriott's Crystal Shores; Marriott's Cypress Harbour; Marriott's Desert Springs Villas; Marriott's Desert Springs Villas II; Marriott's Douglas at Streamside; Marriott's Evergreen at Streamside; Marriott's Fairway Villas; Marriott's Frenchman's Cove; Marriott Grand Residence Club, Lake Tahoe; Marriott's Grande Ocean Resort; Marriott's Grande Vista; Marriott's Heritage Club; Marriott's Harbour Lake; Marriott's Imperial Palms Villas; Marriott's Kauai Resort and Beach Club; Marriott's Kauai Lagoons – Kalanipu'u;

Marriott's Ko Olina Beach Club; Marriott's Lakeshore Reserve at Grande Lakes; Marriott's Grand Chateau; Marriott's Legends Edge at Bay Point; Marriott's Manor Club at Ford's Colony; Marriott's Maui Ocean Club; Marriott's Mountain Valley Lodge; Marriott's MountainSide; Marriott Vacation Club Destinations (Points); Marriott's Newport Coast Villas; Marriott's Ocean Pointe; Marriott's Oceana Palms; Marriott's OceanWatch at Grande Dunes; Marriott's Royal Palms; Marriott's Sabal Palms; Marriott's St. Kitts Beach Club; Marriott's Shadow Ridge; Marriott's Summit Watch; Marriott's SurfWatch; Marriott's Timber Lodge; Marriott's Villas at Doral; Marriott's Waiohai Beach Club; Marriott's Willow Ridge Lodge; The Ritz-Carlton Club, Aspen Highlands; The Ritz-Carlton Club, Bachelor Gulch; The Ritz-Carlton Club, Jupiter; The Ritz-Carlton Club, Lake Tahoe; The Ritz-Carlton Club, San Francisco; The Ritz-Carlton Club, St. Thomas; or the Ritz-Carlton Club, Vail.

"Resort Associations" shall mean any of the following associations: Aspen Highlands Condominium Association, Inc.; Association of Apartment Owners of Marriott's Kauai Resort and Beach Club; Association of Apartment Owners of Maui Ocean Club; Association of Owners of Waiohai Beach Club; Association of Owners of Kalanipu'u Condominium; Barony Beach Club Owners' Association, Inc.; BeachPlace Towers Condominium Association, Inc.; Canyon Villas Vacation Owners Association; Cooperatieve Vereniging Aruba Surf Club a/k/a Aruba Surf Club Cooperative Association; Cooperatieve Vereniging Marriott Vacation Club of Aruba a/k/a Marriott Vacation Club International of Aruba Cooperative Association; Crystal Shores Condominium Association, Inc.; Custom House Leasehold Condominium Association, LLC; Cypress Harbour Condominium Association, Inc.; Desert Springs Villas Timeshare Association; Desert Springs Villas Master Association; Desert Springs Villas II Timeshare Association; Douglas at Streamside Condominium Association; Eagle Tree Condominium Association, Inc.; Eagle Tree Property Owners Association, Inc. Evergreen at Streamside Condominium Association; Fairway Villas at Seaview Condominium Association, Inc.; Frenchman's Cove Condominium Owners' Association, Inc.; Grand Chateau Owners' Association, Inc.; Grande Ocean Resort Owners' Association, Inc.; Grande Vista of Orlando Condominium Association, Inc.; GRCLT Condominium, Inc.; Great Bay Condominium Owners Association, Inc.; Harbour Club Owners' Association, Inc.; HAB Condominium Association, Inc.; HAO Condominium Association, Inc; Heritage Club Owner's Association, Inc.; Highlands Resort Club Association, Inc.; Highlands Resort Condominium Association, Inc.; Hotel Breckenridge Condominium Association; Imperial Palm Villas Condominium Association, Inc.; Kalanipu'u Vacation Owners Association; Ko Olina Beach Club Vacation Owners Association; Lakeshore Reserve Condominium Association, Inc.; Legends Edge Condominium Association, Inc.; Manor Club at Ford's Colony Condominium Association; Manor Club at Ford's Colony Time-Share Association; Marriott's Kauai Beach Club Owners Association; Maui Ocean Club Vacation Owners Association; Monarch at Sea Pines Owners' Association, Inc.; Mountain Valley Lodge Resort Owners Association, Inc.; MountainSide Condominium Association, Inc.; Newport Coast Villas Condominium Association; Newport Coast Villas Timeshare Association; Newport Coast Villas Master Association; Oceana Palms Condominium Association, Inc., Ocean Pointe at Palm Beach Shores Condominium Association, Inc.; OceanWatch Villas Owners Association; RCC-BG Condominium Association, Inc.; Royal Palms of Orlando Condominium Association, Inc.; Sabal Palms of Orlando Condominium Association, Inc.; Shadow Ridge Condominium Association; Shadow Ridge Timeshare Association; Shadow Ridge Master Association; St. Kitts Beach Club Condominium

Association, Summit Watch Condominium Owners Association, Inc.; Summit Watch Resort Owners Association, Inc.; Sunset Pointe Owners' Association, Inc.; SurfWatch Owners Association; The Neighborhood Association, Inc.; Timber Lodge Condominium Association; Timber Lodge Timeshare Association; Villas at Doral Condominium Association, Inc.; Waiohai Beach Club Vacation Owners Association; WDL Vail Condominium Association, Inc.; WDL Vail Club Association, Inc.; 690 Market Club Owners Association, Inc.; and 690 Market Master Association, Inc.

"Responsible Officer" shall mean (a) when used with respect to the Indenture Trustee, any officer assigned to the Corporate Trust Office, including any Managing Director, Vice President, Assistant Vice President, Secretary, Assistant Secretary, Assistant Treasurer, any trust officer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by any of the above designated officers, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject; (b) when used with respect to the Servicer, any officer responsible for the administration or management of the Servicer's servicing department; and (c) with respect to any other Person, the Chairman of the Board, the President, a Vice President, the Treasurer, the Secretary, an Assistant Secretary, or the manager of such Person.

"Retained Interest" shall mean a material net economic interest of not less than 5% of the sum of the Loan Balances of the Timeshare Loans as required under and in accordance with Article 122a of the CRD.

"Right-to-Use Agreement" shall mean with respect to a Right-to-Use Loan, collectively (A) the various instruments, including a Resort's articles of association, a Resort's timeshare plan, a Resort's disclosure statement used in selling Units, any share purchase agreement with an Obligor associated with such Right-to-Use Loan, that among other things: (i) in consideration of the payment of a purchase price, including payment of the related Obligor Note, grants and conveys to the Obligor shares in the related Resort Association, which in turn grants the Obligor the license or right-to-use and occupy a Timeshare Property in a Resort, (ii) imposes certain obligations on the Obligor regarding payment of the related Obligor Note, the Obligor's use or occupancy of the Timeshare Property and the payment of a maintenance fee to the management company, and (iii) grants the holder thereof certain rights, including the rights to payment of the related Obligor Note, and to terminate the Right-to-Use Agreement or revoke the Obligor's rights under it, to reacquire any shares of the Resort's association, and thereafter to resell the license or right-to-use and occupy the related Timeshare Property to another Person, (B) the related Vacation Interest, and (C) the related Purchase Contract.

"Right-to-Use Loan" shall mean a Timeshare Loan that is subject to a Right-to-Use Agreement. As used in the Facility Documents, the term "Right-to-Use Loan" shall include the related Obligor Note, the Right-to-Use Agreement and other security documents contained in the related Timeshare Loan File.

"S&P" shall mean Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Sale Agreement" shall mean the agreement, dated as of September 1, 2011, by and between the Seller and the Issuer pursuant to which the Seller sells the Timeshare Loans to the Issuer.

"Schedule of Timeshare Loans" shall mean the list of Timeshare Loans attached to an Additional Timeshare Loan Supplement (in respect of the Purchase Agreement and Sale Agreement) and a Supplemental Grant (in respect of the Indenture and Servicing Agreement) in electronic format, as amended from time to time to reflect repurchases and substitutions pursuant to the terms of the Purchase Agreement, Sale Agreement and the Indenture and Servicing Agreement, which list shall set forth the following information with respect to each Timeshare Loan as of the related Cut-Off Date, in numbered columns:

1 Loan Number
2 Name of Obligor
3 Timeshare Estate Unit(s)/Week(s)/Number(s)/Beneficial Interest Number(s)
4 Interest Rate Per Annum
5 FICO score
6 State of Residence
7 Country of Residence
8 Date of Origination
9 Original Loan Balance
10 Maturity Date
11 Monthly Payment Amount
12 Original Term (in months)
13 Outstanding Loan Balance
14 Refinance
15 Right-to-Use Timeshare Estate
16 Pre-Completion Loan and Anticipated Completion Date

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Securitization Take-Out Date" shall mean the date of any Securitization Take-Out Transaction.

"Securitization Take-Out Transaction" shall mean any securitization or other financing of the assets securing the Notes whereby all or a portion of the Outstanding Note Balance of the Notes is repaid from the proceeds of such securitization or other financing.

"Securitized Portfolio" shall mean, as of any date, all timeshare loans originated by MORI or an Affiliate and financed by any special purpose entity and which are serviced by MORI including the timeshare loans in all term issuances, all warehouse facilities (other than the Notes) and other term securitization facilities that are outstanding as of such date.

"Securitized Portfolio Default Level" shall mean, for any Due Period, the quotient (expressed as a percentage) of (i)(A) the sum of the Loan Balances of all Timeshare Loans in the Securitized Portfolio that became Defaulted Timeshare Loans during such Due Period (other

than Defaulted Timeshare Loans for which the related seller has exercised its option, if any, to repurchase or substitute pursuant to the related transaction documents) minus (B) any remarketing proceeds received during such Due Period in respect of any Defaulted Timeshare Loans for which the related seller did not exercise its option to repurchase or substitute, divided by (ii) the aggregate Loan Balance of all Timeshare Loans in the Securitized Portfolio on the first day of such Due Period.

"Securitized Portfolio Delinquency Level" shall mean, for any Due Period, the quotient (expressed as a percentage) of the sum of all Loan Balances of all Timeshare Loans (exclusive of Timeshare Loans that became Defaulted Timeshare Loans on or before the last day of such Due Period) included in the Securitized Portfolio that are 61 days or more delinquent on the last day of such Due Period (as determined by the Servicer in accordance with the Servicing Standard) divided by the aggregate Loan Balance of all Timeshare Loans in the Securitized Portfolio on the last day of such Due Period.

"Securitized Portfolio Three Month Rolling Average Default Percentage" means for any Payment Date, the average of the Securitized Portfolio Default Levels for the last three Due Periods.

"Securitized Portfolio Three Month Rolling Average Delinquency Percentage" means for any Payment Date, the average of the Securitized Portfolio Delinquency Levels for the last three Due Periods.

"Seller" shall mean MORI SPC Series Corp., a Delaware corporation.

"Servicing Fee" shall mean for any Payment Date, the product of one-twelfth of 0.50% and the Aggregate Loan Balance as of the beginning of the related Due Period or, with respect to any subsequent servicer, as otherwise determined pursuant to Section 5.04 of the Indenture and Servicing Agreement.

"Servicer" shall mean MORI, and any successor servicer appointed in accordance with the terms of the Indenture and Servicing Agreement.

"Servicer Event of Default" shall have the meaning specified in Section 5.04 of the Indenture and Servicing Agreement.

"Servicing Officer" shall mean those officers of the Servicer involved in, or responsible for, the administration and servicing of the Timeshare Loans, as identified on the list of Servicing Officers furnished by the Servicer to the Indenture Trustee and the Noteholders from time to time.

"Servicing Standard" shall have the meaning specified in Section 5.01 of the Indenture and Servicing Agreement.

"Spin-Off Date" means the date of the closing of the spin-off of MVW from Marriott International in a manner consistent with the transactions described in the Form 10 filed by MVW with the Securities and Exchange Commission on June 28, 2011, as amended by Amendment No. 1 filed with the Securities and Exchange Commission on September 9, 2011, as may be further amended prior to the Closing Date.

"St. Kitts Mortgage Loan" shall mean a Mortgage Loan originated in connection with purchases of interests at St. Kitts Beach Club.

"Standard Definitions" shall mean these Standard Definitions.

"Stated Maturity" shall mean the Payment Date occurring in September 2033.

"Statutory Trust Statute" shall mean Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. § 3801, et seq., as the same may be amended from time to time.

"Step-Up CP Interest" shall mean, for any Interest Accrual Period with respect to any Purchaser Group, the excess of (i) the amount calculated for such Interest Accrual Period pursuant to subclause (a) of clause (x) of the definition of Carrying Costs with respect to such Purchaser Group over (ii) an amount equal to the product of (x) the average daily amount during such Interest Accrual Period of the portion of the Purchaser Invested Amount for such Purchaser Group funded by the Conduit with respect to such Purchaser Group, (y) a rate equal to the LIBOR Rate for the related Funding Period plus 1.00% and (z) the number of days in such Interest Accrual Period divided by 360.

"Structuring Agent" means Credit Suisse Securities (USA) LLC.

"Structuring Fee" shall have the meaning set forth in the Fee Letter.

"Subsidiary" shall mean any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned or controlled by such Person, one or more of the other subsidiaries of such Person or any combination thereof.

"Substitution Shortfall Amount" shall mean with respect to a substitution pursuant to Section 4.06 of the Indenture and Servicing Agreement, an amount equal to the excess, if any, of (a) the Loan Balance of the Timeshare Loan being replaced as of the related Transfer Date, together with all accrued and unpaid interest on such Timeshare Loan at the related coupon rate to but not including the due date in the related Due Period over (b) the Loan Balance of the Qualified Substitute Timeshare Loan as of the related Transfer Date. If on any Transfer Date, one or more Qualified Substitute Timeshare Loans are substituted for one or more Timeshare Loans, the Substitution Shortfall Amount shall be determined as provided in the preceding sentence on an aggregate basis.

"Successor Servicer" shall mean the Back-Up Servicer and its permitted successors and assigns, as provided in the Indenture and Servicing Agreement, upon succeeding to the responsibilities and obligations of the Servicer in accordance with Section 5.19 of the Indenture and Servicing Agreement.

"Supplemental Grant" shall mean with respect to any Additional Timeshare Loans and other related assets pledged to the Indenture Trustee pursuant to the Indenture, a Supplemental Grant substantially in the form attached as Exhibit C of the Indenture. The Supplemental Grant shall include a Schedule of Timeshare Loans for the related Additional Timeshare Loans and an updated Schedule of Timeshare Loans for all Borrowing Base Loans.

"Tape(s)" shall have the meaning specified in Section 5.19 of the Indenture and Servicing Agreement.

"Taxes" shall have the meaning set forth in Section 4.3 of the Note Purchase Agreement.

"Timeshare Loan" shall mean a Mortgage Loan, a Right-to-Use Loan or a Qualified Substitute Timeshare Loan subject to the lien of the Indenture and Servicing Agreement.

"Timeshare Loan Acquisition Price" shall mean on any date of determination, with respect to any Timeshare Loan, an amount equal to the fair market value of such Timeshare Loan as determined by MORI under the Purchase Agreement and by the Seller under the Sale Agreement, as applicable.

"Timeshare Loan Files" shall mean with respect to each Timeshare Loan and each Obligor:

(a) an original Obligor Note (or a Lost Note Affidavit and indemnity from the Seller with a copy of such Obligor Note attached thereto), executed by the Obligor, endorsed in the form "Pay to the order of , without recourse" (either directly on the Obligor Note or on an allonge thereto), by an Authorized Officer of the Seller showing a complete chain of endorsements from the original payee of the Obligor Note to the Seller;

(b) (x) if such Timeshare Loan is a Mortgage Loan (other than a St. Kitts Mortgage Loan), (i) an original Mortgage (or a copy thereof) with evidence that such Mortgage has been recorded in the appropriate recording office or (ii) until the original Mortgage has been returned to the originator of the Mortgage Loan by such recording office, a photocopy of an unrecorded Mortgage that has been delivered to such recording office, and the delivery of such copy of an original Mortgage or photocopy of an unrecorded Mortgage to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copy or photocopy is a true and correct copy of the original Mortgage, or (y) if such Timeshare Loan is a St. Kitts Mortgage Loan, a copy of the recorded or stamped Mortgage;

(c) (x) if such Timeshare Loan is a Mortgage Loan (other than a St. Kitts Mortgage Loan), original assignments of the Mortgage (which may be a part of a blanket assignment of more than one Timeshare Loan), from the originator of the Mortgage Loan to the Indenture Trustee in recordable form but unrecorded, signed by an Authorized Officer of the originator of the Mortgage Loan or (y) if such Timeshare Loan is a St. Kitts Mortgage Loan, copies of the recorded assignments of the Mortgage from the originator of the St. Kitts Mortgage Loan to the Issuer;

(d) if such Timeshare Loan is a St. Kitts Mortgage Loan, (i) an original certificate of title (or a copy thereof) with evidence that such certificate of title has been stamped by the office of the Registrar of Titles of the Island of Saint Christopher in favor of the Indenture Trustee or (ii) until the original certificate of title has been returned to the Custodian or Servicer by such office, a photocopy of the certificate of title that has been delivered to such office, and the delivery of such copy of the original certificate of title to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copy or photocopy is a true and correct copy of the original certificate of title;

(e) if such Timeshare Loan is a Mortgage Loan, an original lender's title insurance policy or master policy (or a copy thereof) referencing such Mortgage Loan, when available, and if a copy, the delivery thereof to the Custodian by the Issuer shall be deemed to be a certification by the Issuer that such copy is a true an correct copy of such lender's title insurance policy or master policy;

(f) an original or a copy of each guarantee, assumption, modification or substitution agreement, if any, which relates to the Timeshare Loan (including but not limited to the Obligor Note, Mortgage, Right-to-Use Agreement, as applicable), and if a copy, the delivery thereof to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copy is a true and correct copy of such guarantee assumption, modification or substitution agreement;

(g) if such Timeshare Loan is a Right-to Use Loan, the original related Right-to-Use Agreement and any related pledge and security agreements (or copies thereof), and if copies, the delivery thereof to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copies are true and correct copies of such Right-to-Use Agreement and related pledge and security agreements, provided, however, that each Timeshare Loan File shall not include any documents attached to or delivered to an Obligor with a Right-to-Use Agreement that are not signed by the parties to the Right-to-Use Agreement and are delivered in identical form to all Obligors (such as articles of association, a timeshare plan and a public disclosure statement) if copies of such documents have been delivered to the Custodian by the Issuer or the Servicer, and such delivery to the Custodian shall be deemed to be a certification by the Issuer that such copies are true and complete copies of such documents;

(h) if such Timeshare Loan is a Right-to Use Loan, a copy of the related Vacation Interest representing membership in the related timeshare association of the related Resort;

(i) an original fully executed Purchase Contract (or a copy thereof), and if a copy, the delivery thereof to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such copy is a true and correct copy of such Purchase Contract, unless (i) the Timeshare Loan File represents the refinancing of a timeshare loan, in which event no related Purchase Contract shall be included or (ii) a complete Purchase Contract is not available, in which event such portions as are available shall be included in the Timeshare Loan File and the delivery of any portions of a Purchase Contract to the Custodian by the Issuer or the Servicer shall be deemed to be a certification by the Issuer that such portions constitute the only portions that are available; and

(j) all other documents related to such Timeshare Loan including any Trailing Documents immediately upon receipt by the Trustee.

"Timeshare Loan Servicing Files" shall mean, with respect to each Timeshare Loan and each Obligor a copy of the Timeshare Loan Files and all other papers and computerized records customarily maintained by the Servicer in servicing timeshare loans comparable to the Timeshare Loans.

"Timeshare Loan Update Memo" shall mean any memorandum executed by an authorized representative of Servicer and delivered to Custodian from time to time that provides additional or modified information in respect of any Timeshare Loan or Timeshare Loan File.

"Timeshare Property" shall mean Weeks-Based Timeshare Property or Beneficial Interests, as the case may be, and the rights granted thereunder to the Issuer (as assignee of the originator of such loan), which secure a Timeshare Loan.

"Trailing Document" shall mean any additional documentation related to a Timeshare Loan or supplemental to a Timeshare Loan File delivered to the Custodian following its initial receipt of the relevant Timeshare Loan File and immediately incorporated into such relevant Timeshare Loan File by the Custodian upon receipt.

"Transfer Date" shall mean with respect to a Qualified Substitute Timeshare Loan, the date on which the Issuer acquires such Qualified Substitute Timeshare Loan from the Seller and Grants such Qualified Substitute Timeshare Loan to the Indenture Trustee to be included as part of the Trust Estate.

"Transition Expenses" shall mean any documented costs and expenses (other than general overhead expenses) incurred by the Back-Up Servicer should it become the Successor Servicer as a direct consequence of the termination or resignation of the initial Servicer and the transition of the duties and obligations of the initial Servicer to the Successor Servicer.

"Trust Accounts" shall mean collectively, the Collection Account, the Reserve Account, the Control Accounts, the Hedge Collateral Account and such other accounts established by the Indenture Trustee pursuant to Section 3.01(a) of the Indenture and Servicing Agreement.

"Trust Agreement" shall mean that certain amended and restated trust agreement, dated the Closing Date, by and between the Owner and the Owner Trustee.

"Trust-Based Timeshare Loan" shall mean a Timeshare Loan secured by a Beneficial Interest.

"Trust Estate" shall have the meaning specified in the Granting Clause of the Indenture and Servicing Agreement.

"UCC" means, with respect to any jurisdiction, the uniform commercial code then in effect in such jurisdiction.

"Unit" shall mean a residential unit or dwelling at a Resort.

"Unused Fees" shall mean with respect to any Purchaser Group or any Non-Conduit Committed Purchaser, the product of:

(i) the Unused Rate; and

(ii) the excess of (x) its average daily Purchaser Commitment Amount during the related Interest Accrual Period over (y) its average daily Purchaser Invested Amount during the related Interest Accrual Period; and

(iii) the number of days in such Interest Accrual Period, divided by 360.

"Unused Rate" means 0.55%.

"Up-Front Fees" shall have the meaning specified in the Fee Letter.

"Usage Fees" shall mean shall mean with respect to any Purchaser Group or any Non-Conduit Committed Purchaser, the product of:

(i) the Usage Rate; and

(ii) its average daily Purchaser Invested Amount during the related Interest Accrual Period; and

(iii) the number of days in such Interest Accrual Period, divided by 360.

"Usage Rate" means the sum of (x) a rate of 1.25%, and (y) (i) upon the earlier of the occurrence of an Amortization Event or Facility Termination Date until an Event of Default has occurred and is continuing, 1.25% or (ii) if an Event of Default has occurred and is continuing, 2.00%.

"USAP" shall have the meaning specified in Section 5.05(c) of the Indenture and Servicing Agreement.

"Vacation Interest" shall mean the vacation certificate or stock certificate issued by and evidencing membership in a homeowner's association of a Resort pursuant to which the owner thereof has a license or right-to-use a Timeshare Property at a Resort.

"Vacation Ownership Business" means the development, sale, management, marketing, operation or financing of (1) timeshare, fractional, interval, vacation club, destination club, vacation membership, private membership club, private residence club, points club, and other forms of products, programs and services wherein purchasers acquire an ownership interest, use right or other entitlement to use one or more of certain determinable accommodations and associated facilities in a system of units and facilities on a recurring,

periodic basis and pay for such ownership interest, use right or other entitlement in advance (whether payments are made in lump-sum or periodically over time), and (2) associated exchange programs.

"Warehouse Portfolio" shall mean, as any date of determination, all Timeshare Loans owned by the Issuer.

"Warehouse Portfolio Default Level" shall mean, for any Due Period, the quotient (expressed as a percentage) of (i)(A) the sum of the Loan Balances of all Timeshare Loans in the Warehouse Portfolio that became Defaulted Timeshare Loans during such Due Period (other than Defaulted Timeshare Loans for which the Seller has exercised its option to repurchase or substitute pursuant to Section 6(b) of the Sale Agreement) minus (B) any remarketing proceeds received during such Due Period in respect of any Defaulted Timeshare Loans for which the Seller did not exercise its option to repurchase or substitute, divided by (ii) the Aggregate Loan Balance on the first day of such Due Period.

"Warehouse Portfolio Delinquency Level" shall mean, for any Due Period, the quotient (expressed as a percentage) of the sum of all Loan Balances of all Timeshare Loans (exclusive of Timeshare Loans that became Defaulted Timeshare Loans on or before the last day of such Due Period) included in the Warehouse Portfolio that are 61 days or more delinquent on the last day of such Due Period (as determined by the Servicer in accordance with the Servicing Standard) divided by the Aggregate Loan Balance on the last day of such Due Period.

"Warehouse Portfolio Three Month Rolling Average Default Percentage" means for any Payment Date, the average of the Warehouse Portfolio Default Levels for the last three Due Periods.

"Warehouse Portfolio Three Month Rolling Average Delinquency Percentage" means for any Payment Date, the average of the Warehouse Portfolio Delinquency Levels for the last three Due Periods.

"Weeks-Based Timeshare Loan" shall mean a Timeshare Loan secured by a Weeks-Based Timeshare Property.

"Weeks-Based Timeshare Property" shall mean the contractual rights regarding a Unit that is the subject of a Right-to-Use Agreement, or the timeshare fee or other estate regarding a Unit.

Rules of construction. Solely with respect to the definitions in this Schedule I to Standard Definitions, all references to "Performance Guarantor" shall not include Marriott International.

"Capital Expenditures": for any period, with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) or for construction, acquisition or remodeling that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of clauses (ii) and (iii) of the definition of the Financial Covenants, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents" meanss (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P or P-1 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this

definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; or (h) money market funds that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Consolidated Adjusted EBITDA": for any period, Consolidated EBITDA for such period, plus (to the extent taken into account in calculating Consolidated EBITDA for such period):

(a) any extraordinary or non-recurring non-cash expenses or losses including, for the avoidance of doubt, any extraordinary or non-recurring non-cash expenses disclosed in the form 8-K filed by Marriott International with the SEC on September 9, 2011;

(b) losses from dispositions of real estate that are not to traditional consumer purchasers; provided that the amounts referred to in clauses (a) and (b) shall not, in the aggregate, exceed $150,000,000.00 for any fiscal year of MVW;

(c) total non-cash product costs of MVW and its Subsidiaries on a consolidated basis for such period;

(d) any non-cash charges that occur in the 2011 fiscal year as a result of the transactions contemplated to occur on the Spin-Off Date ; and

(e) one-time cash charges related to the transactions contemplated to occur on the Spin-Off Date which were incurred prior to, at the time of, or no later than 120 days following, the consummation thereof or at the time of the consummation thereof; provided that the aggregate amount added by this clause (e) shall not exceed $20,000,000.

minus to the extent taken into account in calculating Consolidated Net Income for such period, the sum of:

(u) (i) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), including gains from dispositions of real estate that are not to traditional consumer purchasers; (ii) income tax credits (to the extent not netted from income tax expense); and (iii) any other non-operating, non-cash income (other than non-cash income associated with "financially reportable sales less than closed sales");

(v) any cash payments made during such period in respect of items described in clause (a) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income, all as determined on a consolidated basis;

(w) Developer Capital Spending of MVW and its Subsidiaries on a consolidated basis for such period (it being understood and agreed that Developer Capital Spending with respect to the Ritz-Carlton Vail during the fourth quarter of 2010 shall be excluded from all calculations of Consolidated Adjusted EBITDA);

(x) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of MVW or is merged into or consolidated with MVW or any of its Subsidiaries;

(y) the income of any Person (other than a Subsidiary of MVW) in which the MVW or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by MVW or such Subsidiary in the form of dividends or similar distributions; and

(z) the undistributed earnings or income of any Subsidiary of MVW (including any Special Purpose Subsidiary) or income attributable to any residual interest in any obligation of a Special Purpose Subsidiary to the extent that the declaration or payment of dividends or similar distributions or payment on account of such residual interest by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation or Requirement of Law applicable to such Subsidiary.

"Consolidated EBITDA": for any period, Consolidated Net Income for such period, plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of:

(a) GAAP income tax expense (or minus any benefit);

(b) GAAP interest expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness;

(c) depreciation and amortization expense; and

(d) amortization of intangibles (including, but not limited to, goodwill) and organization costs.

For the purposes of calculating Consolidated EBITDA for any Reference Period pursuant to any determination of a financial covenant involving the calculation of Consolidated EBITDA, (i) if at any time during such Reference Period MVW or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period and (ii) if during such Reference Period MVW or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Material Acquisition occurred on the first day of such Reference Period.

"Consolidated Interest Coverage Ratio": for any period, the ratio of (a) Consolidated Adjusted EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Coverage Ratio Covenant" shall mean a minimum Consolidated Interest Coverage Ratio of MVW on a rolling four quarter basis of not less than three times.

"Consolidated Interest Expense": for any period, total cash interest expense (including that attributable to Capital Lease Obligations) of the Performance Guarantor and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Performance Guarantor and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements and related derivatives in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP and dividends paid on the Preferred Stock).

"Consolidated Net Income": for any period, the consolidated net income (or loss) of MVW and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Worth" means, at any date, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of MVW under stockholders' equity at such date.

"Consolidated Tangible Net Worth" means at any date, (a) Consolidated Net Worth, minus (b) the net book value of all assets on the consolidated balance sheet of MVW used to calculate Consolidated Net Worth that would be treated as intangible assets under GAAP (including goodwill, trademarks, trade names, service marks, service names, copyrights, patents, organizational expenses and the excess of any equity in any Subsidiary over the cost of the investment in such Subsidiary), all as determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of MVW and its Subsidiaries at such date, determined using consolidation principles in accordance with GAAP, minus (for the avoidance of doubt without regard to undrawn letters of credit) the lesser of (x) the aggregate amount of all Unrestricted cash and Cash Equivalents of MVW, MORI and the Subsidiary Guarantors at such date minus $40,000,000 and (y) $40,000,000.

"Consolidated Total Debt to Consolidated Adjusted EBITDA Covenant" shall mean a maximum ratio of Consolidated Total Debt of MVW to Consolidated Adjusted EBITDA of MVW on a rolling four quarter basis, of 6.0x through March 31, 2013, 5.25x through December 31, 2014 and 4.75x thereafter.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound

"Developer Capital Spending": for any period, Capital Expenditures of MVW and its Subsidiaries on a consolidated basis that are attributable to the acquisition of completed Time Share Interests or development of Time Share Interests during such period.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by MVW in good faith; for the avoidance of doubt, the inclusion of a "cap" or other limit on the maximum total exposure under any such Guarantee Obligation shall not, in and of itself, mean that the liability is either "stated" or "determinable."

"Indebtedness": of any Person at any date, without duplication:

(a) all indebtedness of such Person for borrowed money;

(b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business); provided that, for the avoidance of doubt, any obligation to pay for Marriott Rewards points that arises prior to the effective date of the transactions contemplated to occur on the Spin-Off Date and the payment of which is deferred pursuant to the documents relating to the transactions contemplated to occur on the Spin-Off Date shall be Indebtedness).

(c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments,

(d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);

(e) all Capital Lease Obligations of such Person (other than operating leases);

(f) all obligations of such Person, including recorded loss contingency under GAAP, as an account party or applicant under or in respect of: (i) bankers acceptances, (ii) surety bonds (excluding surety bonds that support, or are in lieu of, obligations to escrow funds or that are performance bonds, in each case that have not been drawn), and (iii) the outstanding face amount of letters of credit;

(g) the liquidation value of all redeemable preferred Capital Stock of such Person;

(h) all Guarantee Obligations of such Person in respect of obligations that constitute Indebtedness of the kind referred to in clauses (a) through (g) above; and

(i) all obligations that constitute Indebtedness of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation.

The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such indebtedness is non-recourse to such Person. For the avoidance of doubt, Indebtedness of the type described in the preceding sentence shall not be considered to be recourse to a Person if recourse is contingent upon the occurrence of specified events that have not yet occurred in circumstances in which the occurrence of such events is within the control of such Person (e.g., provisions commonly known as "bad boy" provisions). Notwithstanding anything herein to the contrary, Indebtedness shall not include (i) any payment obligation or other liability of such Person under the Marriott International, Inc. Executive Deferred Compensation Plan, a non-qualified deferred compensation plan within the meaning of IRC Section 409A and (ii) any

amounts relating to full membership agreements in The Ritz-Carlton Golf Club & Spa, Jupiter (Florida) which are refundable, without interest, to full members in good standing after thirty years of continuous membership and which do not, in any case, have a redemption date earlier than the year 2029.

"In-Process Property": real property owned by MVW or its Subsidiaries for which the Preliminary Construction Stage has commenced; provided that for the avoidance of doubt, raw land shall not be considered In-Process Property. For purposes hereof, the "Preliminary Construction Stage has commenced" when each of the following is true regarding the applicable real property: (a) the engineering and design work is complete; (b) all material construction contracts relating to the applicable real property have been executed; (c) the portion of the site related to the real property has been cleared, prepared and excavated; and (d) construction of the building substructure has commenced.

"Material Acquisition" means any acquisition of property or series of related acquisitions of property that:

(a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person; and

(b) involves the payment of consideration by MVW and its Subsidiaries in excess of $200,000,000.

"Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to MVW or any of its Subsidiaries in excess of $200,000,000.

"Minimum Consolidated Tangible Net Worth Covenant" shall mean the requirement that the Consolidated Tangible Net Worth of MVW is not less than the sum of (i) 80% of the Consolidated Tangible Net Worth set forth on MVW's balance sheet in the third fiscal quarter of fiscal year 2011 plus (ii) in respect of each fiscal quarter that has elapsed following the Closing Date, 80% of any increase in Consolidated Tangible Net Worth during such fiscal quarter attributable to Net Cash Proceeds received from the issuance of equity during such fiscal quarter.

"Net Cash Proceeds" shall mean in connection with the issuance or sale of Capital Stock, the cash proceeds received from such issuance, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"Non-Recourse Debt" means Indebtedness of a Person: (a) as to which none of MVW or it Subsidiaries provides any credit support of any kind or is directly or indirectly liable and (b) which does not provide any recourse against any of the assets of MVW or its Subsidiaries. Notwithstanding the foregoing, (i) the provision of Standard Securitization Undertakings in connection with a Qualified Securitization Transaction shall not invalidate the status of the Indebtedness of such Time Share SPV that is otherwise classified as Non-Recourse Debt pursuant to the terms of this definition and (ii) Indebtedness shall not be considered to be

recourse to a Person if recourse is contingent upon the occurrence of specified events that have not yet occurred in circumstances in which the occurrence of such events is within the control of such Person (*e.g.*, provisions commonly known as "bad boy" provisions).

"Preferred Stock" means the issued and outstanding preferred stock of MVW US Holdings, Inc., par value $0.01 per share.

"Qualified Securitization Transaction" means any transaction or series of transactions previously entered into or that may be entered into by MVW or any Subsidiaries pursuant to which MVW or such Subsidiary sells, assigns, conveys, participates, contributes to capital or otherwise transfers to (i) a Time Share SPV (in the case of a transfer by MVW or such Subsidiary) or (ii) any other Person (in the case of a transfer by a Time Share SPV), or may grant a security interest in or pledge, any Time Share Receivables or interests therein (whether now existing or arising in the future) of MVW or any Subsidiary, and any assets related thereto, including, without limitation, all collateral securing such Time Share Receivables, all contracts and contract rights, purchase orders, security interests, financing statements or other documentation in respect of such Time Share Receivables and all guarantees, indemnities, warranties or other documentation or other obligations in respect of such accounts receivable, any other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitization transactions involving receivables similar to such receivables and any collections or proceeds of any of the foregoing.

"Reference Period" means the period of four consecutive Fiscal Quarters of MVW then most recently ended.

"Requirement of Law": as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restricted" shall mean, when referring to cash or Cash Equivalents of MVW or any of its Subsidiaries, that such cash or Cash Equivalents (i) appear (or would be required to appear) as "restricted" on a combined or consolidated balance sheet, as applicable, of MVW or of any such Subsidiary, (ii) are subject to any Lien in favor of any Person or (iii) are not otherwise generally available for use by MVW or such Subsidiary.

"Special Purpose Subsidiary": means any (i) Time Share SPV and (ii) trust, property owning company and similar entity that is formed for the purpose of protecting the consumer purchasers of vacation ownership interests from the insolvency or bankruptcy of MVW or any of its Subsidiaries.

"Standard Securitization Undertakings": means representations, warranties, covenants, indemnities and performance guarantees of MVW or any of its Subsidiaries to a Time Share SPV or to its order or of a Time Share SPV to an entity issuing Non-Recourse Debt or its order and servicing obligations entered into by MVW or any such Subsidiary (other than a Time

Share SPV) and the provision of cash or Cash Equivalents to pay fees and expenses reasonably related thereto, in each case which are reasonably customary in securitization transactions for the relevant asset being securitized

"Subsidiary": means as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of MVW. Notwithstanding the foregoing "Subsidiary" shall not include a resort or property owner's association which is organized primarily to administer the affairs of the underlying resort or property

"Swap Agreement": means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement or any combination thereof involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of MVW or any of its Subsidiaries shall be a "Swap Agreement".

"Time Share Interest" means (i) inventory available to occupy as a dwelling or accommodation, and which may be coupled with an estate in real estate or limited to a right to use real estate without an estate or ownership interest, pursuant to any time share arrangement, plan, scheme, or similar device, in any legal form or structure (including units physically located within a project, that have received certificates of occupancy and that are currently used for sales purposes and/or administrative purposes) or (ii) any real property interest completed and available to occupy as a dwelling or accommodation and intended by MVW to be dedicated to any such time share arrangement.

"Time Share Receivables" means note receivables arising from the financing of the sale of timeshare intervals and fractional products to a retail customer.

"Time Share SPV": means an entity intended to be bankruptcy-remote and which is formed for the purpose of engaging in securitization transactions and the indebtedness of which is Non-Recourse Debt.

"Unrestricted" shall mean, when referring to cash or Cash Equivalents of the MVW or any of its Subsidiaries, that such cash or Cash Equivalents are not Restricted.

Exhibit 10.15

$200,000,000

CREDIT AGREEMENT

among

MARRIOTT VACATIONS WORLDWIDE CORPORATION

MARRIOTT OWNERSHIP RESORTS, INC.,
as Borrower,

The Several Lenders from Time to Time Parties Hereto,

BANK OF AMERICA, N.A. and DEUTSCHE BANK SECURITIES INC.
as Co-Documentation Agents

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

Dated as of October [—], 2011

J.P. MORGAN SECURITIES LLC, as Lead Arranger and Bookrunner

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and DEUTSCHE BANK SECURITIES INC., as Joint Lead Arrangers, Joint Bookrunners and Co-Syndication Agents

TABLE OF CONTENTS

SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT (this "Agreement"), dated as of October [—], 2011, among MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC"), MARRIOTT OWNERSHIP RESORTS, INC., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), Bank of America, N.A. and Deutsche Bank Securities Inc., as co-documentation agents (collectively, in such capacity, the "Documentation Agents"), Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank Securities Inc. as co-syndication agents (collectively, in such capacity, the "Syndication Agents"), and JPMORGAN CHASE BANK, N.A., as administrative agent.

W I T N E S S E T H:

WHEREAS, Marriot International, Inc. ("Marriott") intends to spin off its timeshare business to its shareholders through a tax free special dividend of MVWC. Immediately after the Spin-Off (as defined herein), the Borrower will be an indirect, wholly-owned subsidiary and the principal operating company of MVWC;

WHEREAS, the Borrower has requested that the Lenders establish a $200,000,000 senior secured revolving credit facility in favor of the Borrower;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"ABR": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Eurodollar Rate that would be calculated as of such day (or, if such day is not a Business Day, as of the next preceding Business Day) in respect of a proposed Eurodollar Loan with a one-month Interest Period plus 1.0%. Any change in the ABR due to a change in the Prime Rate, the Federal Funds Effective Rate or such Eurodollar Rate shall be effective as of the opening of business on the day of such change in the Prime Rate, the Federal Funds Effective Rate or such Eurodollar Rate, respectively.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Adjustment Date": as defined in Section 2.6(c).

"Administrative Agent": JPMorgan Chase Bank, N.A., together with its affiliates, as the arranger of the Commitments and as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agents": the collective reference to the Syndication Agents, the Documentation Agents and the Administrative Agent.

"Aggregate Exposure": with respect to any Lender at any time, an amount equal to the amount of such Lender's Commitment then in effect or, if the Commitments have been terminated, the amount of such Lender's Extensions of Credit then outstanding.

"Aggregate Exposure Percentage": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agent Indemnitee": as defined in Section 9.7.

"Agreement": as defined in the preamble hereto.

"ALTA": the American Land Title Association.

"Applicable Margin": for each Type of Loan at any date, the rate per annum for such Type of Loan set forth under the relevant column heading in the Pricing Grid based upon the Borrower's Level at such date.

"Application": an application, in such form as the relevant Issuing Lender may specify from time to time, requesting the Issuing Lender to open a Letter of Credit.

"Approved Fund": as defined in Section 10.6(b).

"Assignee": as defined in Section 10.6(b).

"Assignment and Assumption": an Assignment and Assumption, substantially in the form of Exhibit E.

"Available Commitment": as to any Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Commitment then in effect over (b) such Lender's Extensions of Credit then outstanding.

"Bankruptcy Event": with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Base Consolidated Tangible Net Worth Amount": initially 80% of Consolidated Tangible Net Worth set forth on the Opening Balance Sheet; provided that effective upon delivery of the audited financial statements of MVWC for the 2011 Fiscal Year, such amount shall equal 80% of Consolidated Tangible Net Worth as reflected in the audited balance sheet of MVWC included in such financial statements.

"Benefitted Lender": as defined in Section 10.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": as defined in the preamble hereto.

"Borrowing Base": as of any date of determination, the Aggregate Borrowing Base Amount (as defined in Schedule 1.1B) calculated in accordance with Schedule 1.1B, as the same may be amended from time to time. The Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 5.2(c) or 6.3(b), as applicable (adjusted on a pro forma basis as specified herein).

"Borrowing Base Certificate" means a certificate substantially in the form of Exhibit F.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Business": as defined in Section 4.17(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close, provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Expenditures": for any period, with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) or for construction, acquisition or remodeling that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial

bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P or P-1 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; or (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied.

"Code": the Internal Revenue Code of 1986, as amended.

"Collateral": all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document. For the avoidance of doubt it is understood that Excluded Property is not "Collateral".

"Collection Account" means any deposit or securities account of a Loan Party designated by the Borrower as a "Collection Account" in which the Administrative Agent has a valid, perfected and enforceable security interest and over which the Administrative Agent has "control" (as defined in the Uniform Commercial Code) pursuant to an account control agreement satisfactory in form and substance to the Administrative Agent.

"Collateralized" means, with respect to any Letter of Credit, that such Letter of Credit is secured by cash collateral arrangements and/or backstop letters of credit entered into on terms and in amounts reasonably satisfactory to the relevant Issuing Lender or, in the case of Section 2.6, to the Administrative Agent; and the terms "Collateralize" and "Collateralization" shall have correlative meanings.

"Commitment": as to any Lender, the obligation of such Lender to make Loans and participate in Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Commitment" opposite such Lender's name on Schedule 1.1A or in the Assignment and Assumption pursuant to which such Lender became a party hereto, or in an Increased Facility Activation Notice or in a New Lender Supplement pursuant to which such Lender became a party hereto, as applicable, as the same may be changed from time to time pursuant to the terms hereof. The amount of the Total Commitments on the Effective Date is $200,000,000.

"Commitment Fee Rate": at any date, the rate per annum set forth under the relevant column heading in the Pricing Grid based upon the Borrower's Level at such date.

"Commitment Period": the period from and including the Closing Date (or, in the case of a Lender that becomes a party hereto after the Closing Date pursuant to Section 2.19, the date on which such Lender becomes a party hereto) to but excluding the Termination Date.

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Consolidated Adjusted EBITDA": for any period, Consolidated EBITDA for such period,

plus (to the extent taken into account in calculating Consolidated EBITDA for such period)

(a) any extraordinary or non-recurring non-cash expenses or losses including, for the avoidance of doubt, any extraordinary or non-recurring non-cash expenses disclosed in the form 8-K filed by Marriott with the SEC on September 9, 2011;

(b) losses from dispositions of real estate that are not to traditional consumer purchasers; provided that the amounts referred to in clauses (a) and (b) shall not, in the aggregate, exceed $150,000,000 for any Fiscal Year;

(c) total non-cash product costs of MVWC and its Subsidiaries on a consolidated basis for such period;

(d) any non-cash charges that occur in the 2011 Fiscal Year as a result of the Spin-Off; and

(e) one-time cash charges related to the Spin-Off which were incurred prior to, upon or no later than 30 days after, the time of the consummation thereof; provided that the aggregate amount added by this clause (e) shall not exceed $20,000,000; provided further that such charges may be settled up to 180 days following the Spin-Off.

minus to the extent taken into account in calculating Consolidated Net Income for such period, the sum of

(u) (i) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), including gains from dispositions of real estate that are not to traditional consumer purchasers; (ii) income tax credits (to the extent not netted from income tax expense); and (iii) any other non-operating, non-cash income (other than non-cash income associated with "financially reportable sales less than closed sales");

(v) any cash payments made during such period in respect of items described in clause (a) above subsequent to the Fiscal Quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income, all as determined on a consolidated basis;

(w) Developer Capital Spending of MVWC and its Subsidiaries on a consolidated basis for such period (it being understood and agreed that Developer Capital Spending with respect to the Ritz-Carlton Vail during the fourth quarter of 2010 shall be excluded from all calculations of Consolidated Adjusted EBITDA);

(x) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of MVWC or is merged into or consolidated with MVWC or any of its Subsidiaries;

(y) the income of any Person (other than a Subsidiary of MVWC) in which MVWC or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by MVWC or such Subsidiary in the form of dividends or similar distributions; and

(z) the undistributed earnings or income of any Subsidiary of MVWC (including any Special Purpose Subsidiary) or income attributable to any residual interest in any obligation of a Special Purpose Subsidiary to the extent that the declaration or payment of dividends or similar distributions or payment on account of such residual interest by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

"Consolidated EBITDA": for any period, Consolidated Net Income for such period,

plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of

(a) GAAP income tax expense (or minus any benefit);

(b) GAAP interest expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans);

(c) depreciation and amortization expense; and

(d) amortization of intangibles (including, but not limited to, goodwill) and organization costs.

For the purposes of calculating Consolidated EBITDA for any Reference Period pursuant to any determination of a financial covenant involving the calculation of Consolidated EBITDA, (i) if at any time during such Reference Period MVWC or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period and (ii) if during such Reference Period MVWC or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Material Acquisition occurred on the first day of such Reference Period.

"Consolidated Interest Coverage Ratio": for any period, the ratio of (a) Consolidated Adjusted EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Expense": for any period, total cash interest expense (including that attributable to Capital Lease Obligations) of MVWC and its Subsidiaries for such period with respect to all outstanding Indebtedness of MVWC and its Subsidiaries (including (i) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements and related derivatives in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP and (ii) dividends paid on the Preferred Stock).

"Consolidated Net Income": for any period, the consolidated net income (or loss) of MVWC and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Worth": at any date, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of MVWC under stockholders' equity at such date.

"Consolidated Tangible Net Worth": at any date, (a) Consolidated Net Worth, minus (b) the net book value of all assets on the consolidated balance sheet of MVWC used to calculate Consolidated Net Worth that would be treated as intangible assets under GAAP (including goodwill, trademarks, trade names, service marks, service names, copyrights, patents, organizational expenses and the excess of any equity in any Subsidiary over the cost of the investment in such Subsidiary), all as determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of MVWC and its Subsidiaries at such date, determined using consolidation principles in accordance with GAAP, minus (if on any such date there are no Loans outstanding (for the avoidance of doubt without regard to undrawn Letters of Credit)) the lesser of (x) the aggregate amount of all Unrestricted cash and Cash Equivalents held by MVWC, the Borrower and the Subsidiary Guarantors at such date minus $40,000,000 and (y) $40,000,000.

"Continuing Directors": the directors of MVWC on the Closing Date, after giving effect to the Spin-Off and the other transactions contemplated hereby, and each other director, if, in each case, such other director's nomination for election to the board of directors of MVWC is recommended by at least 66-2/3% of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Credit Party": the Administrative Agent, the Issuing Lender or any other Lender.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Lender": any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then

outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

"Destination Club Competitor Brand" means a branded Destination Club Business chain with both (i) one thousand (1,000) or more Destination Club Units and (ii) ten (10) or more Destination Club Projects.

"Developer Capital Spending": for any period, Capital Expenditures of MVWC and its Subsidiaries on a consolidated basis that are attributable to the acquisition of completed Time Share Interests or development of Time Share Interests during such period.

"Direct Competitor": any Person, or any Person that controls or is under common control with or that is controlled by a Person, that (i) owns, directly or indirectly, a Lodging Competitor Brand or a Destination Club Competitor Brand or (ii) is a master franchisee, master franchisor or sub-franchisor for a Lodging Competitor Brand or a Destination Club Competitor Brand (for the purposes hereof, the terms master franchisee, master franchisor, and sub-franchisor each mean a Person that has been granted the right by a franchisor to offer and sell subfranchises for such Person's own account); provided that any prospective Assignee that is a commercial bank shall not constitute a Direct Competitor if it acquired its interest in a Person that is a Direct Competitor as a consequence of having been a lender to a Person that is a Direct Competitor. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or to cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Documentation Agents": as defined in the preamble hereto.

"Dollars" and "$": dollars in lawful currency of the United States.

"Dollar Equivalent": means, on any date of determination, (a) with respect to any amount denominated in Dollars, such amount and (b) with respect to an amount denominated in any other currency, the equivalent in Dollars of such amount determined by the Administrative Agent in accordance with normal banking industry practice using the Exchange Rate on the date of determination of such equivalent, and such determination shall be conclusive in the absence of manifest error. In making any determination of the Dollar Equivalent for a particular Optional Currency, the Administrative Agent shall use the relevant Exchange Rate in effect on the date on which the Borrower delivers a request for a Letter of Credit to be denominated in such currency, such amount to be adjusted thereafter on each Adjustment Date and on any other date upon which a Dollar Equivalent is required to be determined pursuant to the provisions of this Agreement. As appropriate, amounts specified herein as amounts in Dollars shall be or include any relevant Dollar Equivalent amount.

"Domestic Subsidiary": any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

"Effective Date": the date on which the Borrower, the Administrative Agent and each Person listed on Schedule 1.1A shall have executed and delivered this Agreement.

"Environmental Laws": any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate": any trade or business (whether or not incorporated) that, together with any Group Member, is treated as a single employer under Section 414 of the Code.

"ERISA Event": (a) the failure of any Plan to comply with any material provisions of ERISA and/or the Code (and applicable regulations under either) or with the material terms of such Plan; (b) the existence with respect to any Plan of a non-exempt Prohibited Transaction; (c) any Reportable Event; (d) the failure of any Group Member or ERISA Affiliate to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (e) a determination that any Pension Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (f) the filing pursuant to Section 412 of the Code or Section 302 of ERISA of an application for a waiver of the minimum funding standard with respect to any Pension Plan; (g) the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or the incurrence by any Group Member or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Pension Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Pension Plan; (h) the receipt by any Group Member or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Pension Plan or to appoint a trustee to administer any Pension Plan under Section 4042 of ERISA; (i) the failure by any Group Member or any of its ERISA Affiliates to make any required contribution to a Multiemployer Plan pursuant to Sections 431 or 432 of the Code; (j) the incurrence by any Group Member or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Pension Plan or Multiemployer Plan; (k) the receipt by any Group Member or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from a Group Member or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent, in Reorganization, in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or terminated (within the meaning of Section 4041A of ERISA); or (l) the failure by any Group Member or any of its ERISA Affiliates to pay when due (after expiration of any applicable grace period) any installment payment with respect to Withdrawal Liability under Section 4201 of ERISA.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a

period equal to such Interest Period commencing on the first day of such Interest Period appearing on the Reuters Screen LIBOR01 Page as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on such page (or otherwise on such screen), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"Eurodollar Loans": Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula:

$$\frac{\text{Eurodollar Base Rate}}{\text{1.00 - Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche": the collective reference to Eurodollar Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Exchange Act": the Securities Exchange Act of 1934, as amended.

"Exchange Rate": for any day with respect to any currency (other than Dollars), the rate at which such currency may be exchanged into Dollars, as set forth at 11:00 A.M., London time, on such day on the applicable Reuters currency page with respect to such currency. In the event that such rate does not appear on the applicable Reuters currency page, the Exchange Rate with respect to such currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower or, in the absence of such agreement, such Exchange Rate shall instead be the spot rate of exchange of the Administrative Agent in the London Interbank market or other market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 11:00 A.M., London time, on such day for the purchase of Dollars with such currency, for delivery two Business Days later; provided, however, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any method it reasonably deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Excluded Foreign Subsidiary": any Foreign Subsidiary in respect of which either (a) the pledge of all of the Capital Stock of such Subsidiary as Collateral or (b) the guaranteeing by such Subsidiary of the Obligations, would, in the good faith judgment of the Borrower, result in adverse tax consequences to the Borrower.

"Excluded Property": (i) raw land, (ii) real property that is not yet at a stage of development such that it would be classified as In-Process Property, (iii) Time Share Receivables and Related Assets that constitute collateral for the Receivables Warehouse Facility or that secure a Qualified

Securitization Transaction and (iv) any property (excluding In-Process Property, Time Share Receivables, residual interests in Qualified Securitization Transactions and any Intercompany Agreement) to the extent that such grant of a security interest in such property is prohibited by any Requirements of Law, requires a consent not obtained of any Governmental Authority pursuant to such Requirement of Law or is prohibited by, or constitutes a breach or default under or results in the termination of, or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property (provided that at the time such contract, license, agreement, instrument or other document became effective it did not violate Section 7.14) or, in the case of any such property that constitutes Investment Property, Pledged Stock or Pledged Notes, any applicable shareholder or similar agreement (provided that at the time such agreement became effective it did not violate Section 7.14), except to the extent that such Requirement of Law or the term in such contract, license, agreement, instrument or other document or shareholder or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law.

"Excluded Taxes": with respect to any payment made by any Loan Party under any Loan Document, any of the following Taxes imposed on or with respect to a Credit Party: (a) income or franchise Taxes imposed on (or measured by) net income by any jurisdiction under the laws of which such Credit Party is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits Taxes or similar Taxes imposed by any jurisdiction described in clause (a) above and (c) in the case of a Non-U.S. Lender (other than an assignee pursuant to a request by the Borrower under Section 2.17), any U.S. Federal withholding Taxes resulting from any Requirement of Law in effect (including FATCA) on the date such Non-U.S. Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Non-U.S. Lender's failure to comply with Section 2.14(f), except to the extent that such Non-U.S. Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from any Loan Party with respect to such withholding Taxes pursuant to Section 2.14(a).

"Extensions of Credit": as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Loans held by such Lender then outstanding and (b) such Lender's Percentage of the L/C Obligations then outstanding.

"Facility": the Commitments and the extensions of credit made hereunder.

"FATCA": Sections 1471 through 1474 of the Code, as of the date of this Agreement, and any regulations issued thereunder or official interpretations thereof.

"Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Fee Payment Date": (a) the third Business Day following the last day of each March, June, September and December and (b) the last day of the Commitment Period.

"Fee Payment Period": initially, the period from and including the Effective Date to and including the last day of the month preceding the initial Fee Payment Date, and thereafter, each calendar quarter; provided that the final Fee Payment Period shall end on the final Fee Payment Date.

"Fiscal Month": in relation to any Group Member, the relevant fiscal month as determined in accordance with Schedule 1.1E.

"Fiscal Quarter": in relation to any Group Member, the relevant fiscal quarter as determined in accordance with Schedule 1.1E.

"Fiscal Year": in relation to any Group Member, the relevant fiscal year as determined in accordance with Schedule 1.1E.

"Flood Area": as defined in Section 4.21.

"Foreign Subsidiary": any Subsidiary of MVWC or the Borrower that is not a Domestic Subsidiary.

"Foreign Benefit Arrangement": any employee benefit arrangement mandated by non-US law that is maintained or contributed to by any Group Member or any ERISA Affiliate.

"Foreign Plan": each employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to US law and is maintained or contributed to by any Group Member or any ERISA Affiliate.

"Foreign Plan Event": with respect to any Foreign Benefit Arrangement or Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Benefit Arrangement or Foreign Plan; (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Benefit Arrangement or Foreign Plan required to be registered; or (c) the failure of any Foreign Benefit Arrangement or Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Benefit Arrangement or Foreign Plan.

"Foreign Time Share Receivable": a note receivable held by a Foreign Subsidiary arising from the financing of the sale of timeshare intervals and fractional products to a retail customer outside of the United States.

"Form 10": the registration statement of MVWC in respect of its common stock on Form 10 under the Exchange Act as filed with the SEC, including the Exhibits thereto, as amended.

"Funding Office": the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 4.1(a). In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower,

the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Group Members": the collective reference to MVWC, the Borrower and their respective Subsidiaries.

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement to be executed and delivered by MVWC, the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith. For the avoidance of doubt, the inclusion of a "cap" or other limit on the maximum total exposure under any such Guarantee Obligation shall not, in and of itself, mean that the liability is either "stated" or "determinable."

"Guarantors": the collective reference to MVWC and the Subsidiary Guarantors.

"Increased Facility Activation Date": any Business Day on which any Lender shall execute and deliver to the Administrative Agents an Increased Facility Activation Notice pursuant to Section 2.19(a) and, in the case of a New Lender, a New Lender Supplement pursuant to Section 2.19(b).

"Increased Facility Activation Notice": a notice substantially in the form of Exhibit J-1.

"Increased Facility Closing Date": any Business Day designated as such in an Increased Facility Activation Notice.

"Indebtedness": of any Person at any date, without duplication:

(a) all indebtedness of such Person for borrowed money;

(b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business); provided that, for the avoidance of doubt, any obligation to pay for Marriott Rewards points that arises prior to the effective date of the Spin-Off and the payment of which is deferred pursuant to the Marriott Rewards Affiliation Agreement shall be Indebtedness);

(c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments,

(d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);

(e) all Capital Lease Obligations (but not operating leases) of such Person;

(f) all obligations of such Person, including recorded loss contingency under GAAP, as an account party or applicant under or in respect of:

(i) bankers acceptances,

(ii) surety bonds (excluding surety bonds that support, or are in lieu of, obligations to escrow funds or that are performance bonds, in each case that have not been drawn), and

(iii) the outstanding face amount of letters of credit;

(g) the liquidation value of all redeemable preferred Capital Stock of such Person, including the Preferred Stock;

(h) all Guarantee Obligations of such Person in respect of obligations that constitute Indebtedness of the kind referred to in clauses (a) through (g) above;

(i) all obligations that constitute Indebtedness of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation; and

(j) for the purposes of Section 8(e) only, all obligations of such Person in respect of Swap Agreements and related derivatives.

The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable

therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such indebtedness is non-recourse to such Person. For the avoidance of doubt, Indebtedness of the type described in the preceding sentence shall not be considered to be recourse to a Person if recourse is contingent upon the occurrence of specified events that have not yet occurred in circumstances in which the occurrence of such events is within the control of such Person (*e.g.*, provisions commonly known as "bad boy" provisions). Notwithstanding anything herein to the contrary, Indebtedness shall not include (i) any payment obligation or other liability of such Person under the Marriott International, Inc. Executive Deferred Compensation Plan, a non-qualified deferred compensation plan within the meaning of IRC Section 409A and (ii) any amounts relating to full membership agreements in The Ritz-Carlton Golf Club & Spa, Jupiter (Florida) which are refundable, without interest, to full members in good standing after thirty years of continuous membership and which do not, in any case, have a redemption date earlier than the year 2029.

"Indemnified Liabilities": as defined in Section 10.5.

"Indemnified Taxes": (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by any Loan Party under any Loan Document and (b) Other Taxes.

"Indemnitee": as defined in Section 10.5.

"In-Process Property": real property owned by a Loan Party that such Loan Party intends to convert into Time Share Interests for which the Preliminary Construction Stage has commenced; provided that for the avoidance of doubt, raw land shall not be considered In-Process Property. For purposes of this definition, the "Preliminary Construction Stage has commenced" when each of the following is true regarding the applicable real property: (a) the engineering and design work is complete; (b) all material construction contracts relating to the applicable real property have been executed; (c) the portion of the site related to the real property has been cleared, prepared and excavated; and (d) construction of the building substructure has commenced.

"Insolvent": with respect to any Multiemployer Plan, the condition that such plan is insolvent within the meaning of Section 4245 of ERISA.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercompany Agreements": collectively, the Marriot License Agreement, the Ritz-Carlton License Agreement, the Noncompetition Agreement and the Marriott Rewards Affiliation Agreement.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December (or, if an Event of Default is in existence, the last day of each calendar month) to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Loan that is an ABR Loan), the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not later than 11:00 A.M., New York City time, on the date that is three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period that would extend beyond the Termination Date; and

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

"Investments": as defined in Section 7.9.

"IRS": the United States Internal Revenue Service.

"Issuing Lender": each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Deutsche Bank Trust Company Americas and any other Lender (i) approved by the Administrative Agent and the Borrower and (ii) that has agreed in its sole discretion to act as an "Issuing Lender" hereunder, or any of their respective affiliates, in each case in its capacity as issuer of any Letter of Credit. Each reference herein to "the Issuing Lender" shall be deemed to be a reference to the relevant Issuing Lender. Upon its termination as an Issuing Lender in accordance with Section 3.9, such Lender shall cease to be an "Issuing Lender".

"Land Trust": the land trust number 1082-0300-00 established pursuant to Section 689.071 of the Florida Statutes pursuant to the Trust Agreement, effective as of March 12, 2010, by and among First American Trust FSB, as trustee, the Borrower, as developer, and MVC Trust Owners Association, Inc., a Florida not-for-profit company.

"L/C Commitment": means, as to any Issuing Lender, the amount agreed from time to time by such Issuing Lender and the Borrower (and notified to the Administrative Agent) as the maximum amount of Letters of Credit that such Issuing Lender is willing to issue at any time for the account of the Group Members hereunder, such amount to be based upon the amount of L/C Obligations attributable to Letters of Credit issued by such Issuing Lender at such time.

"L/C Exposure": at any time, the total L/C Obligations. The L/C Exposure of any Lender at any time shall be its Percentage of the total L/C Exposure at such time.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.5.

"L/C Participants": in respect of any Letter of Credit, the collective reference to all the Lenders other than the Issuing Lender.

"L/C Sublimit" means $120,000,000.

"Lender Parent": with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a Subsidiary.

"Lenders": as defined in the preamble hereto.

"Letters of Credit": as defined in Section 3.1(a).

"Level": as defined in the Pricing Grid.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Loans": as defined in Section 2.1(a).

"Loan Documents": this Agreement, the Security Documents, the Notes and any amendment, waiver, supplement or other modification to any of the foregoing.

"Loan Parties": each Group Member that is a party to a Loan Document.

"Lodging Competitor Brand" means (i) a branded full service or luxury hotel chain with both (x) four thousand (4,000) or more rooms and (y) twenty (20) or more hotels or (ii) a branded select service or extended stay hotel chain with both (x) ten thousand (10,000) or more rooms and (y) fifty (50) or more hotels.

"Management Fees": management fees paid to a Loan Party under management contracts with homeowners' associations domiciled in the United States.

"Marriott": as defined in the recitals hereto.

"Marriott License Agreement": the License, Services and Development Agreement by Marriott and Marriot Worldwide Corporation, a Maryland corporation, as licensors and MVWC, as licensee, effective as of the Spin-Off Date, as the same may from time to time be amended, modified or otherwise supplemented.

"Marriott Rewards Affiliation Agreement": the Marriott Rewards Affiliation Agreement, dated as of the Spin-Off Date, by and among Marriott, Marriott Rewards, LLC, an Arizona limited liability company, MVWC and Marriott Ownership Resorts, Inc., a Delaware corporation, as the same may from time to time be amended, modified or otherwise supplemented.

"Material Adverse Effect": a material adverse effect on (a) the business, property, operations or financial condition of MVWC and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Material Acquisition" means any acquisition of property or series of related acquisitions of property that:

(a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person; and

(b) involves the payment of consideration by MVWC and its Subsidiaries in excess of $200,000,000.

"Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to MVWC or any of its Subsidiaries in excess of $200,000,000.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Moody's": Moody's Investors Service, Inc.

"Moody's Rating": at any time, the Borrower's corporate family rating issued by Moody's and then in effect.

"Mortgaged Properties": the real property and interests in real property listed on Schedule 1.1C and any real property or interest in real property as to which a Mortgage is granted pursuant to Section 6.10(b).

"Mortgages": each of the mortgages and deeds of trust made by any Loan Party in favor of, or for the benefit of, the Administrative Agent for the benefit of the Lenders, substantially in the form of Exhibit D (with such changes thereto as shall be advisable in the judgment of the Administrative Agent under the law of the jurisdiction in which such mortgage or deed of trust is to be recorded).

"Multiemployer Plan": a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"MVWC": as defined in the preamble hereto.

"Net Cash Proceeds": in connection with any issuance or sale of Capital Stock, the cash proceeds received from such issuance, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"New Lender": as defined in Section 2.19(b).

"New Lender Supplement": as defined in Section 2.19(b).

"Noncompetition Agreement": the Noncompetition Agreement, dated as of the Spin-Off Date, between Marriott and MVWC, as the same may from time to time be amended, modified or otherwise supplemented.

"Non-Recourse Debt": Indebtedness of a Person: (a) as to which no Loan Party provides any Guarantee Obligation or credit support of any kind or is directly or indirectly liable and (b) which does not provide any recourse against any of the assets of any Loan Party. Notwithstanding the foregoing, (i) the provision of Standard Securitization Undertakings in connection with a Qualified Securitization Transaction shall not invalidate the status of the Indebtedness of such Time Share SPV that is otherwise classified as Non-Recourse Debt pursuant to the terms of this definition and (ii) Indebtedness shall not be considered to be recourse to a Person if recourse is contingent upon the occurrence of specified events that have not yet occurred in circumstances in which the occurrence of such events is within the control of such Person (*e.g.*, provisions commonly known as "bad boy" provisions).

"Non-U.S. Lender": any Lender that is not a U.S. Person.

"Notes": the collective reference to any promissory note evidencing Loans.

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

"Opening Balance Sheet": on the Closing Date, the pro forma balance sheet referred to in Section 4.1(b).

"Optional Currency": at any time, United Arab Emirates Dirham, Bahraini Dinar, Hong Kong Dollars, Euros, South African Rand, Singapore Dollars and any other currency that is freely convertible into Dollars and is freely traded and available in the London interbank eurocurrency market that has been designated by the Borrower (with the consent of the Administrative Agent and the relevant Issuing Lender) to be an "Optional Currency".

"Other Taxes": any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"Participant": as defined in Section 10.6(c).

"Participant Register": as defined in Section 10.6(c).

"Patriot Act": as defined in Section 10.17.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to ERISA any successor entity performing similar functions.

"Pension Plan": any Plan subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA.

"Percentage": as to any Lender at any time, the percentage which such Lender's Commitment then constitutes of the Total Commitments or, at any time after the Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Loans then outstanding constitutes of the aggregate principal amount of the Loans then outstanding, provided, that, in the event that the Loans are paid in full prior to the reduction to zero of the Total Extensions of Credit, the Percentages shall be determined in a manner designed to ensure that the other outstanding Extensions of Credit shall be held by the Lenders on a comparable basis. Notwithstanding the foregoing, in the case of Section 2.18 when a Defaulting Lender shall exist, Percentages shall be determined without regard to any Defaulting Lender's Commitment.

"Permitted Liens": Liens of the type referred to in clauses (a), (b) and (e) of Section 7.4.

"Permitted Refinancing": in respect of any existing Subordinated Debt, new Subordinated Debt issued in exchange for, or the net proceeds of which are used to refinance, renew, replace, defease, discharge or refund such existing Subordinated Debt; provided that:

(a) the new Subordinated Debt satisfies the requirements of Section 7.3(r) as of the date of incurrence; and

(b) the new Subordinated Debt has a final maturity date later than the final maturity date of, and has a weighted average life to maturity equal to or greater than the weighted average life to maturity of, the Subordinated Debt being exchanged, refinanced, renewed, replaced, defeased, discharged or refunded.

"Person": an individual, partnership, corporation, limited liability company, limited liability partnership, syndicate, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": any employee benefit plan as defined in Section 3(3) of ERISA, including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA but excluding any Multiemployer Plan), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Group Member or any ERISA Affiliate is (or, if such Plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in section 3(5) of ERISA.

"Power of Attorney": a power of attorney made by the Administrative Agent in favor of the relevant mortgagor under a Mortgage substantially in the form of Exhibit K.

"Preferred Stock": [ ] shares, par value $0.01 per share of [ ]% Series A Cumulative Redeemable Preferred Stock of MVW US Holdings, Inc.

"Pricing Grid": the table set forth below:

Level	S&P Rating/ Moody's Rating	Applicable Margin for Eurodollar Loans	Applicable Margin for ABR Loans	Commitment Fee Rate
I	BBB-/Baa3 or higher	2.75%	1.75%	0.35%
II	BB+/Ba1	3.00%	2.00%	0.45%
III	BB/Ba2	3.25%	2.25%	0.50%
IV	BB-/Ba3	3.50%	2.50%	0.55%
V	B+/B1 or lower or no rating	4.00%	3.00%	0.60%

For the purposes of the Pricing Grid, changes in the Applicable Margin resulting from changes in the Level shall become effective on the date of the change in the related S&P Rating or Moody's Rating. If there is a split-rating and the ratings differential is one level, the higher rating will apply. If there is a split-rating and the ratings differential is two levels or more, the rating next below the higher of the split-ratings will apply; provided that prior to the time, if any, that MVWC obtains a Moody's Rating, the pricing grid will be construed as if there were only a S&P Rating and references to Moody's Rating and split ratings shall be ignored. In addition, at all times while an Event of Default shall have occurred and be continuing, the applicable Level shall be Level V. If the rating system of S&P or Moody's shall change, or if any such rating agency shall cease to be in the business of assigning corporate credit ratings generally (any such rating agency an "Affected Rating Agency"), the Borrower and the Administrative Agent (in consultation with the Lenders) shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from the Affected Rating Agency and, pending the effectiveness of any such amendment, the Applicable Margin and the Commitment Fee Rate shall be determined by reference to (x) the rating of the rating agency that is not an Affected Rating Agency or (y) if there is no rating agency that is not an Affected Rating Agency, the rating of the Affected Rating Agency most recently in effect prior to such change or cessation.

"Prime Rate": the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by JPMorgan Chase Bank, N.A. in connection with extensions of credit to debtors).

"Prohibited Transaction": as defined in Section 406 of ERISA and Section 4975(f)(3) of the Code.

"Projections": as defined in Section 6.2(c).

"Properties": as defined in Section 4.17(a).

"Qualified Securitization Transaction": any transaction or series of transactions previously entered into or that may be entered into by any Group Member pursuant to which such Group Member sells, assigns, conveys, participates, contributes to capital or otherwise transfers to (i) a Time Share SPV (in the case of a transfer by such Group Member) or (ii) any other Person (in the case of a transfer by a Time Share SPV), or may grant a security interest in or pledge, any Time Share Receivables or interests therein (whether now existing or arising in the future) of any Group Member, and any assets

related thereto, including, without limitation, all collateral securing such Time Share Receivables, all contracts and contract rights, purchase orders, security interests, financing statements or other documentation in respect of such Time Share Receivables and all guarantees, indemnities, warranties or other documentation or other obligations in respect of such accounts receivable, any other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitization transactions involving receivables similar to such receivables and any collections or proceeds of any of the foregoing (the "Related Assets").

"Receivables Warehouse Facility": as defined in Section 5.1(b)(ii).

"Reference Period": the period of four consecutive Fiscal Quarters of MVWC then most recently ended.

"Register": as defined in Section 10.6(b).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reimbursement Date": as defined in Section 3.5.

"Reimbursement Obligation": the obligation of the Borrower to reimburse the Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit.

"Related Assets": as defined in the definition of Qualified Securitization Transaction.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan, other than those events as to which notice is waived pursuant to DOL Reg. Section 4043.

"Required Lenders": at any time, Lenders the Percentages of which in the aggregate exceed 50% at such time.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": the chief executive officer, president or chief financial officer of MVWC, but in any event, with respect to financial matters, the chief financial officer of MVWC.

"Restricted" shall mean, when referring to cash or Cash Equivalents of the Borrower or any of its Subsidiaries, that such cash or Cash Equivalents (i) appear (or would be required to appear) as "restricted" on a balance sheet of the Borrower or of any such Subsidiary (unless such appearance is related to the Loan Documents or Liens created thereunder), (ii) are subject to any Lien in favor of any Person other than the Administrative Agent pursuant to the Security Documents or (iii) are not otherwise generally available for use by the Borrower or such Subsidiary.

"Residual Interests": residual interests in securitizations owned by the Loan Parties.

"Restricted Payments": as defined in Section 7.7.

"Ritz-Carlton License Agreement": the License, Services and Development Agreement by The Ritz-Carlton Hotel Company, LLC, as licensor and MVWC, as licensee, effective as of the Spin-Off Date, as the same may from time to time be amended, modified or otherwise supplemented.

"S&P": Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"S&P Rating": at any time, the rating issued by S&P and then in effect with respect to MVWC's S&P issuer rating.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Security Documents": the collective reference to the Guarantee and Collateral Agreement, the Mortgages and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document.

"Separation and Distribution Agreement": the Separation and Distribution Agreement, dated as of the Spin-Off Date, between Marriott and MVWC, as the same may from time to time be amended, modified or otherwise supplemented.

"Singapore L/C": as described on Schedule 1.1D.

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"Special Purpose Subsidiary": any (i) Time Share SPV and (ii) trust, property owning company and similar entity that is formed for the purpose of protecting the consumer purchasers of vacation ownership interests from the insolvency or bankruptcy of MVWC, the Borrower or any of the Guarantors.

"Spin-Off": the spin-off by Marriot of its timeshare operations and development business to its shareholders through a tax free special dividend of the common stock of MVWC, on the material terms described in the Form 10 on file with the SEC on the Effective Date, including satisfaction (without waiver other than with respect to the MVWC board composition) of all the conditions to the spin-off described therein.

"Spin-Off Date": the date on which the Spin-Off is consummated.

"Spin-Off Documentation": collectively, the Form 10, the Separation and Distribution Agreement, the Marriott License Agreement, the Ritz-Carlton License Agreement, and the Marriott Rewards Affiliation Agreement and, in each case, all schedules, exhibits and annexes thereto and all side letters and agreements affecting the terms thereof or entered into in connection therewith.

"Standard Securitization Undertakings": representations, warranties, covenants, indemnities and performance guarantees of MVWC or any of its Subsidiaries to a Time Share SPV or to its order or of a Time Share SPV to an entity issuing Non-Recourse Debt or its order and servicing obligations entered into by any Group Member (other than a Time Share SPV) and the provision of cash or Cash Equivalents to pay fees and expenses reasonably related thereto, in each case which are reasonably customary in securitization transactions for the relevant asset being securitized.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of MVWC. Notwithstanding the foregoing "Subsidiary" shall not include a resort or property owner's association which is organized primarily to administer the affairs of the underlying resort or property.

"Subordinated Debt" shall mean any Indebtedness that is contractually subordinated in right of payment to the Obligations and to any Guarantee Obligation of any Group Member in respect of the Obligations.

"Subsidiary Guarantor": at any date, each Subsidiary of MVWC or of the Borrower that is a party to the Guarantee and Collateral Agreement on such date.

"Swap Agreement": any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement or any combination thereof involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or any of its Subsidiaries shall be a "Swap Agreement".

"Syndication Agents": as defined in the preamble hereto.

"Taxes": any present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Termination Date": the fourth anniversary of the Effective Date.

"Ticking Fee Rate": 0.25% per annum.

"Time Share Interest": means (i) inventory available to occupy as a dwelling or accommodation, and which may be coupled with an estate in real estate or limited to a right to use real estate without an estate or ownership interest, pursuant to any time share arrangement, plan, scheme, or similar device, in any legal form or structure (including units physically located within a project, that have received certificates of occupancy and that are currently used for sales and/or administrative purposes) or (ii) any real property interest completed and available to occupy as a dwelling or accommodation and intended by Borrower to be dedicated to any such time share arrangement.

"Time Share Receivable": a note receivable arising from the financing of the sale of timeshare intervals and fractional products to a retail customer.

"Time Share SPV": an entity intended to be bankruptcy-remote and which is formed for the purpose of engaging in securitization transactions and the indebtedness of which is Non-Recourse Debt.

"Title Insurance Company": as defined in Section 5.1(k)(ii).

"Total Commitments": at any time, the aggregate amount of the Commitments then in effect.

"Total Extensions of Credit": at any time, the aggregate amount of the Extensions of Credit of the Lenders outstanding at such time.

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

"United States": the United States of America.

"Unrestricted" shall mean, when referring to cash or Cash Equivalents of the Borrower or any of its Subsidiaries, that such cash or Cash Equivalents are not Restricted.

"U.S. Person": a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Certificate": as defined in Section 2.14(f)(ii)(D).

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Wholly Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly Owned Subsidiary of MVWC or of the Borrower.

"Withdrawal Liability": any liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto. Terms used but not defined herein shall have the meaning given to such terms in the Guarantee and Collateral Agreement.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP (provided that all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (x) without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of a Group Member at "fair value", as defined therein and (y) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof), (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, (v) references to real property shall include beneficial interests in the Land Trust, (vi) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time and (vii) unless otherwise specified, references to fiscal periods are references to the relevant fiscal periods of MVWC.

(c) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.3 Conversion of Foreign Currencies.

(a) The Administrative Agent shall determine the Dollar Equivalent of any amount denominated in an Optional Currency as required hereby, and a determination thereof by the Administrative Agent shall be conclusive absent manifest error using the procedure set forth in the definition of "Dollar Equivalent" and Section 1.3(b). The Administrative Agent may, but shall not be obligated to, rely on any determination made by any Loan Party in any document delivered to the Administrative Agent. A Letter of Credit denominated in an Optional Currency shall initially have a Dollar Equivalent determined using the Exchange Rate in effect on the date the Borrower requests the issuance thereof, adjusted on each Adjustment Date using the Exchange Rates used to make the calculations pursuant to Section 2.6(c).

(b) For purposes of determining compliance with any covenant or restriction in this Agreement that is based on the amount of any Indebtedness that is denominated in a currency other than Dollars, the Dollar Equivalent thereof shall be determined based on the Exchange Rate in effect at the time such Indebtedness was incurred unless the specific restriction or covenant provides a different method or time for valuation; provided that the Exchange Rates used in calculating the financial covenants set forth in Section 7.1 shall be determined in accordance with GAAP as set forth in the financial statements that are the basis for such calculations.

(c) The Administrative Agent may set up appropriate rounding off mechanisms or otherwise round-off amounts hereunder to the nearest higher or lower amount in whole Dollar or cent to ensure amounts owing by any party hereunder or that otherwise need to be calculated or converted hereunder are expressed in whole Dollars or in whole cents, as may be necessary or appropriate.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Commitments. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans in Dollars ("Loans") to the Borrower from time to time during the Commitment Period; provided that, after giving effect to such borrowing and the use of proceeds thereof, (i) such Lender's Extensions of Credit do not exceed the amount of such Lender's Commitment and (ii) the Total Extensions of Credit shall not exceed the lesser of (x) the Borrowing Base at such time and (y) the Total Commitments then in effect. During the Commitment Period the Borrower may use the Commitments by borrowing, prepaying the Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.7.

(b) The Borrower shall repay all outstanding Loans on the Termination Date.

2.2 Procedure for Borrowing. The Borrower may borrow under the Commitments during the Commitment Period on any Business Day, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 11:00 A.M., New York City time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of ABR Loans) (provided that any such notice of a borrowing of ABR Loans under the Facility to finance payments required by Section 3.5 may be given not later than 10:00 A.M., New York City time, on the date of the proposed borrowing), specifying (i) the amount and Type of Loans to be borrowed, (ii) the requested Borrowing Date and (iii) in the case of Eurodollar Loans, the respective amounts of each Eurodollar Tranche in respect thereof and the respective lengths of the initial Interest Periods therefor. Each borrowing under the Commitments shall be in an amount equal to (x) in the case of ABR Loans, $1,000,000 or a whole multiple thereof (or, if the then aggregate Available Commitments are less than $1,000,000, such lesser amount) and (y) in the case of Eurodollar Loans, $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Lender thereof. Each Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 12:00 Noon, New York City time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

2.3 Commitment Fees, etc. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee for the period from and including the Closing Date to the last day of the Commitment Period, computed at the Commitment Fee Rate on the average daily amount of the Available Commitment of such Lender during the period for which payment is made, payable in arrears for each Fee Payment Period on the related Fee Payment Date, commencing on the first such date to occur after the Closing Date.

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a non-refundable ticking fee for the period from and including the date commencing thirty (30) days following the Effective Date until the earlier of the Closing Date or the termination or expiration of the Commitments, computed at the Ticking Fee Rate on the average daily amount of the Commitment of such Lender during the period for which payment is to be made, payable in arrears on the Closing Date or the termination or expiration of the Commitments, as applicable.

(c) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent and to perform any other obligations contained therein.

2.4 Termination or Reduction of Commitments. The Borrower shall have the right, upon not less than one Business Days' notice (or three Business Days' notice if the related termination or reduction would require a prepayment of Eurodollar Loans prior to the last day of an Interest Period) to the Administrative Agent, to terminate the Commitments or, from time to time, to reduce the amount of the Commitments; provided that no such termination or reduction of Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the Total Extensions of Credit would exceed the Total Commitments. Any such reduction shall be in an amount equal to $1,000,000, or a whole multiple thereof, and shall reduce permanently the Commitments then in effect.

2.5 Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent no later than 11:00 A.M., New York City time, three Business Days prior thereto, in the case of Eurodollar Loans, and no later than 11:00 A.M., New York City time, one Business Day prior thereto, in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.15. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Loans that are ABR Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Loans shall be in an aggregate principal amount of at least $1,000,000.

2.6 Mandatory Prepayments and Commitment Reductions. (a) If the sum of (x) 105% of the Dollar Equivalent of Letters of Credit denominated in Optional Currencies plus (y) the outstanding amount of the Extensions of Credit other than Letters of Credit denominated in Optional Currencies would exceed the Borrowing Base in effect at such time, the Borrower shall, within one (1) Business Day, either prepay (or Collateralize Letters of Credit if there are no, or an insufficient amount of, Loans outstanding) and/or otherwise reduce, as applicable, the then outstanding Extensions of Credit in the amount of such excess.

(b) If the Borrower prepays outstanding Extensions of Credit to comply with its obligations under Section 2.6(a) or Section 7.2, such prepayment may be applied to outstanding Extensions of Credit in the order specified by the Borrower.

(c) On the last Business Day of each month (each an "Adjustment Date") on which any Letters of Credit denominated in an Optional Currency are outstanding, the Administrative Agent shall determine the Dollar Equivalent of the aggregate outstanding amount of such Letters of Credit as of such day. If, on such Adjustment Date, the sum of (i) 105% of the Dollar Equivalent of such Letters of Credit plus (ii) the aggregate outstanding Extensions of Credit other than such Letters of Credit exceed the Total

Commitments then in effect, then the Administrative Agent shall notify the Borrower and within five Business Days of such notice, the Borrower shall prepay Loans or Collateralize Letters of Credit in an aggregate principal or face amount at least equal to such excess.

2.7 Conversion and Continuation Options.

(a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the Business Day preceding the proposed conversion date, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Required Lenders have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent or the Required Lenders have determined in its or their sole discretion not to permit such continuations, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.8 Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $5,000,000 or a whole multiple of $1,000,000 in excess thereof and (b) no more than ten Eurodollar Tranches shall be outstanding at any one time.

2.9 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest for each day at a rate per annum equal to the ABR determined for such day plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise) all outstanding Loans and Reimbursement Obligations (whether or not overdue) shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans plus 2%, and (ii) if all or a portion of any interest payable

on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount (in the case of any Reimbursement Obligations converted into Dollars on the applicable Reimbursement Date if necessary) shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans plus 2%, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand. If any Letters of Credit remain outstanding on the Termination Date the fees in respect thereof shall be payable from time to time on demand.

2.10 Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall deliver to the Borrower at least one Business Day prior to the related Payment Date a statement showing the quotations used by the Administrative Agent in determining (i) any interest rate pursuant to Section 2.9(a) and (ii) any interest rate pursuant to Section 2.9(b) when clause (b) or (c) of the definition of ABR is applicable; provided that the failure to provide any such statement shall not relieve the Borrower of its obligation to pay any such amounts due under Section 2.9 as and when the same become due pursuant to the terms hereof.

(c) The Administrative Agent shall provide to the Borrower at least one Business Day prior to each Interest Payment Date, a statement of the amounts due on such date pursuant to Sections 2.3, 2.9, and 3.3, as applicable; provided that the failure to provide any such statement shall not relieve the Borrower of its obligation to pay any such amounts as and when the same become due pursuant to the terms hereof.

2.11 Inability to Determine Interest Rate; Illegality. (a) If prior to the first day of any Interest Period:

(i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(ii) the Administrative Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders in a certificate setting forth in reasonable detail the basis for such determination) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loan requested to be made on the first day of such Interest Period shall be made as an ABR Loan, (y) any ABR Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Loans to Eurodollar Loans.

(b) Notwithstanding any other provision of this Agreement, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may declare that Eurodollar Loans will not thereafter (for the duration of such unlawfulness) be made by such Lender hereunder (or be continued for additional Interest Periods) and ABR Loans will not thereafter (for such duration) be converted into Eurodollar Loans, whereupon any request for a Eurodollar Loan (or to convert an ABR Loan to a Eurodollar Loan or to continue a Eurodollar Loan for an additional Interest Period) shall, as to such Lender only, be deemed a request for an ABR Loan (or a request to continue an ABR Loan as such for an additional Interest Period or to convert a Eurodollar Loan into an ABR Loan, as the case may be), unless such declaration shall be subsequently withdrawn; and

(ii) such Lender may require that all outstanding Eurodollar Loans made by it be converted to ABR Loans, in which event all such Eurodollar Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in paragraph (b) below.

In the event any Lender shall exercise its rights under (i) or (ii) above, all payments and prepayments of principal that would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Lender or the converted Eurodollar Loans of such Lender shall instead be applied to repay the ABR Loans made by such Lender in lieu of, or resulting from the conversion of, such Eurodollar Loans. For purposes of this Section 2.15(b), a notice to the Borrower by any Lender shall be effective as to each Eurodollar Loan made by such Lender, if lawful, on the last day of the Interest Period then applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

2.12 Pro Rata Treatment and Payments. (a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment or ticking fee and any reduction of the Commitments of the Lenders shall be made pro rata according to the respective Percentage of the relevant Lenders except to the extent required or permitted pursuant to Sections 2.17, 2.18 and 2.19.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Loans shall be made pro rata according to the respective outstanding principal amounts of the Loans then held by the Lenders except to the extent required or permitted pursuant to Sections 2.17, 2.18 and 2.19.

(c) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds; provided that reimbursement of drawings under Letters of Credit shall be made as provided in Section 3.5. The Administrative Agent shall distribute such payments to each relevant Lender promptly upon receipt in like funds as received, net of any amounts owing by such Lender pursuant to Section 9.7. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans, on demand, from the Borrower. Nothing in this Section 2.12(d) shall be deemed to limit the rights of the Borrower against such Lender.

(e) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing in this Section 2.12(e) shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.2, 2.12(d), 2.12(e), 2.14(e), 3.4 or 9.7, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received hereunder by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent or the Issuing Lender to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

2.13 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Credit Party with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject such Credit Party to any Taxes (other than Indemnified Taxes and Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit (or participations therein) by, or any other acquisition of funds by, any office of such Credit Party that is not otherwise included in the determination of the Eurodollar Rate; or

(iii) shall impose on such Credit Party any other condition;

and the result of any of the foregoing is to increase the cost to such Credit Party, by an amount that such Credit Party deems to be material, of making, converting into, continuing or maintaining Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Credit Party, upon its demand, any additional amounts necessary to compensate such Credit Party for such increased cost or reduced amount receivable. If any Credit Party becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) Notwithstanding anything herein to the contrary, (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall in each case be deemed to be a change in any Requirement of Law, regardless of the date enacted, adopted, issued or implemented.

(d) A certificate as to any additional amounts payable pursuant to this Section 2.13 (which certificate shall set forth in reasonable detail the basis for the claim for such additional amounts and a calculation thereof) submitted by any Credit Party to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. Notwithstanding anything to the contrary in this Section 2.13, the Borrower shall not be required to compensate a Credit Party pursuant to this Section 2.13 for any amounts incurred more than nine months prior to the date that such Credit Party notifies the Borrower of such Credit Party's intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrower pursuant to this Section 2.13 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.14 Taxes. (a) Each payment by or on behalf of any Loan Party under any Loan Document shall be made without withholding for any Taxes, unless such withholding is required by any law (as determined by the applicable withholding agent in its sole discretion exercised in good faith), provided, that (i) if any Taxes are withheld by a Loan Party (or the Administrative Agent, as the case may be) and such Taxes are Indemnified Taxes, then the amount payable by such Loan Party shall be increased as necessary so that, net of such withholding (including such withholding applicable to additional amounts payable under this Section 2.14), the applicable Credit Party receives the amount it would have received had no such withholding been made, and (ii) if the Taxes were withheld by a Loan Party or the Administrative Agent, as the case may be, such Loan Party or the Administrative Agent, as the case may be, shall timely pay the full amount of such Taxes to the relevant Governmental Authority in accordance with applicable law.

(b) The Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) As soon as practicable after any payment of Indemnified Taxes by any Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) The Loan Parties shall jointly and severally indemnify each Credit Party for any Indemnified Taxes that are paid or payable by such Credit Party in connection with any Loan Document (including amounts paid or payable under this Section 2.14(d)) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.14(d) shall be paid within 10 days after the Credit Party delivers to the Borrower a certificate stating the amount of any Indemnified Taxes so paid or payable by such Credit Party and describing the basis for the indemnification claim. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Such Credit Party shall deliver a copy of such certificate to the Administrative Agent.

(e) Each Lender shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that the Loan Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so) attributable to such Lender that are paid or payable by the Administrative Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.14(e) shall be paid within 10 days after the Administrative Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(f) Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.14(f)(ii)(A) through (E)) shall not be required if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense (or, in the case of a Change in Law, any incremental material unreimbursed cost or expense) or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of such Borrower or the Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 2.14(f). If any form or certification previously delivered pursuant to this Section 2.14(f) expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify such Borrower and the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(ii) Without limiting the generality of the foregoing, if the Borrower is a U.S. Person, any Lender with respect to the Borrower shall, if it is legally eligible to do so, deliver to such Borrower and the Administrative Agent (in such number of copies reasonably requested by such Borrower and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Lender that is a U.S. Person, IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such tax treaty and (2) with respect to any other applicable payments under Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under any Loan Document constitute income that is effectively connected with such Lender’s conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN and (2) a certificate substantially in the form of Exhibit H (a “U.S. Tax Certificate”) to the effect that such Lender is not (a) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (b) a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code,

(c) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under any Loan Document (including a partnership or a participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C) and (D) and (F) of this paragraph (f)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable the Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the applicable Loan Party and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower or the Administrative Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.14(f)(iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including additional amounts paid pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.14 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid to such indemnified party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.14(g), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.14(g) if such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.14(g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

(h) Each party's obligations under this Section 2.14 shall survive any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other obligations under the Loan Documents.

(i) For purposes of Sections 2.14(e) and (f), the term "Lender" includes the Issuing Lender.

2.15 Indemnity. The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of or conversion from Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section 2.15 submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.16 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the payment of additional amounts under Section 2.13 or Section 2.14(a) with respect to such Lender, it will use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending offices to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.13 or 2.14(a).

2.17 Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.13 or 2.14(a), (b) becomes a Defaulting Lender, or (c) does not consent to any proposed amendment, supplement, modification, consent or waiver of any provision of this Agreement or any other Loan Document that requires the consent of each of the Lenders or each of the Lenders affected thereby (so long as the consent of the Required Lenders (with the percentage in such definition being deemed to be 66- 2/3% for this purpose) has been obtained), with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.16 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.13 or 2.14(a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.15 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution shall be reasonably satisfactory to the Administrative Agent, (vii) the

replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.13 or 2.14(a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

2.18 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.3;

(b) the Commitment and Extensions of Credit of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.1); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby;

(c) if any L/C Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the L/C Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Extensions of Credit plus such Defaulting Lender's L/C Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and (y) no non-Defaulting Lender's Extensions of Credit would exceed such non-Defaulting Lender's Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall, within one Business Day following notice by the Administrative Agent, Collateralize for the benefit of the Issuing Lender only the Borrower's obligations corresponding to such Defaulting Lender's L/C Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 8 for so long as such L/C Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's L/C Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.3(a) with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is cash collateralized;

(iv) if the L/C Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.3 and Section 3.3(a) shall be adjusted in accordance with such non-Defaulting Lenders' Percentages; and

(v) if all or any portion of such Defaulting Lender's L/C Exposure is neither reallocated nor Collateralized pursuant to clause (i) or (ii) above, then, without prejudice

to any rights or remedies of the Issuing Lender or any other Lender hereunder, all fees payable under Section 3.3(a) with respect to such Defaulting Lender's L/C Exposure shall be payable to the Issuing Lender until and to the extent that such L/C Exposure is reallocated and/or Collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding L/C Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or Collateralized by the Borrower in accordance with Section 2.18(c), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.18(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a Lender Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Lender shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Issuing Lender to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower and the Issuing Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the L/C Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Percentage.

2.19 Accordion. The Borrower and any one or more Lenders or other banks, financial institutions or other entities may from time to time agree that such Lender shall increase the amount of its Commitment or such other Person shall provide an additional Commitment by executing and delivering to the Administrative Agent an Increased Facility Activation Notice specifying (i) the amount of such increased or additional Commitment, as applicable, and (ii) the applicable Increased Facility Closing Date. Notwithstanding the foregoing, (i) without the consent of the Required Lenders, the aggregate amount of incremental Commitments obtained after the Effective Date pursuant to this Section 2.19(a) shall not exceed $50,000,000 and (ii) without the consent of the Administrative Agent, each increase effected pursuant to this Section 2.19(a) shall be in a minimum amount of at least $10,000,000; provided that (1) no Lender shall have any obligation to participate in any increase described in this Section 2.19(a) unless it agrees to do so in its sole discretion; (2) any prospective lender (if not already a Lender or an affiliate of a Lender) providing any such additional Commitment shall be reasonably acceptable to the Administrative Agent; (3) after giving effect to such additional Commitment, the New Lender providing such additional Commitment shall have an aggregate Commitment of at least $5,000,000, unless otherwise agreed by the Administrative Agent; (4) on a pro forma basis after giving effect to such increased or additional Commitment, as applicable, no Default or Event of Default exists or would exist; (5) on a pro forma basis after giving effect to such increased or additional Commitment, as applicable, and assuming that the Commitments were fully utilized on the Increased Facility Closing Date, the Borrower would be in compliance with the covenant contained in Section 7.2 as of such day; and (6) the representations and warranties contained in Section 4 shall be true and correct in all material respects immediately prior to, and after giving effect to, the Increased Facility Closing Date.

(b) Any additional bank, financial institution or other entity that has elected to become a "Lender" under this Agreement in accordance with the provisions of Section 2.19(a) shall execute a supplement (each, a "New Lender Supplement"), substantially in the form of Exhibit J-2, whereupon, effective on the related Increased Facility Closing Date, such bank, financial institution or other entity (a "New Lender") shall become a Lender hereunder and shall be bound by and entitled to the benefits of this Agreement.

(c) On each Increased Facility Closing Date, the Borrower shall borrow Loans under the relevant increased or additional Commitments from the relevant Lenders (or repay outstanding Loans, or both) in an amount (giving effect to any concurrent repayment of Loans) determined by reference to the amount of each Type of Loan (and, in the case of Eurodollar Loans, of each Eurodollar Tranche) which would then have been outstanding from such Lender if (i) each such Type or Eurodollar Tranche had been borrowed or effected on such Increased Facility Closing Date and (ii) all Lenders participated in each such Type or Eurodollar Tranche on a pro rata basis. The Eurodollar Base Rate applicable to any Eurodollar Loan borrowed pursuant to the preceding sentence shall equal the Eurodollar Base Rate then applicable to the Eurodollar Loans of the other Lenders in the same Eurodollar Tranche (or, until the expiration of the then-current Interest Period, such other rate as shall be agreed upon between the Borrower and the relevant Lender).

(d) Notwithstanding anything to the contrary in this Agreement, each of the parties hereto hereby agrees that, on each Increased Facility Activation Date, this Agreement shall be amended to the extent (but only to the extent) necessary to reflect the existence of the increased Commitments pursuant to this Section 2.19. Any such deemed amendment may be effected in writing by the Administrative Agent with the Borrower's consent (not to be unreasonably withheld) and furnished to the other parties hereto.

SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Lenders set forth in Section 3.4(a), agrees to issue at the request of the Borrower letters of credit (each a "Letter of Credit") for the account of any Group Member on any Business Day during the Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided that (i) the Borrower shall not request, and no Issuing Lender shall be required to issue, any Letter of Credit if after giving effect to such issuance (and to any concurrent funding or prepayment of a Loan and to the application of proceeds thereof and to any concurrent expiration or termination or amendment or modification of any previously issued Letter of Credit), (A) the sum of (x) 105% of the Dollar Equivalent of Letters of Credit denominated in Optional Currencies issued by such Issuing Lender plus (y) the outstanding amount of all Letters of Credit issued by such Issuing Lender other than those denominated in Optional Currencies would exceed such Issuing Lender's L/C Commitment then in effect, (B) the sum of (x) 105% of the Dollar Equivalent of Letters of Credit denominated in Optional Currencies plus (y) the outstanding amount of all Letters of Credit other than those denominated in Optional Currencies would exceed the L/C Sublimit then in effect, or (C) the sum of (x) 105% of the Dollar Equivalent of Letters of Credit denominated in Optional Currencies plus (y) the then Outstanding Amount of the Extensions of Credit other than Letters of Credit denominated in Optional Currencies would exceed the lesser of (A) the Total Commitments then in effect and (B) the Borrowing Base and (ii) the Borrower shall be a co-applicant, and jointly and severally liable with respect to, each Letter of Credit issued for the account of any other Group Member. Each Letter of Credit shall (x) be denominated in Dollars or, if agreed by the applicable Issuing Lender, any Optional Currency and (y) expire no later than the earlier of (A) the date that is one year after the date of issuance of such Letter of Credit and (B) thirty (30) days prior to the Termination Date then in effect; provided, that any Letter of Credit with a one-year tenor may provide for the subsequent or successive renewal or automatic renewal

thereof for additional one-year periods (which shall in no event extend beyond the date referred to in foregoing clause (B). If agreed by an Issuing Lender, Letters of Credit issued by such Issuing Lender may have an expiration date that exceeds one year (but in all events expires no later than thirty (30) days prior to the Termination Date then in effect); provided that the Borrower shall not request the issuance of any such Letter of Credit if the aggregate face amount of all such Letters of Credit outstanding on the date of such request and giving effect to the proposed issuance would exceed the Dollar Equivalent of $3,000,000.

(b) An Issuing Lender shall not at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender at its address for notices specified herein an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof). No Issuing Lender shall issue any Letter of Credit during any period commencing on the first Business Day after it receives written notice from the Administrative Agent that one or more of the conditions precedent contained in Section 5.2 shall not on such date be satisfied or waived, and ending when the Administrative Agent provides written notice to the effect that such conditions are satisfied or waived. The Administrative Agent shall promptly notify the Issuing Lenders upon becoming aware that such conditions in Section 5.2 are thereafter satisfied or waived. The Issuing Lenders shall not otherwise be required to determine that, or take notice whether, the conditions precedent set forth in Section 5.2 have been satisfied or waived in connection with the issuance of any Letter of Credit.

3.3 Fees and Other Charges. (a) The Borrower will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans, shared ratably among the Lenders and payable in arrears on each Fee Payment Date in respect of the related Fee Payment Period during which such Letters of Credit were outstanding. In addition, the Borrower shall pay to the Issuing Lender for its own account a fronting fee of 0.20% per annum on the undrawn and unexpired amount of each Letter of Credit issued by it, payable in arrears on each Fee Payment Date in respect of the related Fee Payment Period during which such Letters of Credit were outstanding. For the purposes of the foregoing calculations, the average daily undrawn and unexpired amount of any Letter of Credit denominated in an Optional Currency during any Fee Payment Period shall be calculated by multiplying (i) the average daily undrawn and unexpired amount of such Letter of Credit (expressed in the Optional Currency in which such Letter of Credit is denominated) during such period by (ii) the Exchange Rate for each such Optional Currency in effect on the Fee Payment Date or by such other method that the Administrative Agent and the Borrower may agree.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

3.4 L/C Participations. (a) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Percentage in the Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued by it and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement (or in the event that any reimbursement received by the Issuing Lender shall be required to be returned by it at any time), such L/C Participant shall pay to the Issuing Lender in Dollars upon demand at the Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Percentage of the Dollar Equivalent of the amount of such draft, or any part thereof, that is not so reimbursed (or is so returned) (calculated, in the case of any Letter of Credit denominated in an Optional Currency, as of the Reimbursement Date therefor); provided that in no event shall an L/C Participant be obligated to fund an amount that would cause such L/C Participant's Extensions of Credit to exceed such L/C Participant's Commitment. Subject to the foregoing, each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing

(b) If any amount required to be paid by any L/C Participant to the Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, the Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans. A certificate of the Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section 3.4(b) shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. If any draft is paid under any Letter of Credit, the Borrower shall reimburse the Issuing Lender for the amount of (a) the draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment, not later than 12:00 Noon, New York City time, on (i) the Business Day that the Borrower receives notice of such draft, if such notice is received on such day prior to 10:00 A.M., New York City time, or (ii) if clause (i) above does not apply, the Business Day immediately following the day that the Borrower receives such notice (such date, the "Reimbursement Date"). Each such payment shall be made to the relevant Issuing Lender at its address for notices referred to herein (or in the case of any payment in a currency other than Dollars, as directed by such Issuing Lender) in the currency in which such Letter of Credit is denominated and in immediately available funds (or, in the case of a currency other than Dollars, in such funds as shall be customary for settlement of obligations in such currency in the interbank market). Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 2.9(b) and (y) thereafter, Section 2.9(c). It is understood that the Borrower may elect to use the proceeds of a borrowing pursuant to Section 2.2 to finance its reimbursement obligations pursuant to this Section 3.5. Notwithstanding the last sentence of Section 2.2, the proceeds of any such borrowing shall be made available to the relevant Issuing Lender (and not to the Borrower) to the account specified by such Issuing Lender, in like funds as received by the Administrative Agent, and the Issuing Lender may credit its Percentage of such borrowing to the relevant Reimbursement Obligation in lieu of funding such amount to the Administrative Agent.

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against the Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lender. The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, shall be binding on the Borrower and shall not result in any liability of the Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

3.9 Termination of Issuing Bank.

The Borrower may elect to terminate the status of any Issuing Lender as an Issuing Lender by giving not less than 10 Business Days prior notice of such election to the relevant Issuing Lender and the Administrative Agent; provided that after giving effect to such termination the terminated Issuing Lender does not have any L/C Obligations owing to it.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, MVWC and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent and each Lender that:

4.1 Financial Condition. (a) The audited combined balance sheets of MVWC as at the last day of the 2009 Fiscal Year and 2010 Fiscal Year, and the related combined statements of income and of cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from Ernst & Young LLP, present fairly the combined financial condition of MVWC and its Subsidiaries as at such dates, and the combined results of its operations and its combined cash flows for the fiscal years then ended. The unaudited combined balance sheet of MVWC as at the last day of the second Fiscal Quarter of the 2011 Fiscal Year, and the related unaudited combined statements of income and of cash flows for the period of two Fiscal Quarters ended on such date, present fairly, in all material respects, the combined financial condition of MVWC and its Subsidiaries as at such date, and the combined cash flows for the period of two Fiscal Quarters then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). As of the Effective Date, no Group Member has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long term leases or unusual forward or long term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements and footnotes referred to in this paragraph. Except for Dispositions in the internal reorganization contemplated by the Separation and Distribution Agreement of property not intended to be part of the post spin-off business of the Group Members, during the period from the last day of the 2010 Fiscal Year to and including the Effective Date there has been no Disposition by any Group Member of any material part of its business or property.

(b) The unaudited pro forma opening balance sheet of MVWC as at the last day of the most recent Fiscal Quarter preceding the Closing Date for which financial statements are required to have been provided pursuant to Section 5.1(c), copies of which will be furnished to each Lender prior to the Closing Date, will have been prepared giving effect (as if such events had occurred on such date) to (i) the consummation of the Spin-Off, (ii) the Loans to be made on the Closing Date and the use of proceeds thereof and (iii) the payment of fees and expenses in connection with the foregoing. Such balance sheet will be prepared based on the best information available to MVWC as of the date of delivery thereof, and will present fairly on a pro forma basis the estimated financial position of MVWC and its consolidated Subsidiaries as at the Closing Date, assuming that the events specified in the preceding sentence had actually occurred at the last day of such Fiscal Quarter.

4.2 No Change. Except as disclosed in the Form 10 as in effect prior to the Effective Date, since the last day of the 2010 Fiscal Year, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the properties it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the Spin-Off and the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices described in Schedule 4.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and (ii) the filings referred to in Section 4.19. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of any Group Member and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents). No Requirement of Law or Contractual Obligation applicable to the Borrower or any of its Subsidiaries could reasonably be expected to have a Material Adverse Effect.

4.6 Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of MVWC or the Borrower, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except as permitted by Section 7.4.

4.9 Intellectual Property. Each Group Member owns, or is licensed or is otherwise permitted to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No material claim against a Group Member has been asserted and is pending by any Person challenging or questioning the use by such Group Member of any Intellectual Property or the validity or effectiveness of any Intellectual Property owned or used by such Group Member, nor does MVWC or the Borrower know of any valid basis for any such claim. The use of Intellectual Property by each Group Member does not infringe on, misappropriate or violate the rights of any Person in any material respect.

4.10 Taxes. Each Group Member has filed or caused to be filed all Federal, state and other material Tax returns that are required to be filed and has paid all Taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other material Taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member); no Tax Lien has been filed, and, to the knowledge of MVWC and the Borrower, no claim is being asserted, with respect to any such Tax, fee or other charge.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used (a) for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect for any purpose that violates the provisions of the Regulations of the Board or (b) for any purpose that violates the provisions of the Regulations of the Board. No more than 25% of the assets of the Group Members consist of "margin stock" as so defined. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of MVWC or the Borrower, threatened; (b) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

4.13 ERISA. Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (a) each Group Member and each of their respective ERISA Affiliates is in compliance with the applicable provisions of ERISA and the provisions of the Code relating to Plans and the regulations and published interpretations thereunder; (b) no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur; and (c) all amounts required by applicable law with respect to, or by the terms of, any retiree welfare benefit arrangement maintained by any Group Member or any ERISA Affiliate or to which any Group Member or any ERISA Affiliate has an obligation to contribute have been accrued in accordance with Statement of Financial Accounting Standards No. 106. The present value of all accumulated benefit obligations under each Pension Plan (based on the assumptions used for purposes of Accounting Standards Codification No. 715: Compensation-Retirement Benefits) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than an immaterial amount the fair market value of the assets of such Pension Plan allocable to such accrued benefits, and the present value of all accumulated benefit obligations of all underfunded Pension Plans (based on the assumptions used for purposes of Accounting Standards Codification No. 715: Compensation-Retirement Benefits) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than an immaterial amount the fair market value of the assets of all such underfunded Pension Plans.

4.14 Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

4.15 Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the Effective Date, (a) Schedule 4.15 sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary.

4.16 Use of Proceeds. The proceeds of the Loans and the Letters of Credit shall be used for general corporate purposes.

4.17 Environmental Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by any Group Member (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) no Group Member has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the "Business"), nor does MVWC or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of MVWC and the Borrower, threatened, under any Environmental Law to which any Group Member is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Group Member in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

4.18 Accuracy of Information, etc. No statement or information of any Loan Party contained in this Agreement, any other Loan Document, the Form 10 or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished (or, in the case of the Form 10, as of Effective Date), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of MVWC to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. As of the date hereof, the representations and warranties of any Loan Party contained in the Spin-Off Documentation are, and on the Closing Date will be, true and correct in all material respects. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, in the Form 10 as of the Effective Date or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.19 Security Documents. (a) The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Pledged Stock described in the Guarantee and Collateral Agreement, when stock certificates representing such Pledged Stock are delivered to the Administrative Agent (together with a properly completed and signed stock power or endorsement), and in the case of the other Collateral described in the Guarantee and Collateral Agreement, when financing statements and other filings specified on Schedule 4.19(a) in appropriate form are filed in the offices specified on Schedule 4.19(a), the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations (as defined in the Guarantee and Collateral Agreement), in each case prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.4).

(b) Each of the Mortgages is effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages are filed in the offices specified on Schedule 4.19(b), each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person. Schedule 1.1C lists, as of the Closing Date, each parcel of owned real property and each leasehold interest in real property (other than general corporate operating leases) located in the United States and held by the Borrower or any of its Subsidiaries.

4.20 Solvency. Each Loan Party is, and after giving effect to the Spin-Off and the incurrence of all Indebtedness and obligations being incurred in connection herewith and therewith will be and will continue to be, Solvent.

4.21 Regulation H. Except as listed on Schedule 4.21, which Schedule to the knowledge of MVWC and the Borrower lists as of the date hereof all real property located in a Flood Area (defined below), no Mortgage encumbers improved real property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1994 (each a "Flood Area").

4.22 Certain Documents. On or prior to the Closing Date, the Borrower will have delivered to the Administrative Agent a complete and correct copy of the Spin-Off Documentation, including any amendments, supplements or modifications with respect to any of the foregoing in effect as of the Closing Date.

4.23 Sanctioned Persons. No Credit Party (i) is a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such person in any manner violative of Section 2, or (iii) is a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

4.24 Prohibited Practices. Each Credit Party is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act of 2001). No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction, prior to or concurrently with the making of such extension of credit, of the following conditions precedent:

(a) Credit Agreement; Guarantee and Collateral Agreement. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, MVWC, the Borrower and each Person listed on Schedule 1.1A, (ii) the Guarantee and Collateral Agreement, executed and delivered by MVWC, the Borrower and each Subsidiary Guarantor and (iii) an Acknowledgement and Consent in the form attached to the Guarantee and Collateral Agreement, executed and delivered by each Issuer (as defined therein), if any, that is not a Loan Party.

(b) Spin-Off, etc. The following transactions shall have been consummated:

(i) the Administrative Agent shall have received evidence satisfactory to it that the Separation and Distribution Agreement, substantially in the form delivered to the Lenders prior to the Effective Date, shall have been executed and delivered by the parties thereto and the Spin-Off shall have been consummated on the terms and conditions set forth in such Separation and Distribution Agreement;

(ii) the Borrower shall have entered into a revolving warehouse credit facility (as the same may from time to time be amended, modified, supplemented, restated, replaced or refinanced, the "Receivables Warehouse Facility") with an aggregate commitment of at least $200 million and a term of not less than 364 days (from the date of its effectiveness) to finance its acquisition of Time Share Receivables pending the securitization thereof; and

(iii) the Administrative Agent shall have received evidence satisfactory to it that each of the Intercompany Agreements shall have been executed and delivered by the relevant parties thereto and shall have become effective in substantially the form delivered to the Lenders prior to the Effective Date.

(c) Pro Forma Balance Sheet; Financial Statements. The Lenders shall have received (1) (a) audited combined balance sheets and related statements of income, stockholders' equity and cash flows of MVWC and its Subsidiaries for the two most recently completed Fiscal Years ended at least 90 days before the Closing Date and (b) unaudited combined balance sheets and related statements of income, stockholders' equity and cash flows of MVWC and its Subsidiaries for each subsequent Fiscal Quarter ended at least 90 days before the Closing Date; and (2) the Opening Balance Sheet, prepared on a pro forma basis after giving effect to the Spin-Off as if the Spin-Off had occurred as at the last day of the second Fiscal Quarter of Fiscal Year 2011; provided that to the extent such financial statements referred to in items (1) or (2), as the case may be, are included in the filing of the required financial statements on form 10-K and form 10-Q or in the Form 10 (as it may be supplemented or amended until it becomes effective under the Exchange Act) by MVWC, such filed financial statements will satisfy the foregoing requirements.

(d) .Approvals. All governmental and third party approvals necessary in connection with the Spin-Off, the continuing operations of the Group Members and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the Spin-Off or the financing contemplated hereby.

(e) Lien Searches. The Administrative Agent shall have received the results of a recent Lien search with respect to each Loan Party, and such search shall reveal no Liens on any of the assets of the Loan Parties except for Liens permitted by Section 7.4 or discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Administrative Agent.

(f) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Closing Date.

(g) Closing Certificate; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party,

dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments, including the certificate of incorporation of each Loan Party that is a corporation certified by the relevant authority of the jurisdiction of organization of such Loan Party, (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization, (iii) a certificate from the chief financial officer of MVWC certifying that after giving effect to the Spin-Off and any concurrent extension of credit hereunder, (x) no Default or Event of Default exists and (y) all representations and warranties of each Loan Party set forth in the Loan Documents are true and correct; (iv) a certificate from the chief financial officer of MVWC, stating that the Loan Parties on a consolidated basis after giving effect to the Spin-Off and the other transactions contemplated hereby are Solvent before and after giving effect to the funding of any Loans or issuance of the initial Letters of Credit; (v) a certificate from the chief financial officer of MVWC certifying (x) that on and as of the date of the Spin-Off, MVWC and the Borrower are in compliance with the financial covenants contained in Section 7.1, calculated on a pro forma basis for the Spin-Off and, in the case of income statement calculations, for the most-recent Fiscal Quarter for which financial statements have been provided pursuant to Section 5.1(c) prior to the Closing Date and (y) the amount of Investments in Foreign Subsidiaries outstanding as of the last day of the Fiscal Month ending at least 10 Business Days prior to the Effective Date and (vi) a Borrowing Base Certificate from the chief financial officer of MVWC demonstrating that, as at the last day of the most recently completed Fiscal Month ended at least 20 days before the Closing Date, on a pro forma basis giving effect to the extensions of credit on and as of the Closing Date, the Borrower is in compliance with Section 7.2.

(h) Legal Opinions. The Administrative Agent shall have received the following executed legal opinions:

(i) the legal opinion of Greenberg Traurig LLP, counsel to the Borrower and its Subsidiaries, substantially in the form of Exhibit G-1;

(ii) the legal opinion of in-house counsel of the Borrower and its Subsidiaries, substantially in the form of Exhibit G-2;

(iii) to the extent consented to by the relevant counsel, each legal opinion, if any, delivered in connection with the Spin-Off, accompanied by a reliance letter in favor of the Lenders; and

(iv) the legal opinion of local counsel in Florida with respect to the Land Trust and of such other special and local counsel as may be required by the Administrative Agent.

Each such legal opinion shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

(i) Pledged Stock; Stock Powers; Pledged Notes. The Administrative Agent shall have received (i) the certificates representing the shares of Capital Stock pledged pursuant to the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Administrative Agent pursuant to the Guarantee and Collateral Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(j) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Lenders, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens permitted by Section 7.4), shall be in proper form for filing, registration or recordation.

(k) Mortgages, etc. (i) The Administrative Agent shall have received a Mortgage with respect to each Mortgaged Property, executed and delivered by a duly authorized officer of each party thereto.

(ii) If the Collateral includes mortgages on land parcels (or interests therein) either (A) the Administrative Agent shall have received, and the title insurance company issuing the policy referred to in clause (iii) below (the "Title Insurance Company") shall have received, maps or plats of an as-built survey of the sites of the Mortgaged Properties certified to the Administrative Agent and the Title Insurance Company in a manner satisfactory to them, dated a date satisfactory to the Administrative Agent and the Title Insurance Company by an independent professional licensed land surveyor satisfactory to the Administrative Agent and the Title Insurance Company or (B), the Administrative Agent shall have received in respect of each land parcel (or interests therein) the related public offering statement covering the land parcel and any interests therein.

(iii) The Administrative Agent shall have received in respect of each Mortgaged Property a mortgagee's title insurance policy (or policies) or marked up binder for such insurance, in each case in form and substance, and containing coverages, satisfactory to the Administrative Agent. The Administrative Agent shall have received evidence satisfactory to it that all premiums in respect of each such policy, all charges for mortgage recording tax, and all related expenses, if any, have been paid.

(iv) If the Mortgage covers any improved land parcel that is located in a Flood Area, the Administrative Agent shall have received (A) a certificate confirming flood insurance in an amount and on terms that are in compliance with Section 6.6(e) of this Agreement and (B) confirmation that the Borrower has received the notice required pursuant to Section 208.25(i) of Regulation H of the Board.

(v) The Borrower shall have made available at its offices to the Administrative Agent a copy of all recorded documents referred to, or listed as exceptions to title in, the title policy or policies referred to in clause (iii) above and a copy of all other material documents affecting the Mortgaged Properties.

(l) Ratings. MVWC shall have received a corporate credit rating from S&P.

(m) Collection Accounts. The Administrative Agent shall have received evidence reasonably satisfactory to it that the system of Collection Accounts referred to in Section 6.11(a) shall have been established and all related account control agreements, in form and substance reasonably satisfactory to the Administrative Agent, shall have been executed and delivered by the Administrative Agent, the relevant depositary bank and the appropriate Loan Party.

(n) Patriot Act. At least five days prior to the Closing Date, the Administrative Agent shall have received documentation and other information from each of the Loan Parties required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act.

For the purpose of determining compliance with the conditions specified in this Section 5.1, each Lender shall be deemed to have accepted, and to be satisfied with, each document or other matter required under this Section 5.1 unless the Administrative Agent shall have received written notice from such Lender prior to the proposed Closing Date specifying its objection thereto; provided that notwithstanding the foregoing, if the conditions contained in clauses (a) through (n) of this Section 5.1 have not been satisfied on or prior to December 31, 2011, the Commitments shall expire and this Agreement shall automatically terminate. Promptly following the satisfaction of the conditions set forth in this Section 5.1, the Administrative Agent shall give the Lenders notice of the occurrence of the Closing Date.

5.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

(o) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (and in all respects if qualified by materiality) on and as of such date as if made on and as of such date (or to the extent such representations and warranties expressly relate to an earlier date, as of such earlier date).

(p) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

(q) Borrowing Base. The Administrative Agent shall have received a Borrowing Base Certificate demonstrating pro forma compliance with Section 7.2 after giving effect to the extensions of credit requested to be made on such date (it being understood that (x) the Borrowing Base Certificate delivered pursuant to clause (vi) of Section 5.1(g) satisfies this requirement on the Closing Date and (y) that such Borrowing Base Certificate shall be based on the most recent Borrowing Base Certificate delivered pursuant to Section 6.3(b) adjusted only for the requested extension of credit); provided that no such certificate shall be required in connection with an extension of credit that does not result in an increase in the Total Extensions of Credit.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

Each of MVWC and the Borrower agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of MVWC and the Borrower shall and shall cause each of their respective Subsidiaries, as applicable, to:

6.1 Financial Statements. Furnish to the Administrative Agent and each Lender:

(r) as soon as available, but in any event within 90 days after the end of each Fiscal Year, a copy of the audited consolidated balance sheet of MVWC and its consolidated Subsidiaries as at the end of such Fiscal Year and the related audited consolidated statements of

income and of cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing;

(s) as soon as available, but in any event not later than 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year (except in the case of the third Fiscal Quarter of Fiscal Year 2011, not later than 45 days after the effective date of the Spin-Off), the unaudited consolidated balance sheet of MVWC and its consolidated Subsidiaries as at the end of such Fiscal Quarter and the related unaudited consolidated statements of income and of cash flows for such Fiscal Quarter and the portion of the Fiscal Year through the end of such Fiscal Quarter, setting forth in each case in comparative form the figures for the previous Fiscal Year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments); and

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

6.2 Certificates; Other Information. Furnish to the Administrative Agent and each Lender (or, in the case of clause (m), to the relevant Lender):

(t) concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default arising pursuant to Section 7.1, except as specified in such certificate;

(u) concurrently with the delivery of any financial statements pursuant to Section 6.1, a certificate of a Responsible Officer stating that, to the best of each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate;

(v) as soon as available, and in any event no later than 90 days after the end of each Fiscal Year, a detailed consolidated budget for the following Fiscal Year (including a projected consolidated balance sheet of the MVWC and its Subsidiaries as of the end of the following Fiscal Year, the related consolidated statements of projected cash flow and projected income and a description of the underlying assumptions applicable thereto) (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Projections are incorrect or misleading in any material respect;

(w) concurrently with the delivery of any financial statements pursuant to Section 6.1, copies of all amendments, supplements, waivers or other modifications with respect to any Intercompany Agreement or the Separation and Distribution Agreement that became effective during the fiscal period covered by such financial statements (or in the case of the financial statements pursuant to Section 6.1(a), during the fourth Fiscal Quarter) and which have not previously been delivered to the Lenders hereunder;

(x) within five Business Days after the same are sent, copies of all financial statements and reports that MVWC or the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five Business Days after the same are filed, copies of all financial statements and reports that MVWC or the Borrower may make to, or file with, the SEC;

(y) within seven Business Days of the end of each Fiscal Month, a timeshare sales report as of the end of such period for Time Share Interests included in the Borrowing Base as of the last day of such Fiscal Month in a format approved by the Administrative Agent;

(z) within twenty days (or if such twentieth day is not a Business Day, the next such day that is a Business Day) of the end of each calendar month, the servicer reports for each securitization transaction for which the Residual Interests are included in the Borrowing Base as of the last day of such calendar month;

(aa) promptly following receipt thereof, copies of (i) any documents described in Section 101(f) and 101(j) of ERISA with respect to a Pension Plan and (ii) any documents described in Section 101(f), 101(k) or 101(l) of ERISA that any Group Member or any ERISA Affiliate may request with respect to any Multiemployer Plan; provided, that if the relevant Group Members or ERISA Affiliates have not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plans, then, upon reasonable request of the Administrative Agent, such Group Member or the ERISA Affiliate shall promptly make a request for such documents or notices from such administrator or sponsor and the Borrower shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof;

(bb) within 15 Business Days following the completion of each Fiscal Year, any changes to contracts (including any termination or expiration thereof) governing the receipt of Management Fees that could reasonably be expected to affect the amount of fees received or the timing of receipt thereof;

(cc) within 15 Business Days after the delivery (or deemed delivery) of any financial statements pursuant to Section 6.1, the discount rate used to calculate the book value of Residual Interests and any changes to the assumptions used in the calculation therein;

(dd) within 15 Business Days following the Closing Date, a schedule of Investments in Foreign Subsidiaries outstanding as of the Closing Date;

(ee) promptly upon the request of the Administrative Agent, furnish a copy of any of the documents referred to in Section 5.1(k)(v) with respect to such Mortgaged Properties or any such documents in respect of any Mortgaged Property referred to in Section 6.10 to the Administrative Agent; and

(ff) promptly, such additional financial and other information as any Lender may from time to time reasonably request.

6.3 Compliance and Borrowing Base Certificates. The Borrower shall deliver to the Administrative Agent:

(a) concurrently with the delivery (or deemed delivery) of any financial statements pursuant to Section 6.1, a Compliance Certificate of a Responsible Officer (i) stating that, to the best of such Responsible Officer's knowledge, no Default or Event of Default has occurred and is continuing as of the date of such certificate, except as specified in such certificate, (ii) containing all information and calculations necessary for determining compliance by each Group Member with the provisions of this Agreement referred to therein as of the last day of the Fiscal Quarter or Fiscal Year, as the case may be, and (iii) to the extent not previously disclosed to the Administrative Agent, (1) a description of any change in the jurisdiction of organization of any Loan Party, (2) a list of any Intellectual Property acquired or exclusively licensed by any Loan Party and (3) a description of any Person that has become a Group Member, in each case since the date of the most recent report delivered pursuant to this clause (iii) (or, in the case of the first such report so delivered, since the Effective Date);

(b) within 20 days (or if such twentieth day is not a Business Day, the next such day that is a Business Day) following the end of each Fiscal Month, a Borrowing Base Certificate duly executed by the Chief Financial Officer, Controller or a Company Vice President setting forth a calculation of the Borrowing Base as of the end of such fiscal period; provided, that, MVWC shall deliver an interim Borrowing Base Certificate to the Administrative Agent upon (i) any Material Disposition and (ii) as required by Section 5.2(c); and

(c) within 20 days (or if such twentieth day is not a Business Day, the next such day that is a Business Day) following the end of each Fiscal Month the Borrower will provide certification to the Title Insurance Company of the quantum of beneficial interests in the Land Trust subject to a Mortgage.

6.4 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

6.5 Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.5 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.6 Maintenance of Property; Insurance. (a) (i) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and (ii) maintain with financially sound and reputable companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruptions) as are usually insured against in the same general area by companies engaged in the same or a similar business.

(b) Without limiting the requirements in Section 6.6(a), maintain, with financially sound and reputable companies, insurance policies (i) insuring the Collateral (including any Collateral that is owned through the Beneficial Interests (as defined in the Mortgages)) against loss by fire, explosion, theft and such other casualties as is consistent with that carried by other reasonably prudent owners/operators engaged in the same or similar business in the same general area or as may otherwise be reasonably satisfactory to the Administrative Agent, and (ii) insuring the Loan Parties, the Administrative Agent and the other Secured Parties (as defined in the Guarantee and Collateral Agreement) against liability for

personal injury and property damage relating to such Collateral, such policies to be in such form and amounts and having such coverage as is consistent with that carried by other reasonably prudent owners/operators engaged in the same or similar business in the same general area or as may otherwise be reasonably satisfactory to the Administrative Agent. All such insurance shall (i) provide that no cancellation in coverage thereof shall be effective until at least thirty (30) days after receipt by the Administrative Agent of written notice thereof, (ii) if commercially available, provide that no material reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Administrative Agent of written notice thereof, (iii) name the Administrative Agent as an additional insured party or loss payee, as its interests may appear; provided that if the notice provision in clause (ii) above is not commercially available, the Borrower shall promptly upon obtaining knowledge thereof provide the Administrative Agent with notice of such material reduction or change in coverage. With respect to Beneficial Interests, the obligation hereunder (including under subsection (e) below) shall be deemed satisfied so long as the Trust or the Trust Association (as defined in the Mortgages) or other owners' association governing the "Trust Property" (as defined by the Trust Agreement referred to in the Mortgages) owns a "master" or "blanket" policy for the Trust Property in accordance with the terms hereof (or such policy has been obtained on its behalf).

(c) Upon execution of this Agreement, Borrower shall deliver (i) certificates of insurance which evidence the required coverages, and certificates with respect to any renewals thereof to the Administrative Agent and (ii) supplemental reports with respect thereto as the Administrative Agent may from time to time reasonably request.

(d) Promptly shall comply with and conform in all material respects to (i) all provisions of each such insurance policy, and (ii) all requirements of the insurers applicable to the Loan Parties or to any of the Collateral or to the use, manner of use, occupancy, possession, operation, maintenance, alteration or repair of any of the Collateral and not use or knowingly permit the use of the Collateral in any manner which would permit any insurer to cancel any insurance policy or void coverage required to be maintained by this Agreement.

(e) All improved real property or interest therein that is encumbered by a Mortgage and located in a Flood Area must be insured for flood risks in amounts as are available on commercially reasonable terms and as approved by the Administrative Agent, which approval shall not be unreasonably withheld; provided, however, that in no case can the amount of insurance be less than that required by applicable law and regulation. Such insurance may be maintained under an "all-risk" blanket program which includes the required flood coverage.

(f) If Borrower is in default of its obligations to insure or deliver certificates of insurance for any such policy or policies (including any policies required under subsection (e) above), then Administrative Agent, at its option upon ten (10) days' notice to Mortgagor (as defined in the relevant Mortgage), if during such 10-day period such default remains uncured, may effect such insurance from year to year at rates substantially similar to the rate at which Borrower had insured the Collateral, and pay the premium or premiums therefor, and Borrower shall pay to Administrative Agent within ten (10) days after demand together with supporting documentation such premium or premiums so paid by Mortgagee (as defined in the relevant Mortgage).

6.7 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) upon prior notice to the Borrower permit representatives of the Administrative or any Lender (provided that such Lender is accompanied by a representative of the Administrative Agent) to visit and inspect any of its properties and examine and make abstracts from any of its books and records

at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants; provided that such inspections and visits by the Administrative Agent shall be at the expense of the Borrower; provided further, that if no Event of Default has occurred and is continuing only one such visit and inspection in any calendar year shall be at the expense of the Borrower.

6.8 Notices. Promptly give notice to the Administrative Agent and each Lender of:

(gg) the occurrence of any Default or Event of Default;

(hh) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(ii) any litigation or proceeding affecting any Group Member (i) in which the amount involved is $5,000,000 or more and not covered by insurance, (ii) in which injunctive or similar relief is sought which, if granted, could reasonably be expected to have a Material Adverse Effect or (iii) which relates to any Loan Document;

(jj) the occurrence of any ERISA Event or Foreign Plan Event that, alone or together with any other ERISA Event(s) and/or Foreign Plan Event(s) that have occurred, could reasonably be expected to result in liability of any Group Member or any ERISA Affiliate in an aggregate amount exceeding $5,000,000, as soon as possible and in any event within 10 Business Days after MVWC knows or has reason to know thereof; and

(kk) any event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.8 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

6.9 Environmental Laws. (a) Comply in all material respects with, and use reasonable commercial efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and use reasonable commercial efforts to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.10 Additional Collateral, etc. (a) With respect to any property acquired after the Closing Date by any Loan Party (other than (w) any property described in Sections 6.10 (b), (c) or (d), (x) any property subject to a Lien expressly permitted by Section 7.4(g), (y) property acquired by any Excluded Foreign Subsidiary or any Special Purpose Subsidiary or (z) any Excluded Property) as to which the Administrative Agent, for the benefit of the Lenders, does not have a perfected Lien, the

applicable Loan Party shall promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a security interest in such property and (ii) take all actions necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in such property, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent.

(b) With respect to any fee interest in any real property (other than property constituting In-Process Property or Time Share Interests) having a value (together with improvements thereof) of at least $500,000 acquired after the Effective Date by any Loan Party (other than (x) any such real property subject to a Lien expressly permitted by Section 7.4(g), (y) real property acquired by any Excluded Foreign Subsidiary and (z) Excluded Property), the applicable Loan Party shall promptly (i) execute and deliver a first priority Mortgage, in favor of the Administrative Agent, for the benefit of the Lenders, covering such real property, (ii) if requested by the Administrative Agent, provide the Lenders with (w) title insurance covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Administrative Agent), provided, that, such title insurance policy (and any other title insurance policy that is in effect pursuant to the terms of this Agreement and the other Loan Documents) may contain a clause, rider or endorsement that provides that the aggregate amount of title insurance available under all such policies shall be at least equal to (but shall not be required to exceed) the Total Commitments at the time such policy is delivered pursuant hereto, (x) a current ALTA survey thereof, together with a surveyor's certificate and (y) if the Mortgage covers any improved land parcel that is located in a Flood Area, the Administrative Agent shall have received (A) a certificate confirming flood insurance in an amount and on terms that are in compliance with Section 6.6(e) of this Agreement and (B) confirmation that the Borrower has received the notice required pursuant to Section 208.25(i) of Regulation H of the Board and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) With respect to any In-Process Property or Time Share Interests acquired after the Effective Date by any Loan Party (other than (x) any such real property subject to a Lien expressly permitted by Section 7.4(g), (y) real property acquired by any Excluded Foreign Subsidiary and (z) Excluded Property):

(i) In respect of any such Time Share Interests, the applicable Loan Party will execute and deliver for recording (A) a first priority Mortgage (or a recordable instrument extending and spreading the lien of any existing Mortgage) in favor of the Administrative Agent encumbering Time Share Interests owned by any Loan Party and that are not at such time subject to a Mortgage such that, at any point in time, Time Share Interests that are owned by the Loan Parties but that are not covered by a Mortgage (1) in aggregate do not exceed 1,000 interests, (2) if valued on an inventory dollar-cost basis consistent with that used for the Borrowing Base, do not exceed $12 million and (3) on a per Resort basis, do not exceed 50 interests. Each such Mortgage shall be accompanied by delivery of the relevant items set forth in Section 5.1(k) that would have been required to have been provided if such property had been owned by the relevant Loan Party on the Closing Date and any consents or estoppels reasonably deemed necessary or advisable by the Administrative Agent in connection with such Mortgage. Each of the foregoing shall be in form and substance reasonably satisfactory to the Administrative Agent. If requested by the Administrative Agent, the Borrower shall also deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(ii) In respect of any In-Process Property the applicable Loan Party shall promptly after any property becoming In-Process Property (i) execute and deliver a first priority Mortgage, in favor of the Administrative Agent, for the benefit of the Lenders, covering such real property, together with the relevant items set forth in Section 5.1(k) that would have been required to have been provided if such property had been owned by the relevant Loan Party on the Closing Date and any consents or estoppels reasonably deemed necessary or advisable by the Administrative Agent in connection with such Mortgage, each of the foregoing in form and substance reasonably satisfactory to the Administrative Agent and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(d) With respect to any Subsidiary (other than an Excluded Foreign Subsidiary and a Special Purpose Subsidiary) created or acquired after the Closing Date by any Loan Party (which, for the purposes of this paragraph (d), shall include any existing Subsidiary that ceases to be an Excluded Foreign Subsidiary or a Special Purpose Subsidiary), the applicable Loan Party shall promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by any Group Member, (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Group Member, (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Lenders a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent and, (C) if such Subsidiary owns any real property of the type in which mortgages are required by Section 6.10(b) or (c), cause such Subsidiary to comply with such Sections and (D) to deliver to the Administrative Agent a certificate of such Subsidiary, substantially in the form of Exhibit C, with appropriate insertions and attachments, and (iv) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(e) With respect to any new Excluded Foreign Subsidiary or Special Purpose Subsidiary created or acquired after the Closing Date by any Group Member (other than by any Group Member that is an Excluded Foreign Subsidiary), the applicable Loan Party shall promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by any such Group Member (provided that in no event shall more than 66-2/3% of the total outstanding voting Capital Stock of any such new Excluded Foreign Subsidiary be required to be so pledged), (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Group Member, and take such other action as may be necessary or, in the opinion of the Administrative Agent, desirable to perfect the Administrative Agent's security interest therein, and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

6.11 Accounts.

(a) On or before the Closing Date, the Borrower shall have established the following deposit accounts as Collection Accounts:

(i) one or more accounts for the purpose of collecting proceeds of the sale of Time Share Interests that are included in the calculation of the Borrowing Base (other than sales of legacy and fractional products from resorts in the U.S. Virgin Islands);

(ii) one or more accounts for the purpose of collecting Management Fees; and

(iii) one or more accounts for the purpose of collecting proceeds of Residual Interests that are included in the calculation of the Borrowing Base.

(b) The relevant Loan Parties shall cause all (i) proceeds and deposits received from the buyers of Time Share Interests and not subject to rescission that are included in the calculation of the Borrowing Base (other than from buyers of legacy and fractional products from resorts in the U.S. Virgin Islands) to be deposited in the Collection Accounts established for such purpose, (ii) Management Fees to be deposited in the Collection Account established for such purpose and (iii) proceeds of Residual Interests that are included in the calculation of the Borrowing Base to be deposited in the Collection Account established for such purpose. Such deposits shall be made promptly and in any event no later than two Business Days following receipt by any Loan Party or any agent of any Loan Party of such proceeds.

(c) Each of the relevant Loan Parties further agrees to direct (A) all account debtors in respect of any Management Fees that constitute Collateral to make all payments thereof directly to a lock box associated with a Collection Account established pursuant to Section 6.11(a)(ii); (B) all agents that conduct closings of sales of Time Share Interests to remit net proceeds of such sales received from Time Share Interest buyers upon such closings directly to a Collection Account established pursuant to Section 6.11(a)(i); and (C) any trustee or administrative agent that holds or receives proceeds of Residual Interests included in the calculation of the Borrowing Base to remit all such proceeds directly to a Collection Account established pursuant to Section 6.11(a)(iii).

6.12 Credit Rating.

The Borrower shall at all times use its commercially reasonable efforts to cause a public corporate credit rating by S&P to be maintained with respect to MVWC.

SECTION 7. NEGATIVE COVENANTS

Each of MVWC and the Borrower hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of MVWC and the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

7.1 Financial Condition Covenants.

(a) Consolidated Leverage Ratio. Permit the ratio of Consolidated Total Debt to Consolidated Adjusted EBITDA for the Reference Period set forth below to exceed the ratio set forth below opposite such Reference Period:

FISCAL QUARTER(S) ENDING	CONSOLIDATED LEVERAGE RATIO
Closing Date through last day of 2012 Fiscal Year	6.00:1.0
Last day of first 2013 Fiscal Quarter	6.00:1.0
Last day of second 2013 Fiscal Quarter	5.25:1.0
Last day of third 2013 Fiscal Quarter	5.25:1.0
Last day of 2013 Fiscal Year	5.25:1.0
Last day of first 2014 Fiscal Quarter	5.25:1.0
Last day of second 2014 Fiscal Quarter	5.25:1.0
Last day of third 2014 Fiscal Quarter	5.25:1.0
Last day of 2014 Fiscal Year	5.25:1.0
Last day of each Fiscal Quarter thereafter	4.75:1.0

(b) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio for any Reference Period to be less than the 3.00:1:00.

(c) Consolidated Net Worth. Permit Consolidated Tangible Net Worth at any time to be less than the sum of (i) the Base Consolidated Tangible Net Worth Amount plus (ii) in respect of each Fiscal Quarter that has elapsed following the Effective Date, 80% of any increase in Consolidated Tangible Net Worth during each such Fiscal Quarter attributable to Net Cash Proceeds received by any Group Member in an offering of common equity during such Fiscal Quarter, on a cumulative basis.

7.2 Borrowing Base. Permit Total Extensions of Credit at any time to exceed the Borrowing Base in effect at such time.

7.3 Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(ll) Indebtedness of any Loan Party pursuant to any Loan Document;

(mm) Indebtedness of MVWC or of the Borrower to any Subsidiary and of any Wholly Owned Subsidiary Guarantor to MVWC or to the Borrower or any other Subsidiary;

(nn) Guarantee Obligations incurred in the ordinary course of business by MVWC or the Borrower or any of their respective Subsidiaries of obligations of any Wholly Owned Subsidiary Guarantor;

(oo) Indebtedness outstanding on the date hereof and listed on Schedule 7.3(d) and any refinancings, refundings, renewals or extensions thereof (without increasing, or shortening the maturity of, the principal amount thereof);

(pp) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.4(g) in an aggregate principal amount not to exceed $7,500,000 at any one time outstanding;

(qq) Indebtedness in respect of, represented by, or in connection with appeal, bid, performance, surety, customs or similar bonds issued for the account of any Group Member, the performance of bids, tenders, sales or contracts (in each case, other than for the repayment of borrowed money), statutory obligations, workers' compensation claims, unemployment insurance, other types of social security or pension benefits, self-insurance and similar obligations and arrangements, in each case, to the extent incurred in the ordinary course of business;

(rr) Indebtedness incurred under, and Guarantee Obligations relating to, the Receivables Warehouse Facility;

(ss) Non-Recourse Debt of any Time Share SPV in respect of any Qualified Securitization Transactions;

(tt) Indebtedness of Foreign Subsidiaries and Indebtedness of Foreign Subsidiaries that is guaranteed by a Loan Party to the extent permitted by Section 7.3(j);

(uu) unsecured Guarantee Obligations of a Loan Party or any Subsidiary in respect of Indebtedness of a Foreign Subsidiary to the extent permitted by Section 7.9(f);

(vv) Indebtedness of a newly-acquired Subsidiary that is outstanding on the date such Subsidiary is acquired; provided that any such Indebtedness was not created in contemplation of such acquisition and such acquisition was made in compliance with Section 7.9;

(ww) Guarantee Obligations in respect of the Singapore L/C;

(xx) Guarantee Obligations under the Separation and Distribution Agreement or the Intercompany Agreements;

(yy) Guarantee Obligations constituting Standard Securitization Undertakings in respect of a Qualified Securitization Transaction;

(zz) Indebtedness in respect of the Preferred Stock;

(aaa) Indebtedness in respect of the deferred purchase price of Marriott Rewards points under the Marriot Rewards Affiliation Agreement;

(bbb) Indebtedness which may be deemed to exist in connection with customary agreements providing for indemnification, purchase price adjustments and similar obligations in connection with the acquisition or disposition of assets in connection with transactions otherwise permitted hereunder;

(ccc) Subordinated Debt; provided that (w) no Event of Default exists on the date of incurrence thereof or would result therefrom, (x) such Indebtedness does not have any scheduled or mandatory payments of principal prior to the date that is three months following the Termination Date (as in effect in the date of incurrence of such Indebtedness) and (y) after giving effect to such Indebtedness and the use of proceeds thereof, in each case for the Reference Period ending on the last day of the Fiscal Quarter preceding the date on which such Indebtedness is incurred for which financial statements are available pursuant to Section 6.1, (1) the Borrower will be in compliance with the financial covenants set forth in Section 7.1 determined on a pro forma basis as of the last day of such Reference Period and (2) the consolidated leverage ratio set forth in Section 7.1(a) determined on such pro forma basis would be no greater than 0.25x less than the maximum consolidated leverage ratio set forth in Section 7.1(a) as at the last day of such Fiscal Quarter, it being acknowledged and agreed that the required ratio levels to be satisfied will be the levels applicable on the last day of the Fiscal Quarter in which such Indebtedness is incurred; and

(ddd) additional Indebtedness of MVWC or any of its Subsidiaries in an aggregate principal amount (for MVWC and all Subsidiaries) not to exceed $10,000,000 at any one time outstanding.

7.4 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(eee) Liens for Taxes not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(fff) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings and which do not in the aggregate materially detract from the value of the property subject thereto;

(ggg) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(hhh) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(iii) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of MVWC or any of its Subsidiaries;

(jjj) Liens in existence on the date hereof listed on Schedule 7.4(f), securing Indebtedness permitted by Section 7.3(d), provided that no such Lien is spread to cover any additional property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(kkk) Liens securing Indebtedness of MVWC or any Subsidiary incurred pursuant to Section 7.3(e) to finance the acquisition of fixed or capital assets that do not constitute In-Process Property or Time Share Interests, provided that (i) such Liens shall be created substantially simultaneously with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (iii) the amount of Indebtedness secured thereby is not increased;

(lll) Liens created pursuant to the Security Documents;

(mmm) any interest or title of a lessor under any lease entered into by MVWC or any Subsidiary in the ordinary course of its business and covering only the assets so leased;

(nnn) Liens on (1) Time Share Receivables and Related Assets transferred to a Time Share SPV and (2) assets of a Time Share SPV, in either case incurred in connection with a Qualified Securitization Transaction or the Receivables Warehouse Facility;

(ooo) pledges or deposits of cash or Cash Equivalents made to secure obligations in respect of Swap Agreements permitted hereunder;

(ppp) Liens on property or Capital Stock of a Person at the time such Person becomes a Subsidiary; provided however, that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such other Person becoming a Subsidiary; provided further, however, that any such Lien may not extend to any other property owned by a Group Member;

(qqq) pledges or deposits securing the Singapore L/C;

(rrr) Liens not otherwise permitted by this Section 7.4 so long as such Liens to do not encumber In-Process Property or Time Share Interests and neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as MVWC and all Subsidiaries) $2,000,000 at any one time; and

(sss) Liens on Foreign Time Share Receivables securing Indebtedness permitted by Section 7.3(i).

7.5 Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(ttt) (i) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation), (ii) any Subsidiary of MVWC (other than the Borrower and its Subsidiaries) may be merged or consolidated with or into MVWC (provided that MVWC shall be the continuing or surviving corporation) or with or into any Subsidiary of MVWC and (iii) any Subsidiary of the Borrower may be merged or consolidated with or into any Wholly Owned Subsidiary Guarantor (provided that the Wholly Owned Subsidiary Guarantor shall be the continuing or surviving corporation);

(uuu) (i) any Subsidiary of the Borrower may Dispose of any or all of its assets (A) to the Borrower or any Wholly Owned Subsidiary Guarantor (upon voluntary liquidation or otherwise) or (B) pursuant to a Disposition permitted by Section 7.6, and (ii) any Subsidiary of MVWC (other than the Borrower and its Subsidiaries) may Dispose of any or all of its assets (A) to MVWC or any Subsidiary (upon voluntary liquidation or otherwise) or (B) pursuant to a Disposition permitted by Section 7.6;

(vvv) any Investment expressly permitted by Section 7.9 may be structured as a merger, consolidation or amalgamation; and

(www) the restrictions contained in this Section 7.5 shall not apply to any transaction entered into in connection with the Spin-Off.

7.6 Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(xxx) the Disposition of obsolete or worn out property in the ordinary course of business;

(yyy) the sale of inventory (including Time Share Interests) in the ordinary course of business;

(zzz) Dispositions permitted by clause (i) (A) or (ii)(A) of Section 7.5(b);

(aaaa) the sale or issuance of any Subsidiary's Capital Stock to MVWC or the Borrower or any Wholly Owned Subsidiary Guarantor;

(bbbb) (i) the Disposition of Time Share Receivables in the ordinary course of business (which may include the Disposition of disputed or written down Time Share Receivables in a manner determined to be prudent by MVWC), (ii) Dispositions of Time Share Receivables and Related Assets or an interest therein of the type specified in the definition of "Qualified Securitization Transaction" to a Time Share SPV, in each case provided that, after giving pro forma effect to such Disposition and application of proceeds thereof, the Borrower is in compliance with Section 7.2 and (iii) the Disposition of Time Shares Receivables by Foreign Subsidiaries for fair value;

(cccc) the Disposition of Time Share Interests (other than in the ordinary course of business) not to exceed $50,000,000 in gross proceeds in any Fiscal Year;

(dddd) the Disposition of real property (other than Time Share Interests) not to exceed $100,000,000 in gross proceeds in any Fiscal Year;

(eeee) Dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Group Member;

(ffff) Dispositions in connection with and contemplated by the Separation and Distribution Agreement and the Intercompany Agreements;

(gggg) the Disposition of property having a fair market value not to exceed $5,000,000 in the aggregate for any Fiscal Year; and

(hhhh) the issuance of Preferred Stock.

7.7 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "Restricted Payments"), except that:

(iiii) any Subsidiary may make Restricted Payments to MVWC, the Borrower or any Wholly Owned Subsidiary Guarantor;

(jjjj) so long as no Default or Event of Default shall have occurred and be continuing, MVWC may purchase MVWC's common stock or common stock options from present or former officers or employees of any Group Member upon the death, disability or termination of employment of such officer or employee, provided, that the aggregate amount of payments under this clause (b) after the date hereof (net of any proceeds received by MVWC after the date hereof in connection with resales of any common stock or common stock options so purchased) shall not exceed $5,000,000 in any Fiscal Year;

(kkkk) any Foreign Subsidiary may make Restricted Payments to any Foreign Subsidiary that is a Wholly Owned Subsidiary; and

(llll) so long as no Default or Event of Default shall have occurred and be continuing, the issuer thereof may pay ordinary dividends on the Preferred Stock.

7.8 Capital Expenditures. Make or commit to make any Capital Expenditure, except Capital Expenditures of MVWC and its Subsidiaries in the ordinary course of business not exceeding $350,000,000000 in any Fiscal Year; provided, that (a) up to $50,000,000 of any such amount referred to above, if not so expended in the Fiscal Year for which it is permitted, may be carried over for expenditure in the next succeeding Fiscal Year and (b) Capital Expenditures made pursuant to this Section 7.8 during any Fiscal Year shall be deemed made, first, in respect of amounts permitted for such Fiscal Year as provided above and, second, in respect of amounts carried over from the prior Fiscal Year pursuant to clause (a) above.

7.9 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

(mmmm) extensions of trade credit in the ordinary course of business;

(nnnn) Investments in Cash Equivalents;

(oooo) Guarantee Obligations permitted by Section 7.3;

(pppp) loans and advances to employees of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for all Group Members not to exceed $5,000,000 at any one time outstanding;

(qqqq) intercompany Investments by any Group Member in the Borrower or any Person that, prior to such investment, is a Wholly Owned Subsidiary Guarantor;

(rrrr) Investments by any Group Member in any Foreign Subsidiary (or in any Person that giving effect to such Investment will become a Foreign Subsidiary); provided that after giving effect thereto no Default or Event of Default will exist and the amount of any such Investment shall not exceed on the date such Investment is made, an amount equal to (i) $100,000,000 minus (ii) the aggregate amount of Investments in Foreign Subsidiaries theretofore made after the Effective Date (including for such purpose the fair market value of any assets contributed to any Foreign Subsidiary (as determined in good faith by senior management of MVWC) pursuant to this Section 7.9(f), net of Indebtedness assigned to, and assumed by, the respective Foreign Subsidiary in connection therewith) it being understood and agreed that to the extent a Loan Party (after the respective Investment has been made) receives (A) a cash return from the respective Investment previously invested pursuant to this Section 7.9(f) (which cash return may be made by way of repayment of principal in the case of loans and cash equity returns (whether as a distribution, dividend or redemption or proceeds of a disposition) in the case of equity investments), (B) a reduction or termination of an Investment in the form of a guaranty made under this Section 7.9(f) or (C) a return in the form of an asset distribution in respect of the respective Investment previously invested pursuant to this Section 7.9(f), then the amount of such cash return of investment, such reduction or termination of a guaranty or the fair market value of such distributed asset (as determined in good faith by senior management of MVWC), as the case may be, shall be added back; provided that the aggregate amount of add-backs described above in respect of any Investment shall not exceed the amount previously invested pursuant to this Section 7.9(f) in such Investment;

(ssss) Investments in Time Share Receivables in the ordinary course of business;

(tttt) Investments (i) by a Group Member in a Time Share SPV or any Investment by a Time Share SPV in any other Person, in each case, in connection with a Qualified Securitization Transaction, provided, however, that any Investment in any such Person is in the form of a note or any equity interest or interests in Time Share Receivables and Related Assets generated by a Group Member and contributed or sold to such Time Share SPV in connection with a Qualified Securitization Transaction; or (ii) by a Group Member in any Time Share SPV in connection with its exercise of any rights under clean up call provisions of 15% or less in any Qualified Securitization Transaction;

(uuuu) provided that after giving effect thereto no Default or Event of Default will exist, Investments by MVWC, the Borrower or a Wholly Owned Subsidiary Guarantor constituting either the acquisition of (x) all or substantially all of the assets, or all or substantially all of the assets constituting a business, division or product line, of any Person not already a Subsidiary of MVWC or (y) 100% of the Capital Stock of any such Person, which Person shall, as a result of the acquisition of such Capital Stock, become a Wholly Owned Subsidiary Guarantor (or shall be merged with and into the Borrower or another Wholly Owned Subsidiary Guarantor, with the Borrower or such Wholly Owned Subsidiary Guarantor being the surviving or continuing Person) in an aggregate amount (valued at cost, including any Indebtedness assumed in connection with such acquisition) not to exceed $100,000,000 during the term of this Agreement; and

(vvvv) in addition to Investments otherwise expressly permitted by this Section 7.9, Investments by MVWC, the Borrower or any of their respective Subsidiaries in an aggregate amount (valued at cost) not to exceed $5,000,000 during the term of this Agreement.

7.10 Transactions with Affiliates. Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than MVWC, the Borrower or any Wholly Owned

Subsidiary Guarantor) unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of business of the relevant Group Member, and (c) upon fair and reasonable terms no less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. The restrictions contained in this Section 7.10 shall not apply (i) to any transaction (including any working capital true-up payment) entered into in connection with the Spin-Off, including the Separation and Distribution Agreement and the Intercompany Agreements or (ii) to any sale or other transfer of Time Share Receivables and other Related Assets or other transactions customarily effected as part of (A) a Qualified Securitization Transaction (including, without limitation, servicing agreements and other similar arrangements customary in Qualified Securitization Transactions) or (B) the Receivables Warehouse Facility.

7.11 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by any Group Member of real or personal property that has been or is to be sold or transferred by such Group Member to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Group Member.

7.12 Swap Agreements. Enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Capital Stock), (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary and (c) back-to-back Swap Agreements between the Borrower or MVWC and a counterparty which is a mirror Swap Agreement to any swap transaction described in clauses (a) and (b) of this Section 7.12 in connection with the Receivables Warehouse Facility or any Qualified Securitization Transaction.

7.13 Changes in Fiscal Periods. Permit a Fiscal Year to end on a day other than as specified for such Fiscal Year in Schedule 1.1E or change the method for determining Fiscal Quarters or Fiscal Months.

7.14 Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Group Member (other than a Special Purpose Subsidiary) to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, to secure its obligations under the Loan Documents to which it is a party other than (a) this Agreement and the other Loan Documents and (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby).

7.15 Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of MVWC (other than a Special Purpose Subsidiary with respect to the Qualified Securitization Transaction to which such Special Purpose Subsidiary is a party) to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, MVWC or any other Subsidiary, (b) make loans or advances to, or other Investments in, MVWC or any Subsidiary or (c) transfer any of its assets to MVWC, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents and (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary.

7.16 Lines of Business. Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower and its Subsidiaries are engaged on the date of this Agreement (after giving effect to the Spin-Off) or that are reasonably related thereto.

7.17 Amendments to Intercompany Agreements. Amend, supplement or otherwise modify (pursuant to a waiver or otherwise) the terms and conditions of the Intercompany Agreements or the Separation and Distribution Agreement if the effect of any such amendment, supplement or modification (individually or when taken cumulatively with all prior such amendments, supplements and modifications) (a) would make the terms of any such agreement (including any of the indemnities or licenses contained therein or any fees payable thereunder) taken as a whole, materially less favorable to the interests of the Borrower, the Borrower and its Subsidiaries taken as a whole, the Group Members taken as a whole or the Lenders with respect thereto or (b) could reasonably be expected to have a Material Adverse Effect.

7.18 Optional Payments and Modifications of Subordinated Debt.(a) Permit any Group Member to make any optional or voluntary payment, prepayment, repurchase or redemption of, or otherwise voluntarily or optionally defease the principal of or interest on, or any other amount owing in respect of, any Subordinated Debt except pursuant to a Permitted Refinancing.

(b) Permit any Group Member to amend, modify or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any agreement or instrument governing or evidencing Subordinated Debt in any manner that is, taken as a whole with all such changes, materially adverse to the Lenders without the prior consent of the Administrative Agent (with the approval of the Required Lenders).

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(wwww) the Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within three Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(xxxx) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(yyyy) any Loan Party shall default in the observance or performance of any agreement contained in Section 6.2(f), Section 6.3(b), clause (i) or (ii) of Section 6.5(a) (with respect to MVWC and the Borrower only), Section 6.8(a) or Section 7 of this Agreement or Sections 5.3 and 5.5(b) of the Guarantee and Collateral Agreement; or

(zzzz) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after the earlier of the date on which a Responsible Officer obtains knowledge thereof or notice to the Borrower from the Administrative Agent or the Required Lenders; or

(aaaaa) any Group Member shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due, or to require prepayment, repurchase, redemption or defeasance thereof, prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the aggregate outstanding principal amount of which is, in the case of Indebtedness that is Non-Recourse Debt $75,000,000 or more, and with respect to any other Indebtedness, $20,000,000 or more; or

(bbbbb) there shall be an event of default that has not been cured or waived under, or involuntary termination prior to maturity of, the Receivables Warehouse Facility; or

(ccccc) (i) any Group Member shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets; or (ii) there shall be commenced against any Group Member any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed or undischarged for a period of 60 days; or (iii) there shall be commenced against any Group Member any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Group Member shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Group Member shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) or any Group Member shall make a general assignment for the benefit of its creditors; or

(ddddd) (i) an ERISA Event and /or a Foreign Plan Event shall have occurred; (ii) a trustee shall be appointed by a United States district court to administer any Pension Plan; (iii) the PBGC shall institute proceedings to terminate any Pension Plan; (iv) any Group Member or any of their respective ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan that it has incurred or will be assessed Withdrawal Liability to such Multiemployer Plan and such entity does not have reasonable grounds for contesting such Withdrawal Liability or is not

contesting such Withdrawal Liability in a timely and appropriate manner; or (v) any other event or condition shall occur or exist with respect to a Plan, a Foreign Benefit Arrangement, or a Foreign Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, could, in the sole judgment of the Required Lenders, reasonably be expected to result in a Material Adverse Effect; or

(eeeee) one or more judgments or decrees shall be entered against any Group Member involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $10,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(fffff) any of the Security Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(ggggg) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(hhhhh) (i) prior to the consummation of the Spin-Off, Marriot shall cease to own and control, of record and beneficially, directly or indirectly, 100% of the outstanding common stock of MVWC, (ii) after consummation of the Spin-Off, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 30% of the outstanding common stock of MVWC; (iii) the board of directors of MVWC shall cease to consist of a majority of Continuing Directors; or (iv) MVWC shall cease to own and control, of record and beneficially, directly, 100% of each class of outstanding Capital Stock of the Borrower free and clear of all Liens (except Liens created by the Guarantee and Collateral Agreement); or

(iiiii) the Intercompany Agreements shall cease, for any reason, to be in full force and effect (other than pursuant to or as provided by the terms hereof or any other Loan Document);

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (g) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due

and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person’s own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent,

certificate, affidavit, letter, telecopy or email message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to MVWC or the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender, MVWC or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to indemnify each Agent and its officers, directors, employees, affiliates, agents, advisors and controlling persons (each, an "Agent Indemnitee") (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section 9.7 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent Indemnitee in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent Indemnitee under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent Indemnitee's gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party and its affiliates as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 10 days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(g) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 10 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 9 and of Section 10.5 shall continue to inure to its benefit.

9.10 Documentation Agents and Syndication Agents. Neither the Documentation Agents nor the Syndication Agents shall have any duties or responsibilities hereunder in its capacity as such.

SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) decrease or forgive the principal amount or extend the final scheduled date of maturity of any Loan, L/C Obligation or Reimbursement Obligation, reduce the stated rate of any interest or fee payable hereunder (except in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly and adversely affected thereby; (ii) amend this Section 10.1 without the written consent of each Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release MVWC from its obligations under the Guarantee and Collateral Agreement or release Subsidiary Guarantors comprising all or substantially all of the value of the Subsidiary Guarantors (taken as a whole) from their obligations under the Guarantee and Collateral Agreement (it being understood that no such waiver, consent, or amendment shall be required in connection with the release of collateral as described in Section 8.15 of the Guarantee and Collateral Agreement), in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of Section 2.12, Section 10.7(a) or the definitions of "Percentage" or "Aggregate Exposure Percentage" without the written consent of each Lender directly and adversely affected thereby; (v) amend, modify or waive any provision of Section 9 or any other provision of any Loan Document that affects the Administrative Agent without the written consent of the Administrative Agent; or (vi) amend, modify or waive any provision of Section 3 without the written consent of each Issuing Lender. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share in the benefits of this Agreement and the other Loan Documents with the Extensions of Credit and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facility in any determination of the Required Lenders.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of MVWC, the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

To MVWC	Marriott Vacation Worldwide Corp. 6649 Westwood Boulevard Orlando, Florida 32821 Attention: General Counsel Facsimile Number: (407) 206-6420 Telephone Number: (407) 206-6000
To Borrower	Marriott Ownership Resorts, Inc. 6649 Westwood Boulevard Orlando, Florida 32821 Attention: General Counsel Facsimile Number: (407) 206-6420 Telephone Number: (407) 206-6000
If to the Administrative Agent:	
	JPMorgan Chase Bank, N.A. Loan and Agency Services Group 1111 Fannin Street, Floor 10 Houston, Texas 77002 Attention: Michael Maldonado Telephone: 713-750-2932
	With copies to:
	JPMorgan Chase Bank, N.A. 383 Madison Ave, Floor 24 New York, NY 10179 Attention: Nadeige Charles Telecopy: 646-861-6193 Telephone: 212-622-4522

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent for all its costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the reasonable fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent, (c) to pay, indemnify, and hold each Lender and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other Taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective officers, directors, employees, affiliates, agents, advisors and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any claim, litigation, investigation or proceeding regardless of whether any Indemnitee is a party thereto and whether or not the same are brought by the Borrower, its equity holders, affiliates or creditors or any other Person, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of any Group Member or any of the Properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee, and provided, further, that this Section 10.5(d) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby

waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than 10 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to (Telephone No.) (Telecopy No.), at the address of the Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive the termination of this Agreement and the repayment of the Loans and all other amounts payable hereunder.

10.6 Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any affiliate of the Issuing Lender that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (each, an "Assignee"), other than a natural person, a Loan Party or an Affiliate of a Loan Party, all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower (such consent not to be unreasonably withheld or delayed), provided that no consent of the Borrower shall be required for an assignment to a Lender, an affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default has occurred and is continuing, any other Person; and provided, further, that the Borrower shall be deemed to have consented to any such assignment unless the Borrower shall object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof; and

(B) the Administrative Agent (such consent not to be unreasonably withheld or delayed).

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that (1) no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its affiliates or Approved Funds, if any;

(B) (1) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 and (2) the assigning Lender shall have paid in full any amounts owing by it to the Administrative Agent; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Affiliates and their related parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

; provided that in no event may an assignment be made to a Direct Competitor of the Borrower without the prior written consent of the Borrower.

For the purposes of this Section 10.6, "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an affiliate of a Lender or (c) an entity or an affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Lender and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance

of such obligations, and (iii) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (i) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (ii) directly affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (i) agrees to be subject to the provisions of Sections 2.13 and 2.14 as if it were an assignee under paragraph (b) of this Section and (ii) shall not be entitled to receive any greater payment under Sections 2.13 and 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from an adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7(b) as though it were a Lender, provided such Participant shall be subject to Section 10.7(a) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (d) above.

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement or a court order expressly provides for payments to be allocated to a particular Lender or to the Lenders, if any Lender (a "Benefitted Lender") shall receive any payment of all or part of the Obligations owing to it (other than in connection with an assignment made pursuant to Section 10.6), or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the

nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any Obligations becoming due and payable by the Borrower (whether at the stated maturity, by acceleration or otherwise), to apply to the payment of such Obligations, by setoff or otherwise, any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, any affiliate thereof or any of their respective branches or agencies to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such application made by such Lender, provided that the failure to give such notice shall not affect the validity of such application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by email or facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of MVWC, the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 **GOVERNING LAW**. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

10.12 Submission To Jurisdiction; Waivers. (1) Each of MVWC, the Borrower, the Administrative Agent and each Lender hereby irrevocably and unconditionally:

(jjjjj) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and

enforcement of any judgment in respect thereof, to the exclusive jurisdiction (or, in the case of matters relating to the Security Documents, non-exclusive jurisdiction) of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(kkkkk) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(llllll) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to MVWC or the Borrower, as the case may be at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(mmmmm) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(nnnnn) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.13 Acknowledgements. Each of MVWC and the Borrower hereby acknowledges that:

(ooooo) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(ppppp) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to MVWC or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and MVWC and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(qqqqq) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among MVWC, the Borrower and the Lenders.

10.14 Releases of Guarantees and Liens. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action requested by the Borrower having the effect of releasing any Collateral or guarantee obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 10.1 or (ii) under the circumstances described in paragraph (c) below.

(b) In furtherance of the provisions of Section 10.14(a), each of the Lenders authorizes the Administrative Agent to deliver one or more Powers of Attorney to the relevant mortgagors in respect of any Mortgage that encumbers Time Share Interests. The parties hereto agree and acknowledge that the

purpose of such Power of Attorney is for administrative convenience to facilitate the release of the Lien created by such Mortgage on any Time Share Interest that is sold pursuant to the provisions of Section 7.6(b) and for no other purpose. It is understood and agreed that such Power of Attorney is revocable by the Administrative Agent upon the occurrence of, or at any time during the continuance of, an Event of Default (provided that such Powers of Attorney shall automatically be revoked upon all amounts owing under this Agreement becoming due in accordance with Section 8 without any action or notice hereunder). The Borrower further agrees that the failure of any Loan Party to comply with the limitations set forth herein in respect of any such Power of Attorney shall constitute an Event of Default hereunder.

(c) At such time as the Loans, the Reimbursement Obligations and the other obligations under the Loan Documents shall have been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding (or such Letters of Credit are Collateralized), the Collateral shall be released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Loan Party under the Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person.

10.15 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party or its affiliates, the Administrative Agent or any Lender pursuant to or in connection with this Agreement that is designated by the provider thereof as confidential; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any affiliate thereof, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (i) in connection with the exercise of any remedy hereunder or under any other Loan Document, or (j) if agreed by the Borrower in its sole discretion, to any other Person.

Each Lender acknowledges that information furnished to it pursuant to this Agreement or the other Loan Documents may include material non-public information concerning the Borrower and its Affiliates and their related parties or their respective securities, and confirms that it has developed compliance procedures regarding the use of material non-public information and that it will handle such material non-public information in accordance with those procedures and applicable law, including Federal and state securities laws.

All information, including requests for waivers and amendments, furnished by the Borrower or the Administrative Agent pursuant to, or in the course of administering, this Agreement or the other Loan Documents will be syndicate-level information, which may contain material non-public information about the Borrower and its Affiliates and their related parties or their respective securities. Accordingly, each Lender represents to the Borrower and the Administrative Agent that it has identified in its administrative questionnaire a credit contact who may receive information that may contain material non-public information in accordance with its compliance procedures and applicable law, including Federal and state securities laws.

10.16 **WAIVERS OF JURY TRIAL. MVWC, THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

10.17 USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name:
Title:

MARRIOTT OWNERSHIP RESORTS, INC.

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., as Administrative Agent and as a Lender

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as Syndication Agent, Documentation Agent and as a Lender

By: _____
Name:
Title:

DEUTSCHE BANK SECURITIES INC., as Syndication Agent and Documentation Agent

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By: _____
Name:
Title:

WELLS FARGO CAPITAL FINANCE, LLC, as a Lender

By: _____
Name:
Title:

BORROWING BASE[1]

"Advance Percentage" means, with respect to:

(a) Eligible Time Share Interests, 75%;

(b) Eligible Management Fees, 50%;

(c) Eligible In-Process Property, 45%;

(d) Eligible Securitizations, 25%; provided that the Advance Percentage for any residual interest comprising an Eligible Securitization in respect of which the underlying securitization transaction is subject to any amortization event or cash trap event due to contractually defined triggers, events of default or similar events will be zero while such event is continuing;

"Aggregate Borrowing Base Amount" means, as of any date of determination, the sum of the Borrowing Base Amounts for each category of Eligible Collateral; provided, that the aggregate amount contributed to the Aggregate Borrowing Base Amount by Eligible Management Fees, Eligible In-Process Property and Eligible Securitizations shall at all times be less than or equal to 50% of the Aggregate Borrowing Base Amount at such time.

"Borrowing Base Amount" means, as of any date of determination, with respect to Eligible Time Share Interests, Eligible Management Fees, Eligible In-Process Property and Eligible Securitizations, (i) the Eligible Value for such category of Eligible Collateral multiplied by (ii) the Advance Percentage for such category.

"Eligible Collateral" means Eligible Time Share Interests, Eligible Management Fees, Eligible In-Process Property and Eligible Securitizations.

"Eligible Time Share Interests" means, as of any date of determination, Time Share Interests of the Borrower and each Subsidiary Guarantor that arise from properties located in the United States and its territories, that constitute Collateral and in which the Administrative Agent has a valid, perfected and enforceable security interest that ranks prior to all other Liens other than Permitted Liens.

"Eligible Management Fees" means, as of any date of determination, the Management Fees paid with respect to the resorts listed on Schedule [ ] (as such schedule may from time to time be updated by the Borrower by notice to the Administrative Agent) to the Borrower and each Subsidiary Guarantor that constitutes Collateral and in which the Administrative Agent has a valid, perfected and enforceable security interest that ranks prior to all other Liens other than Permitted Liens.

"Eligible In-Process Property" means, as of any date of determination, the In-Process Property of the Borrower and each Subsidiary Guarantor that is located in the United States and its territories, constitutes Collateral and in which the Administrative Agent has a valid, perfected and enforceable security interest that ranks prior to all Liens other than Permitted Liens.

[1] Unless otherwise defined herein, terms used herein that are defined in the Credit Agreement to which this Schedule is attached shall have the meanings given to them in such Credit Agreement.

"Eligible Securitizations" means, as of any date of determination, the residual interests in the Time Share SPV's of the Borrower and each Subsidiary Guarantor that own Time Share Receivables secured exclusively by Time Share Interests in the United States and its territories and in Aruba, St. Kitts (and such other resorts reasonably acceptable to the Administrative Agent) for which the Borrower or a Subsidiary is the servicer in connection with a Qualified Securitization Transaction that constitutes Collateral and in which the Administrative Agent has a valid, perfected and enforceable security interest that ranks prior to all Liens other than Permitted Liens; provided that all such residual interests will cease to be eligible for any period during which the ratio of (x) the principal balance of Time Share Receivables that are the subject of Qualified Securitization Transactions or that are being financed in the Receivables Warehouse Facility or any other warehouse financing facility that constitute Non-Recourse Debt that are 60 days or more delinquent to (y) the aggregate principal balance of all such receivables as of the last day of any month exceeds 10%.

"Eligible Value" means, as of any date of determination:

(a) with respect to Time Share Interests and In-Process Property, the Net Book Value of such Time Share Interests and In-Process Property, as applicable, as derived from the general ledger or other financial records of the Loan Parties that is the basis for the most recent borrowing base certificate delivered to the Administrative Agent in accordance with the Credit Agreement;

(b) with respect to Management Fees, the aggregate amount of such Management Fees as derived from the general ledger or other financial records of the Loan Parties for the twelve months immediately preceding the most recent borrowing base certificate delivered to the Administrative Agent in accordance with the Credit Agreement;

(c) with respect to residual interests in Time Share SPV's, the Net Book Value of such Securitizations as derived from the general ledger or other financial records of the Loan Parties that is the basis for the most recent borrowing base certificate delivered to the Administrative Agent in accordance with the Credit Agreement;

provided, however, that the Eligible Value for Eligible Collateral shall be adjusted on a *pro forma* basis (in each case using the values derived from the financial records that were the basis for the then most recent borrowing base certificate delivered to the Administrative Agent in accordance with the Credit Agreement) from time to time as provided in Section 6.3(b) of the Credit Agreement.

"Net Book Value": with respect to any asset of any Person (a) with respect to Time Share Interests and In-Process Property, the cost component thereof determined in a manner consistent with Borrower's method of valuing Time Share Interests and In-Process Property in accordance with GAAP and (b) with respect to residual interests in Time Share SPV's, the value of such residual interests determined in a manner consistent with the Borrower's method of valuing net book value of such residual interests under FAS 140 through the end of the 2009 Fiscal Year and reflecting the present value of excess spread and over-collateralization as reasonably calculated and supported by MVWC.

Exhibit 99.1

, 2011

Dear Marriott International Shareholder:

We are pleased to inform you that on , 2011, the board of directors of Marriott International, Inc. approved the spin-off of Marriott Vacations Worldwide Corporation, or "Marriott Vacations Worldwide," a wholly owned subsidiary of Marriott International. Upon completion of the spin-off, Marriott International shareholders will own 100% of the outstanding shares of common stock of Marriott Vacations Worldwide. Marriott Vacations Worldwide will be the exclusive developer and manager of vacation ownership and related products under the Marriott brand and the exclusive developer of vacation ownership and related products under the Ritz-Carlton brand. Marriott International will concentrate on the lodging management and franchise business.

We believe that separating Marriott Vacations Worldwide from Marriott International so that it can operate as an independent, publicly owned company is in the best interests of both Marriott International and Marriott Vacations Worldwide. The spin-off will permit both companies to tailor their business strategies to best address market opportunities in their respective industries. Marriott Vacations Worldwide will be positioned to expand faster over time, including through acquisitions of real estate, while Marriott International will further advance its long-standing strategy of separating real estate ownership from management and franchise operations. With two public companies, shareholders will be able to pursue investment goals in either or both companies rather than one combined organization.

The spin-off will be completed by way of a pro rata distribution of Marriott Vacations Worldwide common stock to our shareholders of record as of the close of business, Eastern time, on , 2011, the spin-off record date. Each Marriott International shareholder will receive one share of Marriott Vacations Worldwide common stock for every shares of Marriott International Class A common stock held by such shareholder on the record date. The distribution of these shares will be made in book-entry form, which means that no physical share certificates will be issued. Following the spin-off, shareholders may request that their shares of Marriott Vacations Worldwide common stock be transferred to a brokerage or other account at any time. No fractional shares of Marriott Vacations Worldwide common stock will be issued. Fractional shares of Marriott Vacations Worldwide common stock to which Marriott International shareholders of record would otherwise be entitled will be aggregated and sold in the public market by the distribution agent. The aggregate net cash proceeds of the sales will be distributed ratably to those shareholders who would otherwise have received fractional shares of Marriott Vacations Worldwide common stock.

The spin-off is subject to certain customary conditions including, among other things, the receipt of a letter ruling from the Internal Revenue Service and an opinion of tax counsel confirming that the distribution of shares of Marriott Vacations Worldwide common stock will not result in the recognition, for U.S. federal income tax purposes, of income, gain or loss by Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional shares. We expect that your receipt of shares of Marriott Vacations Worldwide common stock in the spin-off will be tax-free for U.S. federal income tax purposes, except for cash received in lieu of fractional shares. You should consult your own tax advisor as to the particular tax consequences of the distribution to you, including potential tax consequences under state, local and non-U.S. tax laws.

The distribution does not require shareholder approval, nor do you need to take any action to receive your shares of Marriott Vacations Worldwide common stock. Immediately following the spin-off, you will own

common stock in Marriott International and Marriott Vacations Worldwide. Marriott International's Class A common stock will continue to trade on the New York Stock Exchange under the symbol "MAR." Marriott Vacations Worldwide intends to have its common stock listed on the New York Stock Exchange under the symbol "VAC."

The enclosed information statement, which we are mailing to all Marriott International shareholders, describes the spin-off in detail and contains important information about Marriott Vacations Worldwide, including its historical combined financial statements. We urge you to read this information statement carefully.

We want to thank you for your continued support of Marriott International. We look forward to your support of Marriott Vacations Worldwide in the future.

Yours sincerely,

J.W. Marriott, Jr.
Chief Executive Officer
Marriott International, Inc.

Marriott Vacations Worldwide Corporation

, 2011

Dear Marriott Vacations Worldwide Shareholder:

It is our pleasure to welcome you as a shareholder of our company, Marriott Vacations Worldwide Corporation or "Marriott Vacations Worldwide." Marriott Vacations Worldwide will be the exclusive developer and manager of vacation ownership and related products under the Marriott brand and the exclusive developer of vacation ownership and related products under the Ritz-Carlton brand.

As an independent, publicly owned company, we believe that we will be able to more effectively tailor our business strategies to take advantage of market opportunities in the vacation ownership business and thus will be positioned to expand faster over time.

We expect Marriott Vacations Worldwide common stock will be listed on the New York Stock Exchange under the symbol "VAC" in connection with the distribution of Marriott Vacations Worldwide common stock by Marriott International.

We invite you to learn more about Marriott Vacations Worldwide and our subsidiaries by reviewing the enclosed information statement. We look forward to our future as an independent, publicly owned company and to your support as a holder of Marriott Vacations Worldwide common stock.

Very truly yours,

Stephen P. Weisz
President and Chief Executive Officer
Marriott Vacations Worldwide Corporation

Table of Contents

Information contained herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SUBJECT TO COMPLETION, DATED OCTOBER 14, 2011

INFORMATION STATEMENT

MARRIOTT VACATIONS WORLDWIDE CORPORATION

6649 Westwood Blvd.
Orlando, FL 32821

Common Stock
(par value $0.01 per share)

We are sending this information statement to you in connection with the separation of Marriott Vacations Worldwide Corporation ("Marriott Vacations Worldwide") from Marriott International, Inc. (collectively with its predecessors and consolidated subsidiaries, other than, for all periods following the distribution, Marriott Vacations Worldwide and its consolidated subsidiaries, "Marriott International"), following which Marriott Vacations Worldwide will be an independent, publicly owned company. As part of the separation, Marriott International will undergo an internal reorganization, after which it will complete the separation by distributing all of the shares of Marriott Vacations Worldwide common stock on a pro rata basis to the holders of Marriott International Class A common stock. We refer to this pro rata distribution as the "distribution" and we refer to the separation, including the internal reorganization and distribution, as the "spin-off." We expect that the receipt of shares of Marriott Vacations Worldwide common stock by Marriott International shareholders in the distribution will be tax-free for U.S. federal income tax purposes, except for cash received in lieu of fractional shares, and Marriott International has applied to the Internal Revenue Service for a private letter ruling, and has requested an opinion of tax counsel, to that effect. Every shares of Marriott International Class A common stock outstanding as of the close of business, Eastern time, on , 2011, the record date for the distribution, will entitle the holder thereof to receive one share of Marriott Vacations Worldwide common stock. The distribution of shares will be made in book-entry form. Marriott International will not distribute any fractional shares of Marriott Vacations Worldwide common stock. Instead, the distribution agent will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate net cash proceeds from the sales pro rata to each holder who would otherwise have been entitled to receive a fractional share in the spin-off. The distribution will be effective as of 12:01 a.m., Eastern time, on , 2011. Immediately after the distribution becomes effective, we will be an independent, publicly owned company.

No vote or further action of Marriott International shareholders is required in connection with the spin-off. We are not asking you for a proxy. Marriott International shareholders will not be required to pay any consideration for the shares of Marriott Vacations Worldwide common stock they receive in the spin-off, and they will not be required to surrender or exchange shares of their Marriott International Class A common stock or take any other action in connection with the spin-off.

Marriott International currently owns all of the outstanding shares of Marriott Vacations Worldwide common stock. Accordingly, there is no current trading market for Marriott Vacations Worldwide common stock. We expect, however, that a limited trading market for Marriott Vacations Worldwide common stock, commonly known as a "when-issued" trading market, will develop beginning on or shortly before the record date for the distribution, and we expect "regular-way" trading of Marriott Vacations Worldwide common stock will begin the first trading day after the distribution date. We intend to list Marriott Vacations Worldwide common stock on the New York Stock Exchange under the ticker symbol "VAC."

In reviewing this information statement, you should carefully consider the matters described in "Risk Factors" beginning on page 19 of this information statement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement is not an offer to sell, or a solicitation of an offer to buy, any securities.

The date of this information statement is , 2011.

This Information Statement was first mailed to Marriott shareholders on or about , 2011.

TABLE OF CONTENTS

Unless otherwise specified or the context otherwise requires, each reference in this information statement to the 2011 second quarter means the fiscal quarter ended June 17, 2011, each reference to the 2010 second quarter means the fiscal quarter ended June 18, 2010 and each reference to one of the years listed in the table below means the fiscal year ended on the date shown in the table below, rather than the corresponding calendar year:

Fiscal Year	Fiscal Year-End Date
2010	December 31, 2010
2009	January 1, 2010
2008	January 2, 2009
2007	December 28, 2007
2006	December 29, 2006

Each of the fiscal years in the table above has 52 weeks, except for 2008, which has 53 weeks.

SUMMARY

This summary highlights information contained in this information statement and provides an overview of our company, our separation from Marriott International and the distribution of Marriott Vacations Worldwide common stock by Marriott International to its shareholders. For a more complete understanding of our business and the spin-off, you should read this entire information statement carefully, particularly the discussion set forth under "Risk Factors" beginning on page 19 of this information statement, and our audited and unaudited historical combined financial statements, our unaudited pro forma condensed combined financial statements and the respective notes to those statements appearing elsewhere in this information statement. Except as otherwise indicated or unless the context otherwise requires, "Marriott Vacations Worldwide," "MVW," "we," "us" and "our" refer to Marriott Vacations Worldwide and its consolidated subsidiaries after giving effect to the internal reorganization and the distribution, and "Marriott International" refers to Marriott International, Inc., its predecessors and its consolidated subsidiaries, other than, for all periods following the distribution, Marriott Vacations Worldwide and its consolidated subsidiaries. "Marriott" refers to the Marriott brand. "Ritz-Carlton" refers to The Ritz-Carlton Hotel Company, L.L.C., a wholly owned subsidiary of Marriott International, or to the Ritz-Carlton brand, as the context requires.

Our Company

We are a worldwide developer, marketer, seller and manager of vacation ownership resorts and vacation club, destination club and exchange programs, principally under the "Marriott" and "Ritz-Carlton" brands and trademarks, which we license from Marriott International and Ritz-Carlton. When our spin-off from Marriott International is complete, we expect to be the world's largest company whose business is focused almost entirely on vacation ownership, based on number of owners, number of resorts and revenues.

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases of vacation ownership products; and renting vacation ownership inventory. As of December 31, 2010, we had 64 vacation ownership resorts (under 71 separate resort management contracts) in the United States and eight other countries and territories and approximately 400,000 owners of our vacation ownership and residential products.

Under our License Agreement with Marriott International, after the spin-off we will have the exclusive right to develop, market, sell and manage vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. Under our License Agreement with Ritz-Carlton, after the spin-off we will have the exclusive right to develop, market and sell vacation ownership and related products under The Ritz-Carlton Destination Club brand and the non-exclusive right to develop, market and sell whole ownership residential products under the Ritz-Carlton Residences brand. Ritz-Carlton generally will provide on-site management for Ritz-Carlton branded properties.

Our Competitive Advantages

We believe that we have significant competitive advantages that support our leadership position in the vacation ownership industry.

Leading global "pure-play" vacation ownership company. When the spin-off is complete, we expect to be the world's largest "pure-play" vacation ownership company (that is, a company whose business is focused almost entirely on vacation ownership), based on number of owners, number of resorts and revenues. As a "pure-play" vacation ownership company, we will be able to enhance our focus on the vacation ownership industry and tailor our business strategy to address our company's industry-specific goals and needs. We believe our scale and global reach, coupled with our renowned brands and development, marketing, sales and management expertise,

help us achieve operational efficiencies and support future growth opportunities. Given our size, we can provide owners with a wide variety of experiences within our resort portfolio. We are one of the only vacation ownership companies with a dual product platform; we cater to a diverse range of customers through our upscale tier Marriott branded vacation ownership products and our luxury tier Ritz-Carlton branded vacation ownership products.

Premier global brands. We believe that the exclusive licenses of the Marriott and Ritz-Carlton brands we will enter into for use in the vacation ownership business will provide us with a meaningful competitive advantage. Marriott International is a leading lodging company with over 3,500 properties in 70 countries and territories, including Marriott and Ritz-Carlton branded properties. Consumer confidence in these renowned brands helps us attract and retain guests and owners. In addition, we provide our customers with access to the award-winning Marriott Rewards customer loyalty program. We also utilize the Marriott and Ritz-Carlton websites, www.marriott.com and www.ritzcarlton.com, as relatively low-cost marketing tools to introduce Marriott and Ritz-Carlton guests to our products and rent available inventory.

Loyal, highly satisfied customers. We have a large, highly satisfied customer base. In 2010, based on nearly 210,000 survey responses, 90 percent of respondents indicated that they were highly satisfied with our products, sales, owner services and their on-site experiences (by selecting 8, 9 or 10 on a 10-point scale). We believe that strong customer satisfaction and brand loyalty result in more frequent use of our products and encourage owners to purchase additional products and to recommend our products to friends and family, which in turn generates higher revenues. Historically, approximately 50 percent of our business has come from sales of additional products to our owners or sales to friends and family referred to us by our owners.

Long-standing track record, experienced management and engaged associates. We have been a pioneer in the vacation ownership industry since 1984, when Marriott International became the first company to introduce a lodging-branded vacation ownership product. Our seasoned management team is led by Stephen P. Weisz, our President and Chief Executive Officer, who has served as President of our company since 1997 and has 39 years of experience at Marriott International. William J. Shaw, the Chairman of our Board, is the former Vice Chairman, President and Chief Operating Officer of Marriott International and has 36 years of experience at Marriott International. We believe our management team's extensive public company and vacation ownership industry experience will enable us to continue to respond quickly and effectively to changing market conditions and consumer trends. Management's experience in the highly regulated vacation ownership industry should also provide us with a competitive advantage in expanding product forms and developing new ones. In addition, we believe that our associates provide superior customer service, which enhances our competitive position. We leverage outstanding associate engagement and strong corporate culture to deliver positive customer experiences in sales, marketing and resort operations.

Our Business Strategy

Our strategic goal is to further strengthen our leadership position in the vacation ownership industry. To achieve this goal, we are pursuing the following initiatives:

Drive profitable sales growth. We intend to continue to generate growth in vacation ownership sales by leveraging our globally recognized brand names and focusing on our approximately 400,000 owners around the world. Since the launch of the Marriott Vacation Club Destinations™ ("MVCD") points-based program in 2010, we have been focused on educating our existing owners about, and enrolling them in, the program. We are now turning our focus toward generating a greater number of new owners. We are well-positioned to grow our stable and recurring revenue streams by capitalizing on the growth of vacation ownership sales to generate associated management and other fees and financing revenues. We expect to continue to offer our customers attractive financing alternatives, and we believe that by opportunistically securitizing loans and receivables, we can enhance our profitability and liquidity. As we expand our points-based system, we also expect to generate additional fee revenues because our owners pay us annual fees to participate in the program.

Maximize cash flow and optimize our capital structure. Through the use of our points-based products, we are able to more closely match inventory development with sales pace and reduce inventory levels, thereby improving our cash flows over time. Additionally, by limiting the amount of completed inventory on hand, we are able to reduce the maintenance fees that we pay on unsold units. Over the last few years, we have significantly reduced our overhead costs, and we intend to continue to control costs as sales volumes grow. We expect our modest level of debt and limited near-term capital needs will enable us to maintain a level of liquidity that ensures financial flexibility, giving us the ability to pursue strategic growth opportunities, withstand potential future economic downturns and optimize our cost of capital.

Focus on our owners, guests and associates. We are in the business of providing high-quality vacation experiences to our owners and guests around the world. We intend to maintain and improve their satisfaction with our products and services, particularly since our owners and guests are our most cost-effective sales channels. We intend to continue to sell our products through these very effective channels and believe that maintaining a high level of engagement across all of our customer groups is key to our success. In addition, engaging our employees, whom we refer to as "associates," in the success of our business continues to be one of our long-term core strategies. At the heart of Marriott International's culture is the belief that if a company takes care of its associates, they will take care of the company's guests and the guests will return again and again. This belief will continue to be at the core of our strategy.

Opportunistically dispose of excess assets and selectively pursue "asset light" deal structures. We intend to dispose of certain excess assets, the majority of which consist of undeveloped land holdings, over the next few years and deploy the capital from these sales more effectively. While we do not need to develop new resorts at this time, we intend to selectively pursue growth opportunities by targeting high-quality inventory sources that allow us to add desirable new locations to our system as well as new sales locations through transactions that do not involve or limit our capital investment. These "asset light" deals could be structured as turn-key developments with third-party partners, purchases of constructed inventory just prior to sale, or fee-for-service arrangements.

See Footnote No. 14, "Subsequent Events," to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

Selectively pursue compelling new business opportunities. As an independent company, we are positioned to explore new business opportunities, such as development of our exchange activities, new management affiliations and select higher margin on-site ancillary businesses, that we may not have previously pursued as part of Marriott International. We intend to selectively pursue these types of opportunities with a focus on driving recurring streams of revenue and profit. Prior to entering into any new business, we will evaluate its strategic fit and assess whether it is complementary to our current business, has strong expected financial returns and leverages our existing competencies.

Other Information

Marriott Vacations Worldwide Corporation was incorporated in Delaware in June 2011. Our principal executive offices are located at 6649 Westwood Blvd., Orlando, FL 32821. Our telephone number is (407) 206-6000. Our website address is www.marriottvacationsworldwide.com. Information contained on, or connected to, our website or Marriott International's website does not and will not constitute part of this information statement or the registration statement on Form 10 of which this information statement is a part.

The Spin-Off

Overview

On , 2011, the board of directors of Marriott International approved the spin-off of Marriott Vacations Worldwide from Marriott International, following which Marriott Vacations Worldwide will be an independent, publicly owned company.

Before our spin-off from Marriott International, we will enter into a Separation and Distribution Agreement, License Agreements and several other agreements with Marriott International and its subsidiaries related to the spin-off. These agreements will govern the relationship between us and Marriott International after completion of the spin-off and provide for the allocation between us and Marriott International of various assets, liabilities and obligations (including intellectual property, employee benefits, information technology, insurance and tax-related assets and liabilities). See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off."

The distribution of Marriott Vacations Worldwide common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. In addition, Marriott International has the right not to complete the spin-off if, at any time prior to the distribution, the board of directors of Marriott International determines, in its sole discretion, that the spin-off is not in the best interests of Marriott International or its shareholders, or that it is not advisable for Marriott Vacations Worldwide to separate from Marriott International. See "The Spin-Off—Conditions to the Spin-Off."

Questions and Answers About the Spin-Off

The following provides only a summary of the terms of the spin-off. For a more detailed description of the matters described below, see "The Spin-Off."

Q: *What is the spin-off?*

A: The spin-off is the method by which Marriott Vacations Worldwide will separate from Marriott International. To complete the spin-off, Marriott International will distribute to its shareholders all of the shares of Marriott Vacations Worldwide common stock. We refer to this as the distribution. Following the spin-off, Marriott Vacations Worldwide will be a separate company from Marriott International, and Marriott International will not retain any ownership interest in Marriott Vacations Worldwide. The number of shares of Marriott International Class A common stock ("Marriott International common stock") you own will not change as a result of the spin-off.

Q: *What is Marriott Vacations Worldwide?*

A: Marriott Vacations Worldwide is a wholly owned subsidiary of Marriott International whose shares will be distributed to Marriott International shareholders if we complete the spin-off. After we complete the spin-off, Marriott Vacations Worldwide will be a public company. Marriott Vacations Worldwide will be the exclusive developer, marketer, seller and manager of vacation ownership and related products under the Marriott brand and the exclusive developer, marketer and seller of vacation ownership and related products under the Ritz-Carlton brand.

Q: *What will I receive in the spin-off?*

A: As a holder of Marriott International stock, you will retain your Marriott International shares and will receive one share of Marriott Vacations Worldwide common stock for every shares of Marriott International common stock you own as of the record date. Your proportionate interest in Marriott International will not change as a result of the spin-off. For a more detailed description, see "The Spin-Off."

Q: *When is the record date for the distribution?*

A: The record date will be the close of business of the New York Stock Exchange (the "NYSE") on , 2011.

Q: *When will the distribution occur?*

A: The distribution date of the spin-off is , 2011. Marriott Vacations Worldwide expects that it will take the distribution agent, acting on behalf of Marriott International, up to one week after the distribution date to fully distribute the shares of Marriott Vacations Worldwide common stock to Marriott International shareholders. The ability to trade Marriott Vacations Worldwide shares will not be affected during that time.

Q: *What are the reasons for and benefits of separating Marriott Vacations Worldwide from Marriott International?*

A: Marriott International believes the spin-off will provide a number of benefits, including: (1) enhanced strategic and management focus for each company; (2) more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; (3) the ability to implement a tailored approach to recruiting and retaining employees at each company; (4) improved investor understanding of the business strategy and operating results of each company; and (5) investor choice. For a more detailed discussion of the reasons for the spin-off, see "The Spin-Off—Reasons for the Spin-Off."

Q: *What is being distributed in the spin-off?*

A: Approximately shares of Marriott Vacations Worldwide common stock will be distributed in the spin-off, based on the number of shares of Marriott International common stock expected to be outstanding as of the record date. The actual number of shares of Marriott Vacations Worldwide common stock to be distributed will be calculated on , 2011, the record date. The shares of Marriott Vacations Worldwide common stock to be distributed by Marriott International will constitute all of the issued and outstanding shares of Marriott Vacations Worldwide common stock immediately prior to the distribution. For more information on the shares being distributed in the spin-off, see "Description of Capital Stock—Common Stock."

Q: *What do I have to do to participate in the spin-off?*

A: You do not need to take any action, although we urge you to read this entire document carefully. No shareholder approval of the distribution is required or sought. You are not being asked for a proxy. No action is required on your part to receive your shares of Marriott Vacations Worldwide common stock. You will not be required to pay anything for the new shares or to surrender any shares of Marriott International common stock to participate in the spin-off.

Q: *How will fractional shares be treated in the spin-off?*

A: Fractional shares of Marriott Vacations Worldwide common stock will not be distributed. Fractional shares of Marriott Vacations Worldwide common stock to which Marriott International shareholders of record would otherwise be entitled will be aggregated and sold in the public market by the distribution agent at prevailing market prices. The distribution agent, in its sole discretion, will determine when, how and through which broker-dealers, provided, that such broker-dealers are not affiliates of Marriott International or Marriott Vacations Worldwide, and at what prices to sell these shares. The aggregate net cash proceeds of the sales will be distributed ratably to those shareholders who would otherwise have received fractional shares of Marriott Vacations Worldwide common stock. See "The Spin-Off—Treatment of Fractional Shares" for a more detailed explanation. Receipt by a shareholder of proceeds from these sales in lieu of a fractional share generally will result in a taxable gain or loss to such shareholder for U.S. federal income tax purposes. Each shareholder entitled to receive cash proceeds from the sale of fractional shares should consult his, her or its own tax advisor as to the tax consequences of the receipt of such cash proceeds based on such shareholder's particular circumstances. We describe the material U.S. federal income tax consequences of the distribution in more detail under "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

Q: *How will the spin-off affect share-based awards held by Marriott International employees?*

A: Each Marriott International stock option and stock appreciation right ("SAR") will be converted into an adjusted Marriott International stock option or SAR and a Marriott Vacations Worldwide stock option or SAR. The exercise prices of the adjusted Marriott International stock options and SARs and the Marriott Vacations Worldwide stock options and SARs, and the number of shares subject to such awards, will reflect a mechanism that is intended to preserve the intrinsic value of the original Marriott International stock options and SARs. The terms and conditions of the adjusted Marriott International stock options and SARs and the Marriott Vacations Worldwide stock options and SARs will be substantially similar to the terms and conditions applicable to the original Marriott International stock options and SARs.

Persons holding Marriott International stock awards other than Marriott International stock options and SARs will receive Marriott Vacations Worldwide stock awards in a ratio of one share of Marriott Vacations Worldwide common stock subject to Marriott Vacations Worldwide stock awards for each shares of Marriott International common stock subject to the Marriott International stock awards, with terms and conditions substantially similar to the terms and conditions applicable to the Marriott International stock awards. The original Marriott International stock awards will continue to remain outstanding in accordance with their material terms and conditions. This adjustment providing for Marriott Vacations Worldwide stock awards is intended to preserve the aggregate fair market value of the Marriott International stock awards.

For more information on the treatment of share-based awards, see "The Spin-Off—Treatment of Share-Based Awards."

Q: *Will the spin-off be taxable to Marriott International or Marriott International shareholders?*

A: The spin-off is conditioned on the receipt by Marriott International of a private letter ruling from the Internal Revenue Service ("IRS"), and an opinion from its tax counsel, that, for U.S. federal income tax purposes, the distribution of shares of Marriott Vacations Worldwide common stock will be tax-free to Marriott International and Marriott International shareholders under Sections 368(a)(1)(D) and/or 355 of the Internal Revenue Code of 1986 (the "Code"), except for any cash payments made to Marriott International shareholders in lieu of fractional shares of Marriott Vacations Worldwide common stock. We describe the material tax consequences of the spin-off to shareholders in more detail under "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

Q: *Will the Marriott Vacations Worldwide common stock be listed on a stock exchange?*

A: Yes. Although there is no current public market for Marriott Vacations Worldwide common stock, before completion of the spin-off, Marriott Vacations Worldwide intends to apply to list its common stock on the NYSE under the symbol "VAC." We anticipate that trading of Marriott Vacations Worldwide common stock will commence on a "when-issued" basis beginning on or shortly before the record date. When-issued trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. When-issued trades generally settle within four trading days after the distribution date. On the first trading day following the distribution date, any when-issued trading of Marriott Vacations Worldwide common stock will end and "regular-way" trading will begin. "Regular-way" trading refers to trading after a security has been issued and typically involves a transaction that settles on the third full trading day following the date of the transaction. See "Trading Market" for more information.

Q: *Will my shares of Marriott International common stock continue to trade?*

A: Yes. Marriott International common stock will continue to be listed and trade on the NYSE under the symbol "MAR."

Q: *If I sell, on or before the distribution date, shares of Marriott International common stock that I held on the record date, am I still entitled to receive shares of Marriott Vacations Worldwide common stock distributable with respect to the shares of Marriott International common stock I sold?*

A: Beginning on or shortly before the record date and continuing through the distribution date for the spin-off, Marriott International's common stock will begin to trade in two markets on the NYSE: a "regular-way" market and an "ex-distribution" market. If you are a holder of record of shares of Marriott International common stock as of the record date for the distribution and choose to sell those shares in the regular-way market after the record date for the distribution and before the distribution date, you also will be selling the right to receive shares of Marriott Vacations Worldwide common stock in connection with the spin-off. However, if you are a holder of record of shares of Marriott International common stock as of the record date for the distribution and choose to sell those shares in the ex-distribution market after the record date for the distribution and before the distribution date, you will not be selling the right to receive shares of Marriott Vacations Worldwide common stock in connection with the spin-off and you will still receive shares of Marriott Vacations Worldwide common stock.

Q: *Will the spin-off affect the trading price of my Marriott International stock?*

A: Yes, we expect the trading price of shares of Marriott International common stock immediately following the distribution will be lower than immediately prior to the distribution because it will no longer reflect the value of the vacation ownership business. However, we cannot provide you with any assurance as to the price at which the Marriott International shares will trade following the spin-off.

Q: *What are the financing plans for Marriott Vacations Worldwide?*

A: We intend to enter into two revolving credit facilities, which will include (1) a secured revolving corporate credit facility with borrowing capacity of $200 million to provide support for our business, including ongoing liquidity and letters of credit (the "Revolving Corporate Credit Facility") and (2) a secured warehouse credit facility with a borrowing capacity of $300 million to provide short-term financing for receivables we originate in connection with the sale of vacation ownership interests (the "Warehouse Credit Facility"). We also plan to periodically securitize, through special purpose entities, receivables originated in connection with the sale of vacation ownership interests. In addition, our subsidiary, MVW US Holdings, Inc. ("MVW US Holdings"), will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International that Marriott International will sell to one or more third-party investors prior to completion of the spin-off. See "Description of Material Indebtedness and Other Financing Arrangements" for more information.

Q: *What will the relationship be between Marriott International and Marriott Vacations Worldwide after the spin-off?*

A: Following the spin-off, Marriott Vacations Worldwide will be an independent, publicly owned company and Marriott International will have no continuing stock ownership interest in Marriott Vacations Worldwide. In conjunction with the spin-off, Marriott Vacations Worldwide will have entered into a Separation and Distribution Agreement and several other agreements with Marriott International for the purpose of allocating between Marriott Vacations Worldwide and Marriott International various assets, liabilities and obligations (including employee benefits, intellectual property, insurance and tax-related assets and liabilities). These agreements will also govern Marriott Vacations Worldwide's relationship with Marriott International following the spin-off and will include non-competition covenants and provide arrangements for trademark licensing and other intellectual property matters, employee matters, tax matters, insurance matters and other liabilities and obligations attributable to periods before and, in some cases, after the spin-off. These agreements will also include arrangements for transitional services. The Separation and

Distribution Agreement will provide that Marriott Vacations Worldwide will indemnify Marriott International against any and all liabilities arising out of Marriott Vacations Worldwide's business, and that Marriott International will indemnify Marriott Vacations Worldwide against any and all liabilities arising out of Marriott International's non-vacation ownership business. We describe these agreements in more detail under "Certain Relationships and Related Party Transactions."

Q: *What rights will Marriott Vacations Worldwide have with respect to use of the Marriott International and Ritz-Carlton names?*

A: We will enter into two License Agreements, one with Marriott International and one with Ritz-Carlton, each of which will, among other things, provide us with the exclusive right to use the Marriott International and Ritz-Carlton names, respectively, in the vacation ownership business for the term of the agreement. Each License Agreement also will provide that we must comply with certain physical and operating brand standards and maintain minimum guest satisfaction levels. We will agree to pay royalties to Marriott International and Ritz-Carlton under the License Agreements, including a fixed annual fee of $50 million to Marriott International and certain variable fees to Marriott International and Ritz-Carlton based on our sales volumes. The License Agreements will also require us to obtain Marriott International's or Ritz-Carlton's consent, as applicable, to use the Marriott International or Ritz-Carlton trademarks in connection with resorts, residences or other accommodations that we acquire or develop after the distribution date. For more information, see "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—License Agreements for Marriott and Ritz-Carlton Marks and Intellectual Property."

Q: *What will Marriott Vacations Worldwide's dividend policy be after the spin-off?*

A: Marriott Vacations Worldwide does not currently intend to pay dividends. Marriott Vacations Worldwide's dividend policy will be established by the Marriott Vacations Worldwide board of directors (the "Board") based on Marriott Vacations Worldwide's financial condition, results of operations and capital requirements, as well as applicable law, regulatory constraints, industry practice and other business considerations that Marriott Vacations Worldwide's Board considers relevant. In addition, the terms of the agreements governing our new debt or debt that we may incur in the future may limit or prohibit the payments of dividends. For more information, see "Dividend Policy."

Q: *What are the anti-takeover effects of the spin-off?*

A: Some provisions of Delaware law, the Restated Certificate of Incorporation of Marriott Vacations Worldwide (our "Charter") and the Restated Bylaws of Marriott Vacations Worldwide (our "Bylaws"), as each will be in effect immediately following the spin-off, and certain of our agreements with Marriott International, may have the effect of making it more difficult to acquire control of Marriott Vacations Worldwide in a transaction not approved by Marriott Vacations Worldwide's Board. For example, our Charter and Bylaws will provide for a classified board, require advance notice for shareholder proposals and nominations, place limitations on convening shareholder meetings and authorize our Board to issue one or more series of preferred stock. In addition, our License Agreements with Marriott International and Ritz-Carlton will provide that we may not agree to effect a change in control without the consent of Marriott International or Ritz-Carlton, respectively. See "Description of Capital Stock—Anti-Takeover Effects of Provisions of Our Charter and Bylaws" and "Description of Capital Stock—Section 203 of the Delaware General Corporation Law" for more information.

Q: *What are the risks associated with the spin-off?*

A: There are a number of risks associated with the spin-off and ownership of Marriott Vacations Worldwide common stock. We discuss these risks under "Risk Factors" beginning on page 19.

Q: *Where can I get more information?*

A. If you have any questions relating to the mechanics of the distribution, you should contact the distribution agent at:

BNY Mellon Shareowner Services
480 Washington Blvd.
Jersey City, NJ 07310
Phone: (800) 311-4816

Before the spin-off, if you have any questions relating to the spin-off, you should contact Marriott International at:

Marriott International, Inc.
Investor Relations
Dept. 52/862
10400 Fernwood Road
Bethesda, Maryland 20817
Phone: (301) 380-6500
Email: investorrelations@marriott.com
www.marriott.com/investor

After the spin-off, if you have any questions relating to Marriott Vacations Worldwide, you should contact Marriott Vacations Worldwide at:

Marriott Vacations Worldwide Corporation
Investor Relations
6649 Westwood Blvd.
Orlando, FL 32821
Phone: (407) 206-6000
Email:
www.marriottvacationsworldwide.com

Summary of the Spin-Off

Distributing Company	Marriott International, Inc., a Delaware corporation. After the distribution, Marriott International will not own any shares of Marriott Vacations Worldwide common stock.
Distributed Company	Marriott Vacations Worldwide Corporation, a Delaware corporation and a wholly owned subsidiary of Marriott International. After the spin-off, Marriott Vacations Worldwide will be an independent, publicly owned company.
Distributed Securities	All of the shares of Marriott Vacations Worldwide common stock owned by Marriott International, which will be 100% of Marriott Vacations Worldwide common stock issued and outstanding immediately prior to the distribution.
Record Date	The record date for the distribution is the close of business on , 2011.
Distribution Date	The distribution date is , 2011.
Internal Reorganization	As part of the spin-off, Marriott International will undergo an internal reorganization that will, among other things, result in Marriott Vacations Worldwide owning the entities that conduct Marriott International's vacation ownership business. For more information, see the description of this internal reorganization in "The Spin-Off—Manner of Effecting the Spin-Off—Internal Reorganization."
Indebtedness and Other Financing Arrangements	We expect to have two secured revolving credit facilities in place at the time of the spin-off: (1) the Revolving Corporate Credit Facility, a revolving credit facility with a borrowing capacity of $200 million that will provide support for our business, including ongoing liquidity and letters of credit, and (2) the Warehouse Credit Facility, a revolving credit facility with a borrowing capacity of $300 million that will provide short-term financing for receivables we originate in connection with the sale of vacation ownership interests. On September 28, 2011, we closed the Warehouse Credit Facility, and on October 5, 2011 we made our first draw on the facility. We transferred the net proceeds of $122 million from the draw to Marriott International in settlement of certain intercompany account balances. Following the distribution, we also plan to periodically securitize notes receivable that we originate in connection with our sales of vacation ownership interests. In addition, our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International redeemable by MVW US Holdings upon the tenth anniversary of the date of issuance. Marriott International will sell all of the preferred stock to one or more third-party investors prior to completion of the spin-off. See "Description of Material Indebtedness and Other Financing Arrangements" for more information.
Distribution Ratio	Each holder of Marriott International common stock will receive one share of Marriott Vacations Worldwide common stock for every shares of Marriott International common stock held on , 2011.

The Distribution	On the distribution date, Marriott International will release the shares of Marriott Vacations Worldwide common stock to the distribution agent to distribute to Marriott International shareholders. The shares will be distributed in book-entry form, which means that no physical share certificates will be issued. We expect that it will take the distribution agent up to one week to electronically issue shares of Marriott Vacations Worldwide common stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Any delay in the electronic issuance of Marriott Vacations Worldwide shares by the distribution agent will not affect trading in Marriott Vacations Worldwide common stock. Following the spin-off, shareholders who hold their shares in book-entry form may request that their shares be transferred to a brokerage or other account at any time. You will not be required to make any payment, surrender or exchange your shares of Marriott International common stock or take any other action to receive your shares of Marriott Vacations Worldwide common stock.
Fractional Shares	The distribution agent will not distribute any fractional shares of Marriott Vacations Worldwide common stock to Marriott International shareholders, but will instead aggregate all fractional shares of Marriott Vacations Worldwide common stock to which Marriott International shareholders of record would otherwise be entitled and sell them in the public market. The distribution agent will then aggregate the net cash proceeds of the sales and distribute those proceeds ratably to those shareholders who would otherwise have received fractional shares. Shareholders' receipt of cash in lieu of fractional shares from these sales generally will result in a taxable gain or loss to those shareholders for U.S. federal income tax purposes. Each shareholder entitled to receive cash proceeds from these fractional shares should consult his, her or its own tax advisor as to the tax consequences of the receipt of such cash proceeds based on such shareholder's particular circumstances. We describe the material tax consequences of the distribution in more detail under "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."
Conditions to the Spin-Off	Completion of the spin-off is subject to the satisfaction or waiver by Marriott International of the following conditions: • the board of directors of Marriott International, in its sole and absolute discretion, has authorized and approved the spin-off (including the internal reorganization) and not withdrawn such authorization and approval, and has declared the dividend of the common stock of Marriott Vacations Worldwide to Marriott International shareholders; • the Separation and Distribution Agreement and each ancillary agreement contemplated by the Separation and Distribution Agreement have been executed by each party thereto; • Marriott Vacations Worldwide's registration statement on Form 10, of which this information statement is a part, has

become effective under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), no stop order suspending that effectiveness is in effect, and no proceedings for such purpose are pending before or threatened by the Securities and Exchange Commission (the "SEC");

- Marriott Vacations Worldwide common stock has been accepted for listing on a national securities exchange approved by Marriott International, subject to official notice of issuance;
- the internal reorganization (as described in "The Spin-Off—Manner of Effecting the Spin-Off—Internal Reorganization") has been completed;
- Marriott International has received an opinion from its tax counsel, in form and substance acceptable to Marriott International, and a private letter ruling from the IRS, each of which remains in full force and effect, that the distribution of shares of Marriott Vacations Worldwide common stock will not result in recognition, for U.S. federal income tax purposes, of income, gain or loss to Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional shares of Marriott Vacations Worldwide common stock;
- this information statement has been mailed to the Marriott International shareholders;
- Marriott Vacations Worldwide's restated certificate of incorporation and restated bylaws, each in the form filed as exhibits to the Form 10 of which this information statement is a part, are in effect;
- Marriott Vacations Worldwide's board of directors consists of the individuals identified in this information statement as directors of Marriott Vacations Worldwide;
- Marriott Vacations Worldwide has received resignations, effective immediately after the distribution, of each individual (other than Deborah Marriott Harrison) who will be an employee of Marriott International or one of its subsidiaries after the distribution and who will be an officer or director of Marriott Vacations Worldwide or one of its subsidiaries immediately prior to the distribution;
- Marriott Vacations Worldwide has entered into the Revolving Corporate Credit Facility and the Warehouse Credit Facility;
- Marriott International has received an opinion, in form and substance acceptable to Marriott International, as to the solvency of Marriott International and Marriott Vacations Worldwide;
- no order, injunction or decree that would prevent the consummation of the distribution is threatened, pending or

	issued (and still in effect) by any governmental authority of competent jurisdiction, no other legal restraint or prohibition preventing consummation of the distribution is pending, threatened, issued or in effect and no other event has occurred or failed to occur that prevents the consummation of the distribution; and • any material governmental approvals and other consents necessary to consummate the spin-off have been obtained. The fulfillment of these conditions will not create any obligation on Marriott International's part to effect the spin-off. Except as described above, we are not aware of any material federal or state regulatory requirements that must be complied with or any material approvals that must be obtained in connection with the distribution. Marriott International has the right not to complete the spin-off if, at any time prior to the distribution, Marriott International's board of directors determines, in its sole discretion, that the spin-off is not in the best interests of Marriott International or its shareholders, or that it is not advisable for Marriott Vacations Worldwide to separate from Marriott International. For more information, see "The Spin-Off—Conditions to the Spin-Off."
Trading Market and Symbol	We intend to file an application to list Marriott Vacations Worldwide common stock on the NYSE under the ticker symbol "VAC." We anticipate that, beginning on or shortly before the record date, trading of shares of Marriott Vacations Worldwide common stock will begin on a "when-issued" basis and will continue up to and including the distribution date, and we expect "regular-way" trading of Marriott Vacations Worldwide common stock will begin the first trading day after the distribution date. We also anticipate that, beginning on or shortly before the record date, there will be two markets in Marriott International common stock: a regular-way market on which shares of Marriott International common stock will trade with an entitlement to shares of Marriott Vacations Worldwide common stock to be distributed in the distribution, and an "ex-distribution" market on which shares of Marriott International common stock will trade without an entitlement to shares of Marriott Vacations Worldwide common stock. For more information, see "Trading Market."
Material U.S. Federal Income Tax Consequences	Marriott International has applied for a private letter ruling from the IRS, and has requested an opinion from its tax counsel, to the effect that Marriott International and its shareholders will not recognize any income, gain or loss for U.S. federal income tax purposes as a result of the distribution of shares of Marriott Vacations Worldwide common stock, except for any cash received by such shareholders in lieu of fractional shares of Marriott Vacations Worldwide common stock. For a more detailed description of the material U.S. federal income tax consequences of the distribution to shareholders, see "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

	We urge each shareholder to consult his, her or its tax advisor as to the specific tax consequences of the distribution to such shareholder, including the effect of any state, local or non-U.S. tax laws and of changes in applicable tax laws.
Relationship with Marriott International after the Spin-Off	We will enter into a Separation and Distribution Agreement and other agreements with Marriott International related to the spin-off. These agreements will govern our relationship with Marriott International after completion of the spin-off and provide for the allocation between us and Marriott International of various assets, liabilities and obligations (including employee benefits, intellectual property, insurance and tax-related assets and liabilities). The Separation and Distribution Agreement, in particular, will provide for the settlement or extinguishment of certain obligations between us and Marriott International. We also intend to enter into License Agreements with Marriott and Ritz-Carlton, each of which will, among other things, provide us with the exclusive right to use the Marriott and Ritz-Carlton names, respectively, in the vacation ownership business for the term of the agreement. In addition, we intend to enter into Transition Services Agreements with Marriott International under which Marriott International will provide us with certain services on an interim basis following the distribution. We also intend to enter into an Employee Benefits and Other Employment Matters Allocation Agreement that will set forth our agreements with Marriott International concerning certain employee compensation and benefit matters. Further, we intend to enter into a Tax Sharing and Indemnification Agreement with Marriott International under which we will agree on the sharing of taxes incurred before and after completion of the spin-off, certain indemnification rights for tax matters and certain restrictions to preserve the tax-free status of the spin-off and the intended tax treatment of certain related transactions. After the spin-off, Ritz-Carlton will continue to manage the Ritz-Carlton branded properties under on-site management agreements. Finally, we intend to enter into a Non-Competition Agreement with Marriott International under which we and Marriott International each will agree not to compete with the other company's business for the term of the agreement, subject to certain exceptions. We describe these arrangements in greater detail under "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off," and describe some of the risks of these arrangements under "Risk Factors—Risks Relating to the Spin-Off."
Certain Restrictions	In general, under the Tax Sharing and Indemnification Agreement to be entered into between Marriott International and us, we may not take any action that would jeopardize the favorable tax treatment of the distribution. In addition, except in certain specified transactions, we may not during a two-year period following the distribution, sell, issue or redeem our equity securities or sell or dispose of a substantial portion of our assets or liquidate, merge or consolidate with any other

	person unless we have obtained the approval of Marriott International or provided Marriott International with an IRS ruling or an unqualified opinion of tax counsel to the effect that such sale, issuance or redemption or other identified transaction will not affect the tax-free nature of the distribution.
Dividend Policy	Marriott Vacations Worldwide does not currently intend to pay dividends. Our Board will establish our dividend policy based on our financial condition, results of operations and capital requirements, as well as applicable law, regulatory constraints, industry practice and other business considerations that our Board considers relevant. In addition, the terms of the agreements governing our new debt or debt that we may incur in the future may limit or prohibit the payments of dividends. For more information, see “Dividend Policy.”
Transfer Agent	BNY Mellon Shareowner Services
Risk Factors	We face both general and specific risks and uncertainties relating to our business, our relationship with Marriott International and our being an independent, publicly owned company. We also are subject to risks relating to the spin-off. You should carefully read “Risk Factors” beginning on page 19 of this information statement.

Summary Historical Combined Financial Data

The following tables present a summary of selected historical combined financial data for the periods indicated below. The selected historical combined statements of operations for the fiscal years 2007 and 2006 and the selected combined balance sheet data for fiscal years 2008, 2007 and 2006 are derived from our unaudited combined financial statements, which are not included in this information statement. The selected historical combined statements of operations for each of the three fiscal years 2010, 2009 and 2008, and the selected combined balance sheet data for fiscal years 2010 and 2009 are derived from our audited Combined Financial Statements, which are included elsewhere in this information statement.

The selected historical combined financial data for the first fiscal halves of 2011 and 2010 are derived from our unaudited interim Combined Financial Statements, which are included elsewhere in this information statement. We have prepared our unaudited combined financial statements on the same basis as our audited financial statements and have included all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and operating results for the unaudited periods. The selected historical combined financial data as of and for the first fiscal halves of 2011 and 2010 are not necessarily indicative of the results that may be obtained for a full year.

Our historical financial statements include allocations of certain expenses from Marriott International, including expenses for costs related to functions such as treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, real estate, shared information technology systems, corporate governance activities and centrally managed employee benefit arrangements. These costs may not be representative of the future costs we will incur as an independent, public company, and do not include certain additional costs we may incur as a public company that we do not incur as a private company.

The financial statements included in this information statement may not necessarily reflect our financial position, results of operations and cash flows as if we had operated as a stand-alone public company during all periods presented. Accordingly, our historical results should not be relied upon as an indicator of our future performance. The following table includes EBITDA and Adjusted EBITDA, which are financial measures we use in our business that are not calculated or presented in accordance with U.S. generally accepted accounting principles (“GAAP”), but we believe these measures are useful to help investors understand our results of operations. We explain these measures and reconcile them to their most directly comparable financial measures calculated and presented in accordance with GAAP in Footnote No. 4 to the following table.

In presenting the financial data in conformity with GAAP, we are required to make estimates and assumptions that affect the amounts reported. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates,” included elsewhere in this information statement for detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

Between 2006 and 2010, we completed a number of acquisitions and dispositions, the results of operations and financial position of which have been included beginning from the relevant acquisition or disposition dates. See Footnote No. 7, “Acquisitions and Dispositions,” of the Notes to our annual Combined Financial Statements for a more detailed discussion of these acquisitions and dispositions.

In 2009 and 2008, we incurred restructuring charges of $44 million and $19 million, respectively. In addition, we recorded an impairment reversal of $5 million in the 2011 first half and impairment charges related to inventory and property and equipment in 2010, 2009 and 2008 of $15 million, $623 million and $44 million, respectively. We also recorded an equity investment impairment charge in 2009 of $138 million and an impairment reversal of $11 million in 2010 related to our investment in and loans to one joint venture and our

estimated liability to fund its losses. See Footnote No. 16, “Restructuring Costs and Other Charges,” and Footnote No. 17, “Impairment Charges,” of the Notes to our annual Combined Financial Statements for more detailed discussions of these items. See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

The following selected historical financial and other data should be read in conjunction with “Capitalization,” “Unaudited Pro Forma Condensed Combined Financial Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Certain Relationships and Related Party Transactions” and our Combined Financial Statements and related notes included elsewhere in this information statement.

	Twenty-four Weeks Ended		Fiscal Years				
($ in millions)	June 17, 2011	June 18, 2010	2010[1]	2009	2008	2007	2006[2]
Statement of operations data:							
Total revenues	$ 751	$ 745	$1,584	$1,596	$1,916	$2,240	$1,971
Total revenues net of total expenses	61	55	88	(615)	(2)	274	250
Net income (loss) attributable to MVW	35	30	67	(521)	9	178	60
Balance sheet data (end of period):							
Total assets	3,492	3,801	3,642	3,036	3,811	3,297	2,733
Total debt	898	1,005	1,022	59	85	132	5
Total liabilities	1,576	1,705	1,738	813	965	1,038	883
Divisional equity	1,916	2,096	1,904	2,223	2,846	2,259	1,850
Other data:							
EBITDA[4]	$ 100	$ 94	$ 207	$ (720)	$ 55	$ 323	$ 129
Adjusted EBITDA[4]	$ 78	$ 61	$ 155	$ 85	$ 118	$ 323	$ 129
Contract sales[3]:							
Vacation ownership	306	329	692	736	1,133	1,352	1,345
Residential products	2	10	13	12	58	49	287
Total before cancellation allowance	308	339	705	748	1,191	1,401	1,632
Cancellation allowance	1	(14)	(20)	(83)	(115)	—	—
Total contract sales	$ 309	$ 325	$ 685	$ 665	$1,076	$1,401	$1,632

(1) We adopted the new Consolidation Standard in our 2010 first quarter, which significantly increased our reported notes receivable and debt. See Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our annual Combined Financial Statements.

(2) We adopted certain provisions of Accounting Standards Codification Topic 978 (previously Statement of Position 04-2, “Accounting for Real Estate Time Sharing Transactions”), in our 2006 first quarter, which we reported in our Statement of Operations as a cumulative effect of change in accounting principle.

(3) Contract sales represent the total amount of vacation ownership product sales from purchase agreements signed during the period where we have received a downpayment of at least 10 percent of the contract price, reduced by actual rescissions during the period. Contract sales differ from revenues from the sale of vacation ownership products that we report in our Combined Statements of Operations due to the requirements for revenue recognition described above. We consider contract sales to be an important operating measure because it reflects the pace of sales in our business.

(4) EBITDA, a financial measure which is not prescribed or authorized by GAAP, reflects earnings excluding the impact of interest expense, provision for income taxes, depreciation and amortization. We consider EBITDA to be an indicator of operating performance, and we use it to measure our ability to service debt, fund capital expenditures and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which

they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. EBITDA also excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

We also evaluate Adjusted EBITDA, another non-GAAP financial measure, as an indicator of performance. Our Adjusted EBITDA excludes the impact of our 2008 and 2009 restructuring costs and 2008, 2009 and 2010 impairment charges and includes the impact of interest expense associated with our debt from the securitization of our notes receivable. We include the interest expense related to debt from the securitization of our notes receivable in determining Adjusted EBITDA as the debt is secured by notes receivable that have been sold to bankruptcy remote special purpose entities, and is not recourse generally to us or to our business. We evaluate Adjusted EBITDA, which adjusts for these items to allow for period-over-period comparisons of our ongoing core operations before material charges and is useful to measure our ability to service our non-securitized debt. EBITDA and Adjusted EBITDA also facilitate our comparison of results from our ongoing operations with results from other vacation ownership companies.

EBITDA and Adjusted EBITDA have limitations and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. Both of these non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do or may not calculate it at all, limiting Adjusted EBITDA's usefulness as a comparative measure. The table below shows our EBITDA and Adjusted EBITDA calculations and reconciles those measures with Net Income (Loss).

The following is a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA:

	Twenty-four Weeks Ended		Fiscal Years				
	June 17, 2011	June 18, 2010	2010[1]	2009	2008	2007	2006[2]
Net income (loss)	$ 35	$ 30	$ 67	$(532)	$ (16)	$177	$ 60
Interest Expense	22	28	56	—	—	—	—
Tax provision (benefit), continuing operations	26	18	45	(231)	25	107	29
Depreciation and amortization	17	18	39	43	46	39	40
EBITDA	100	94	207	(720)	55	323	129
Restructuring expenses	—	—	—	44	19	—	—
Impairment charges:							
Impairments	—	(5)	15	623	44	—	—
Equity investment impairments	—	—	(11)	138	—	—	—
Consumer financing interest expense	(22)	(28)	(56)	—	—	—	—
	(22)	(33)	(52)	805	63	—	—
Adjusted EBITDA	$ 78	$ 61	$ 155	$ 85	$118	$323	$ 129

RISK FACTORS

You should carefully consider each of the following risks, which we believe are the principal risks that we face and of which we are currently aware, and all of the other information in this information statement. Some of the risks described below relate to our business, while others relate to the spin-off. Other risks relate principally to the securities markets and ownership of our common stock.

Should any of the following risks and uncertainties develop into actual events, our business, financial condition or results of operations could be materially and adversely affected, the trading price of our common stock could decline and you could lose all or part of your investment.

Risks Relating to Our Business

We face the following risks in connection with the general conditions and trends of the industry in which we operate:

Our business will be materially harmed if our License Agreements with Marriott International and Ritz-Carlton are terminated.

In connection with the spin-off, we will enter into License Agreements with Marriott International and Ritz-Carlton, each of which will, among other things, provide us with the exclusive right to use the Marriott and Ritz-Carlton names, respectively, in our vacation ownership business. Each License Agreement will have an initial term of 79 years; however, if we breach our obligations under either License Agreement, Marriott International and Ritz-Carlton may be entitled to terminate the License Agreements.

The termination of the License Agreements would materially harm our business and results of operations and impair our ability to market and sell our products and maintain our competitive position. For example, we would not be able to rely on the strength of the Marriott and Ritz-Carlton brands to attract qualified prospects in the marketplace, which would cause our revenue and profits to decline and our marketing and sales expenses to increase. We would not be able to use www.marriott.com and www.ritzcarlton.com as channels through which to rent available inventory, which would cause our rental revenue to decline. In addition, the Marriott Rewards Agreement would also terminate upon termination of the License Agreements, and we would not be able to offer Marriott Rewards Points to owners and potential owners, which would impair our ability to sell our products and would reduce the flexibility and options available in connection with our products.

If Marriott International or Ritz-Carlton terminates our rights to use the Marriott or Ritz-Carlton marks at any properties that do not meet applicable brand standards, our reputation could be harmed and our ability to market and sell our products at those properties could be impaired.

Marriott International and Ritz-Carlton can terminate our rights under our License Agreements to use the Marriott or Ritz-Carlton marks at any properties that do not meet applicable brand standards. The termination of such rights could harm our reputation and impair our ability to market and sell our products at the subject properties, either of which could harm our business, and we could owe damages to Marriott International and Ritz-Carlton, property owners, third parties with whom we have contracted and others.

Our ability to expand our business and remain competitive could be harmed if Marriott International or Ritz-Carlton do not consent to our use of their trademarks at new resorts we acquire or develop after the distribution date.

Under the terms of our License Agreements with Marriott International and Ritz-Carlton, we must obtain Marriott International's or Ritz-Carlton's consent, as applicable, to use the Marriott or Ritz-Carlton trademarks in connection with resorts, residences or other accommodations that we acquire or develop after the distribution date. Marriott International or Ritz-Carlton may reject a proposed project if, among other things, the project does not meet Marriott International's or Ritz-Carlton's respective construction and design standards or Marriott

International or Ritz-Carlton reasonably believes the project will breach contractual or legal restrictions applicable to them and their affiliates. In addition, Ritz-Carlton may reject a proposed project if Ritz-Carlton will not be able to provide services that comply with Ritz-Carlton brand standards at the proposed project. If Marriott International or Ritz-Carlton do not permit us to use their trademarks in connection with our development or acquisition plans, our ability to expand our business and remain competitive may be materially adversely affected. The requirement to obtain Marriott International's or Ritz-Carlton's consent to our expansion plans, or the need to identify and secure alternative expansion opportunities because Marriott International or Ritz-Carlton do not allow us to use their trademarks with proposed new projects, may delay implementation of our expansion plans and cause us to incur additional expense.

General economic uncertainty and weak demand in the vacation ownership industry could continue to impact our financial results and growth.

Weak economic conditions in the United States, Europe, Asia and much of the rest of the world and the uncertainty over the duration of these conditions could continue to have a negative impact on the vacation ownership industry. As a result of weak consumer confidence and limited availability of consumer credit, we continue to experience weakened demand for our vacation ownership products. Recent improvements in demand trends globally may not continue, and our future financial results and growth could be further harmed or constrained if the recovery stalls or conditions worsen. Furthermore, as a result of current economic conditions, an increasing number of existing owners are offering their vacation ownership interests for sale on the secondary market, thereby creating additional pricing pressure on our sale of vacation ownership products, which could cause our sales revenues and profits to decline.

We depend on capital to develop, acquire and repurchase vacation ownership inventory, and we may be unable to access capital when necessary.

The availability of funds for new investments, primarily developing, acquiring or repurchasing vacation ownership inventory, depends in part on liquidity factors and capital markets over which we can exert little, if any, control. Instability in the financial markets following the 2008 worldwide financial crisis and the contraction of available liquidity and leverage continue to constrain the capital markets for real estate investments. In addition, the obligations of MVW US Holdings, our subsidiary, to its preferred shareholders and any indebtedness we incur, including indebtedness under any credit facility, may adversely affect our ability to obtain any additional financing necessary to acquire additional vacation ownership inventory, or exercise our rights of first refusal to purchase vacation ownership interests that our owners propose to sell to third parties.

Further, our ability to issue equity securities to raise capital is limited under the Tax Sharing and Indemnification Agreement. See "*—Our ability to engage in acquisitions and other strategic transactions is subject to limitations because we are agreeing to certain restrictions to comply with U.S. federal income tax requirements for a tax-free spin-off.*" If we cannot raise additional capital when needed, it could affect our financial health, which could negatively affect your investment in us.

The terms of any future equity or debt financing may give holders of any preferred securities rights that are senior to rights of our common shareholders or impose more stringent operating restrictions on our company.

Debt or equity financing may not be available to us on acceptable terms. If we incur additional debt or raise equity through the issuance of additional preferred stock, the terms of the debt or the preferred stock issued may give the holders rights, preferences and privileges senior to those of holders of our common stock, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on our operations than we currently expect to have immediately following the spin-off. If we raise funds through the issuance of additional equity, your ownership in us would be diluted.

If we cannot securitize the loans that we provide to purchasers of our vacation ownership interests, our business, financial condition or results of operations could be adversely affected.

We provide financing to purchasers of our vacation ownership interests, and we periodically securitize interests in those loans in the capital markets. Disruption in the credit markets in the second half of 2008 and much of 2009 impaired the timing and volume of the securitizations we completed, as well as the financial terms of such securitizations. Although improved market conditions allowed us to successfully complete a securitization in the fourth quarter of 2010 on substantially more favorable terms than in 2009, any future deterioration in the financial markets could preclude, delay or increase the cost to us of future note securitizations, which could in turn cause us to reduce spending in order to maintain our leverage and return targets.

If the default rates or other credit metrics underlying our vacation ownership receivables deteriorate, our vacation ownership receivables securitization program could be adversely affected.

Our vacation ownership receivables securitization program could be adversely affected if a particular vacation ownership receivables pool fails to meet certain ratios, which could occur if the default rates or other credit metrics of the underlying vacation ownership receivables deteriorate. Our ability to sell securities backed by our vacation ownership receivables depends on the continued ability and willingness of capital market participants to invest in such securities. Asset-backed securities issued in our securitization programs could be downgraded by credit agencies in the future. If a downgrade occurs, our ability to complete other securitization transactions on acceptable terms or at all could be jeopardized, and we could be forced to rely on other potentially more expensive and less attractive funding sources, to the extent available. This would decrease our profitability and might require us to adjust our business operations, including by reducing or suspending our provision of financing to purchasers of vacation ownership interests. Sales of vacation ownership interests may decline if we reduce or suspend the provision of financing to purchasers, which may adversely affect our cash flows, revenues and profits.

Our industry is competitive, which may impact our ability to compete successfully with other vacation ownership brands and with other vacation rental options for customers.

A number of highly competitive companies participate in the vacation ownership industry, including several branded hotel companies. Our brands compete with the vacation ownership brands of major hotel chains in national and international venues, as well as with the vacation rental options (*e.g.*, hotels, resorts and condominium rentals) offered by the lodging industry. In addition, under our License Agreements with Marriott International and Ritz-Carlton, if other international hotel operators offer new products and services as part of their respective hotel businesses that may directly compete with our vacation ownership products and services in the future, then Marriott International and Ritz-Carlton may also offer such products and services, and use their respective trademarks in connection with such offers. If Marriott International or Ritz-Carlton offer vacation ownership products and services under their trademarks, our vacation ownership products and services may compete directly with those of Marriott International or Ritz-Carlton, and we may not be able to distinguish our vacation ownership products and services from those offered by Marriott International and Ritz-Carlton. Our ability to remain competitive and to attract and retain owners depends on our success in distinguishing the quality and value of our products and services from those offered by others. If we cannot compete successfully in these areas, this could limit our operating margins, diminish our market share and reduce our earnings.

Our business is subject to extensive regulation, and any failure to comply with applicable laws and regulations could have a material adverse effect on our business.

Our business is regulated under a wide variety of laws, regulations and policies in jurisdictions around the world. Our real estate development activities, for example, are subject to laws and regulations typically applicable to real estate development, subdivision and construction activities, such as laws relating to zoning, land use restrictions, environmental regulation, accessibility, title transfers, title insurance and taxation. Laws in

some jurisdictions also impose liability on property developers for construction defects discovered or repairs made by future owners of property developed by the developer. Various laws also govern our lending activities and our resort management activities, including the laws described in "Business—Regulation."

A number of laws govern our marketing and sales activities, such as vacation ownership and land sales acts, fair housing statutes, anti-fraud laws, sweepstakes laws, real estate licensing laws, telemarketing laws, home solicitation sales laws, tour operator laws, seller of travel laws, securities laws, consumer privacy laws and consumer protection laws. In addition, laws in many jurisdictions in which we sell vacation ownership interests grant the purchaser of a vacation ownership interest the right to cancel a purchase contract during a specified rescission period.

In recent years, "do not call" legislation has significantly increased the costs associated with telemarketing. We have implemented procedures that we believe will help reduce the possibility that we contact individuals on regulatory "do not call" lists, but we cannot assure you that such procedures will be effective in ensuring regulatory compliance. Additionally, the spin-off will cause our company to no longer be considered an affiliate of Marriott International for purposes of "do not call" legislation in some jurisdictions, which may make it more difficult for us to utilize customer information we obtain from Marriott International in the future.

Many jurisdictions in which we manage our resorts have statutory provisions that limit the duration of the initial and renewal terms of our management agreements for property owners' associations and/or permit the property owners' association for a resort to terminate our management agreement regardless of our default under certain circumstances (for example, upon a super-majority vote of the owners). Such statutory provisions expose us to a risk that one or more of our management agreements may not be renewed or may be terminated prior to the end of the term specified in such agreements. Upon non-renewal or termination of our management agreement for a particular resort, such resort loses the ability to use the Marriott or Ritz-Carlton name and trademarks and ceases to be a part of our system. In addition, we lose the management fee revenue associated with such resort.

Although we believe that we are in material compliance with all laws, regulations and policies to which we are currently subject, we cannot assure you that the cost of such compliance will not be significant or that we will maintain such compliance at all times. Failure to comply with current or future applicable laws, regulations and policies could have a material adverse effect on our business. For example, if we do not comply with applicable laws, governmental authorities in the jurisdictions where the violations occurred may revoke or refuse to renew licenses or registrations we must have in order to operate our business. Failure to comply with applicable laws could also render sales contracts for our products void or voidable, subject us to fines or other sanctions and increase our exposure to litigation.

Our business may be adversely affected by factors that disrupt or deter travel and vacation plans.

The profitability of the vacation ownership resorts that we develop and manage may be adversely affected by a number of factors that can disrupt or deter travel and vacation plans. For example, fear of exposure to contagious diseases, such as H1N1 Flu, Avian Flu and Severe Acute Respiratory Syndrome, or natural or man-made disasters, such as earthquakes, tsunamis, hurricanes, floods, fires, volcanic eruptions, radiation releases and oil spills, may deter travelers from scheduling vacations or cause them to cancel vacation plans. Actual or threatened war, civil unrest and terrorist activity, as well as heightened travel security measures instituted in response to the same, could also interrupt or deter vacation plans. In addition, demand for leisure vacation options such as our vacation ownership products may decrease if the cost of travel, including the cost of transportation and fuel, increases or if general economic conditions decline. Changes in the desirability of the locations where we develop and manage resorts as vacation destinations and changes in vacation and travel patterns may adversely affect our cash flows, revenue and profits.

If we cannot dispose of excess land and Luxury segment real estate inventory at favorable prices or at all, our future cash flows and net income could be reduced.

Due to continued weakness in the economy, we have excess land that was purchased for future development, as well as excess built Luxury segment real estate inventory at a few of our projects that we intend to sell through bulk sales over the next eighteen to twenty-four months. Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Current economic conditions, as well as restrictions such as zoning, entitlement, contractual and similar restrictions related to the excess land and inventory could adversely affect our ability to find buyers at favorable prices during this time period or at all. We are responsible for maintenance fees and operating costs relating to this unsold excess land and inventory. If we are not able to sell this excess land and inventory we will continue to bear these costs, which may increase over time, and our net income will be reduced. See Footnote No. 14, "Subsequent Events," to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

If we identify additional excess land and inventory in the future, or if our estimates of the fair value of our excess land and inventory change, our financial position and results of operations could be adversely affected.

Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Based on our current plans, we believe we have identified all excess land and inventory. However, if our plans change, we may conclude in the future that additional land and inventory are excess, in which case we would likely terminate plans to develop such land and instead seek to dispose of such excess land and inventory through bulk sales or other methods. If we identify additional excess land and inventory in the future, we may have to record additional non-cash impairment charges to write-down the value of such assets. Any such impairment charges may have an adverse impact on our financial position and results of operations. The sale of any such additional excess land and inventory will be subject to the risks described in the risk factor entitled "*—If we cannot dispose of excess land and Luxury segment real estate inventory at favorable prices or at all, our future cash flows and net income could be reduced*." In addition, if real estate market conditions change, our estimates of the fair value of our excess land and Luxury inventory may change. If our estimates of the fair value of these assets decline, we may have to record additional non-cash impairment charges to write-down the value of such assets to the estimated fair value. Any such impairment charges may have an adverse impact on our financial position and results of operations.

Our business depends on the quality and reputation of the Marriott and Ritz-Carlton brands, and any deterioration in the quality or reputation of these brands could have an adverse impact on our market share, reputation, business, financial condition or results of operations.

Currently, all of our products and services are offered under Marriott or Ritz-Carlton brand names, and we intend to continue to develop and offer products and services under these brands in the future. If the quality of these brands deteriorates, or the reputation of these brands declines, our market share, reputation, business, financial condition or results of operations could be affected.

Our points-based product form exposes us to an increased risk of temporary inventory depletion.

Selling vacation ownership interests in a system of resorts under a points-based business model increases the risk of temporary inventory depletion. We sell vacation ownership interests denominated in points from a single trust entity in each of our North American, Asia Pacific and Luxury business segments. Thus, the primary source of inventory for each segment is concentrated in its corresponding trust. In contrast, under our prior business model, we sold weeks-based vacation ownership interests tied to specific resorts; we thus had more sources of inventory (*i.e.*, resorts), and the risk of inventory depletion was diffused among those sources of inventory.

Temporary depletion of inventory available for sale can be caused by three primary factors: (1) delayed delivery of inventory under construction; (2) delayed receipt of required governmental registrations of inventory for sale; and (3) significant unanticipated increases in sales pace. If the inventory available for sale for a particular trust were to be depleted before new inventory is added and available for sale, we would be required to temporarily suspend sales until inventory is replenished. This could reduce our cash flow and have a negative impact on our results of operations.

Disagreements with the owners of vacation ownership interests and property owners' associations may result in litigation and the loss of management contracts.

The nature of our responsibilities in managing our vacation ownership properties will from time to time give rise to disagreements with the owners of vacation ownership interests and property owners' associations. We seek to resolve any disagreements in order to develop and maintain positive relations with current and potential owners and property owners' associations but cannot always do so. Failure to resolve such disagreements has resulted in litigation, and could do so again in the future. If any such litigation results in a significant adverse judgment, settlement or court order, we could suffer significant losses, our profits could be reduced, our reputation could be harmed and our future ability to operate our business could be constrained. Disagreements with property owners' associations could also result in the loss of management contracts.

The maintenance and improvement of vacation ownership properties depends on maintenance fees paid by the owners of vacation ownership interests.

Owners of our vacation ownership interests must pay maintenance fees levied by property owners' association boards. These maintenance fees are used to maintain and refurbish the vacation ownership properties and to keep the properties in compliance with Marriott and Ritz-Carlton brand standards. If property owners' association boards do not levy sufficient maintenance fees, or if owners of vacation ownership interests do not pay their maintenance fees, the vacation ownership properties could fall into disrepair and fail to comply with applicable brand standards. If a resort fails to comply with applicable brand standards, Marriott International or Ritz-Carlton could terminate our rights under the applicable License Agreement to use its trademarks at the non-compliant resort, which would result in the loss of management fees, decrease customer satisfaction and impair our ability to market and sell our products at the non-compliant locations.

Damage to, or other potential losses involving, properties that we own or manage may not be covered by insurance.

While we have comprehensive property and liability insurance policies with coverage features and insured limits that we believe are customary, market forces beyond our control may limit the scope of the insurance coverage we can obtain or our ability to obtain coverage at reasonable rates. Certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes and floods, or terrorist acts, may be uninsurable or too expensive to justify obtaining insurance. As a result, the cost of our insurance may increase and our coverage levels may decrease. In addition, in the event of a substantial loss, the insurance coverage we carry may not be sufficient to pay the full market value or replacement cost of our lost investment or that of owners of vacation ownership interests or in some cases may not provide a recovery for any part of a loss. As a result, we could lose some or all of the capital we have invested in a property, as well as the anticipated future revenue from the property, and we could remain obligated under guarantees or other financial obligations related to the property.

Our development activities expose us to project cost and completion risks.

Both directly and through arrangements with third parties, we develop new vacation ownership properties and new phases of existing vacation ownership properties. As demonstrated by the 2009 impairment charges associated with our business, our ongoing involvement in the development of inventory presents a number of risks, including that: (1) continued weakness in the capital markets may limit our ability, or that of third parties with whom we do business, to raise capital for completion of projects or for development of future properties;

(2) to the extent construction costs escalate faster than the pace at which we can increase the price of vacation ownership interests, our profits may be adversely affected; (3) construction delays, zoning and other local approvals, cost overruns, lender financial defaults, or natural or man-made disasters, such as earthquakes, tsunamis, hurricanes, floods, fires, volcanic eruptions, radiation releases and oil spills, may increase overall project costs or result in project cancellations; and (4) any liability or alleged liability associated with latent defects in projects we have constructed or that we construct in the future may adversely affect our business, financial condition and reputation.

Purchaser defaults on the loans our business generates could reduce our revenues, cash flows and profits.

We are subject to the risk that purchasers of our vacation ownership interests may default on the financing that we provide. Purchaser defaults could cause us to foreclose on loans and reclaim ownership of the financed interests, both for loans that we have not securitized and in our role as servicer for the loans we have securitized. If we cannot resell foreclosed properties or interests in a timely manner or at a price sufficient to repay the loans and our costs, we could incur higher loan loss charges on our notes receivable. In addition, notes that we have securitized contain certain portfolio performance requirements related to default and delinquency rates, which, if not met, would result in disruption or loss of cash flow until portfolio performance sufficiently improves to satisfy the requirements.

Our operations outside of the United States make us susceptible to the risks of doing business internationally, which could lower our revenues, increase our costs, reduce our profits or disrupt our business.

We conduct business in over 40 countries and territories, and our operations outside the United States represented approximately 15 percent of our revenues in 2010. International properties and operations expose us to a number of additional challenges and risks, including the following, any of which could reduce our revenues or profits, increase our costs, or disrupt our business: (1) complex and changing laws, regulations and policies of governments that may impact our operations, including foreign ownership restrictions, import and export controls, and trade restrictions; (2) U.S. laws that affect the activities of U.S. companies abroad; (3) limitations on our ability to repatriate non-U.S. earnings in a tax-effective manner; (4) the difficulties involved in managing an organization doing business in many different countries; (5) uncertainties as to the enforceability of contract and intellectual property rights under local laws; (6) rapid changes in government policy, political or civil unrest, acts of terrorism or the threat of international boycotts or U.S. anti-boycott legislation; and (7) currency exchange rate fluctuations.

A failure to keep pace with developments in technology could impair our operations or competitive position.

Our business model and competitive conditions in the vacation ownership industry continue to demand the use of sophisticated technology and systems, including those used for our sales, reservation, inventory management and property management systems, and technologies we make available to our owners. We must refine, update and/or replace these technologies and systems with more advanced systems on a regular basis. If we cannot do so as quickly as our competitors or within budgeted costs and time frames, our business could suffer. We also may not achieve the benefits that we anticipate from any new technology or system, and a failure to do so could result in higher than anticipated costs or could harm our operating results.

Failure to maintain the integrity of internal or customer data could result in faulty business decisions or operational inefficiencies, damage our reputation and/or subject us to costs, fines or lawsuits.

We collect and retain large volumes of internal and customer data, including credit card numbers and other personally identifiable information of our customers in various information systems and those of our service providers. We also maintain personally identifiable information about our employees. The integrity and protection of that customer, employee and company data is critical to us. We could make faulty decisions if that data is inaccurate or incomplete. Our customers and employees also have a high expectation that we and our service providers will adequately protect their personal information. The regulatory environment surrounding information, security and privacy is also increasingly demanding, in both the United States and other jurisdictions in which we operate. Our systems may be unable to satisfy changing regulatory requirements and

employee and customer expectations, or may require significant additional investments or time in order to do so. Our information systems and records, including those we maintain with our service providers, may be subject to security breaches, system failures, viruses, operator error or inadvertent releases of data. A significant theft, loss, or fraudulent use of customer, employee or company data maintained by us or by a service provider could adversely impact our reputation and could result in remedial and other expenses, fines or litigation. A breach in the security of our information systems or those of our service providers could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits.

Our ability to engage in acquisitions and other strategic transactions is subject to limitations because we are agreeing to certain restrictions to comply with U.S. federal income tax requirements for a tax-free spin-off.

To preserve the favorable tax treatment of the distribution, we must comply with restrictions under current U.S. federal income tax laws for spin-offs such as restrictions requiring us to: refrain from engaging in certain transactions that would result in a 50 percent or greater change by vote or by value in our stock ownership during the four-year period beginning on the date that begins two years before the distribution date, continue to own and manage our vacation ownership business and limit sales or redemptions of our common stock for cash or other property following the distribution, except in connection with certain stock-for-stock acquisitions and other permitted transactions. If these restrictions are not followed, the distribution could be taxable to Marriott International and Marriott International shareholders.

We will enter into a Tax Sharing and Indemnification Agreement with Marriott International under which we will allocate between Marriott International and ourselves responsibility for U.S. federal, state and local and non-U.S. income and other taxes relating to taxable periods before and after the distribution and provide for computing and apportioning tax liabilities and tax benefits between the parties. In the Tax Sharing and Indemnification Agreement, we also will represent that certain materials relating to us submitted to the IRS in connection with the ruling request are complete and accurate in all material respects, and we will agree that, among other things, we may not (1) take or fail to take any action that would cause such materials (or representations included therein) to be untrue or cause the distribution to lose its tax-free status under Sections 368(a)(1)(D) and/or 355 of the Code and (2) during the two-year period following the spin-off, except in certain specified transactions, sell, issue or redeem our equity securities (or those of certain of our subsidiaries) or liquidate, merge or consolidate with another person or sell or dispose of a substantial portion of our assets (or those of certain of our subsidiaries). During this two-year period, we may take certain actions prohibited by these covenants if we obtain the approval of Marriott International or we provide Marriott International with an IRS ruling or an unqualified opinion of tax counsel, acceptable to Marriott International, to the effect that these actions will not affect the tax-free nature of the distribution. These restrictions could limit our strategic and operational flexibility, including our ability to finance our operations by issuing equity securities, make acquisitions using equity securities, repurchase our equity securities, raise money by selling assets or enter into business combination transactions.

Changes in privacy law could adversely affect our ability to market our products effectively.

We rely on a variety of direct marketing techniques, including telemarketing, email marketing and postal mailings. Adoption of new state or federal laws regulating marketing and solicitation, or international data protection laws that govern these activities, or changes to existing laws, such as the Telemarketing Sales Rule and the CANSPAM Act, could adversely affect the continuing effectiveness of telemarketing, email and postal mailing techniques and could force us to make further changes in our marketing strategy. If this occurs, we may not be able to develop adequate alternative marketing strategies, which could impact the amount and timing of our sales of vacation ownership interests and other products. We also obtain access to potential customers from travel service providers or other companies with whom we have substantial relationships and market to some individuals on these lists directly or by including our marketing message in the other companies' marketing materials. If access to these lists was prohibited or otherwise restricted, our ability to develop new customers and introduce our products to them could be impaired. Additionally, the spin-off will cause our company to no longer be considered an affiliate of Marriott International for purposes of "do not call" legislation in some jurisdictions, which may make it more difficult for us to utilize customer information we obtain from Marriott International in the future.

Changes in tax regulations could reduce our profits or increase our costs.

In response to the recent economic crisis and recession, we anticipate that many of the jurisdictions in which we do business will review tax and other revenue raising laws, regulations and policies, and any resulting changes could impose new restrictions, costs or prohibitions on our current practices and reduce our profits. In particular, governments may revise tax laws, regulations or official interpretations in ways that could have a significant impact on us, including modifications that could reduce the profits that we can effectively realize from our non-U.S. operations, or that could require costly changes to those operations, or the way that we structure them. For example, most U.S. company effective tax rates reflect the fact that income earned and reinvested outside the United States is generally taxed at local rates, which are often much lower than U.S. tax rates. If changes in tax laws, regulations or interpretations were to significantly increase the tax rates on non-U.S. income, our effective tax rate could increase, our profits could be reduced, and if such increases were a result of our status as a U.S. company, could place us at a disadvantage to our non-U.S. competitors if those competitors remain subject to lower local tax rates.

The growth of our business and the execution of our business strategies depend on the services of our senior management and our associates.

We believe that our future growth depends, in part, on the continued services of our senior management team, including our President and Chief Executive Officer, Stephen P. Weisz. The loss of any members of our senior management team could adversely affect our strategic and customer relationships and impede our ability to execute our business strategies.

In addition, insufficient numbers of talented associates could constrain our ability to maintain and expand our business. We compete with other companies both within and outside of our industry for talented personnel. If we cannot recruit, train, develop or retain sufficient numbers of talented associates, we could experience increased associate turnover, decreased guest satisfaction, low morale, inefficiency or internal control failures.

Risks Relating to the Spin-Off

We face the following risks in connection with the spin-off:

We may incur greater costs as an independent company than we did when we were a part of Marriott International, which could decrease our profitability.

As a segment of Marriott International, we take advantage of Marriott International's size and purchasing power in procuring certain goods and services such as insurance and healthcare benefits, and technology such as computer software licenses. After the spin-off, as a separate, independent entity, we may be unable to obtain these goods, services and technologies at prices or on terms as favorable to us as those we obtained prior to the spin-off. We also rely on Marriott International to provide various financial, administrative and other corporate services. Marriott International will continue to provide certain of these services on a short-term transitional basis after the spin-off. However, we will be required to establish the necessary infrastructure and systems to supply these services on an ongoing basis. We may not be able to replace the services provided by Marriott International in a timely manner or on terms and conditions as favorable as those we receive from Marriott International. If functions previously performed by Marriott International cost us more than the amounts reflected in our historical financial statements, our profitability could decrease.

Our ability to meet our capital needs may be harmed by the loss of financial support from Marriott International.

The loss of financial support from Marriott International could harm our ability to meet our capital needs. Marriott International can currently provide certain capital that may be needed in excess of the amounts generated by our operating activities. After the spin-off, we expect to obtain any funds needed in excess of the amounts generated by our operating activities through the capital markets or bank financing, and not from Marriott International. However, given the smaller relative size of our company as compared to Marriott International after the spin-off and our expectation that we will have lower credit ratings than Marriott International, we expect to incur higher debt servicing and other costs than we would have otherwise incurred as

a part of Marriott International. Further, we cannot guarantee you that we will be able to obtain capital market financing or credit on favorable terms, or at all, in the future. We cannot assure you that our ability to meet our capital needs will not be harmed by the loss of financial support from Marriott International.

Our success will depend in part on our ongoing relationship with Marriott International after the spin-off.

In connection with the spin-off, we will enter into a number of agreements with Marriott International and its subsidiaries that will govern the ongoing relationships between Marriott International and Marriott Vacations Worldwide after the spin-off. Our success will depend, in part, on the maintenance of these ongoing relationships with Marriott International. In particular, the License Agreements we will enter into with Marriott International and Ritz-Carlton will, among other things, provide us with the exclusive right to use the Marriott and Ritz-Carlton names, respectively, in our vacation ownership business. Because the right to use the Marriott and Ritz-Carlton marks and intellectual property is critical to our business, breach or termination of the License Agreements could have a material adverse effect on our financial position, results of operations or cash flows. See "*—Our business will be materially harmed if our License Agreements with Marriott International and Ritz-Carlton are terminated*" for more information on risks associated with termination of the License Agreements.

We may be unable to achieve some or all of the benefits that we expect from the spin-off.

As an independent, publicly owned company, we believe that our business will benefit from, among other things, (1) enhanced strategic and management focus; (2) more efficient capital allocation, direct access to capital and expanded growth opportunities; (3) the ability to implement a tailored approach to recruiting and retaining employees; (4) improved investor understanding of our business strategy and operating results; and (5) investor choice. However, by separating from Marriott International, we may be more susceptible to securities market fluctuations and other adverse events than we would have been were we still a part of Marriott International. In addition, we may not be able to achieve some or all of the benefits that we expect to achieve as an independent company in the time in which we expect to do so, if at all.

We expect to incur new indebtedness upon consummation of the spin-off, and the degree to which we will be leveraged following completion of the spin-off may have a material adverse effect on our financial position, results of operations and cash flows.

We expect to have two revolving credit facilities in place at the time of the spin-off: (1) the Revolving Corporate Credit Facility, a secured revolving credit facility with borrowing capacity up to $200 million to provide support for our business, including ongoing liquidity and letters of credit, and (2) the Warehouse Credit Facility, a secured revolving credit facility with borrowing capacity up to $300 million to provide short-term financing for receivables we originate in connection with the sale of vacation ownership interests. On September 28, 2011, we closed the Warehouse Credit Facility, and on October 5, 2011 we made our first draw on the facility. We transferred the net proceeds of $122 million from the draw to Marriott International in settlement of certain intercompany balances. We also plan to periodically securitize, through special purpose entities, notes receivable originated in connection with the sale of vacation ownership interests. In addition, our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International that Marriott International will sell to one or more third-party investors prior to completion of the spin-off.

Our ability to make payments to preferred shareholders and to make payments on and refinance our indebtedness, including the debt existing at the time of the spin-off as well as any future debt that we may incur, will depend on our ability to generate cash in the future from operations, financings or asset sales. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that we cannot control. If we cannot repay or refinance our debt as it becomes due, we may be forced to sell assets or take other disadvantageous actions, including (1) reducing financing in the future for working capital, capital expenditures and general corporate purposes or (2) dedicating an unsustainable level of our cash flow from operations to the payment of principal and interest on our indebtedness. In addition, our ability to withstand competitive pressures and to react to changes in the vacation ownership industry could be impaired. The lenders who hold such debt could also accelerate amounts due, which could potentially trigger a default or acceleration of our other debt.

We are agreeing to indemnify Marriott International for taxes and related losses resulting from actions we take that cause the distribution to fail to qualify as a tax-free transaction.

Pursuant to the Tax Sharing and Indemnification Agreement we will enter into with Marriott International, we will agree to indemnify Marriott International for certain taxes and related losses resulting from (1) any breach of the covenants regarding the preservation of the tax-free status of the distribution and the intended tax treatment of certain related transactions undertaken in connection with the distribution, (2) certain acquisitions of our equity securities or assets or those of certain of our subsidiaries, and (3) any breach by us or any member of our group of certain of our representations in the documents submitted to the IRS and the separation documents between Marriott International and us. The amount of Marriott International's taxes for which we are agreeing to indemnify Marriott International in respect of the distribution will be based on the excess, if any, of the aggregate fair market value of our stock over Marriott International's tax basis in our stock at the time of the distribution. In addition, if the distribution fails to qualify as a tax-free transaction for reasons other than those specified in the spin-off tax indemnification provisions, liability for any resulting taxes related to the distribution will be apportioned between Marriott International and us based on the relative fair market values of Marriott International and us. In addition, Marriott International expects to recognize, for U.S. federal income tax purposes, significant built-in losses in properties used in the vacation ownership and related residential businesses. If Marriott International's U.S. federal consolidated group is unable to deduct these losses for U.S. federal income tax purposes, and, instead, the tax basis of the properties that is attributable to the built-in losses is available to our U.S. federal consolidated group, we have agreed to indemnify Marriott International for certain lost tax benefits that Marriott International otherwise would have recognized if Marriott International's U.S. federal consolidated group was able to deduct such losses. The amount of any future indemnification payments could be substantial.

If the distribution does not qualify for tax-free treatment at the shareholder level, you will be taxed on your receipt of our stock.

The IRS could determine the distribution to be taxable even if Marriott International receives a private letter ruling and an opinion from its tax counsel. In addition, certain future events that may or may not be within the control of Marriott International or our company, including certain extraordinary purchases of Marriott International common stock or our common stock, could cause the distribution not to qualify as tax-free. If the distribution does not qualify for tax-free treatment at the shareholder level, you will be taxed on the full value of our shares that you receive (without reduction for any portion of your tax basis in your Marriott International shares) as a dividend for U.S. federal income tax purposes and possibly for purposes of U.S. state and local tax law to the extent of your pro rata share of Marriott International's current and accumulated earnings and profits (as increased by any gain recognized by Marriott International on the distribution).

We may be unable to make, on a timely basis, the changes necessary to operate as an independent, publicly owned company.

As a public entity, we will be subject to the reporting requirements of the Exchange Act and requirements of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports about our business and financial condition. Under the Sarbanes-Oxley Act, we must maintain effective disclosure controls and procedures and internal control over financial reporting, which requires significant resources and management oversight. We will implement additional procedures and processes to address the standards and requirements applicable to public companies. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our financial position, results of operations or cash flows. If we cannot favorably assess the effectiveness of our internal control over financial reporting, or our independent registered public accounting firm cannot provide an unqualified attestation report on the effectiveness of our internal control over financial reporting, investor confidence and, in turn, the market price of our common stock could decline.

We do not have an operating history as an independent company and our historical financial information may not be a reliable indicator of our future results.

The historical financial information we have included in this information statement has been derived from Marriott International's consolidated financial statements and does not necessarily reflect what our financial position, results of operations and cash flows would have been had we been a separate, stand-alone entity during the periods presented. Marriott International did not account for us, and we were not operated, as a single stand-alone entity for the periods presented. In addition, the historical information may not be indicative of what our results of operations, financial position and cash flows will be in the future. For example, following the spin-off, changes will occur in our cost structure, funding and operations, including changes in our tax structure and increased costs associated with becoming a public, stand-alone company.

The spin-off may expose us to potential liabilities arising out of state and federal fraudulent conveyance laws and legal dividend requirements.

The spin-off is subject to review under various state and federal fraudulent conveyance laws. Fraudulent conveyance laws generally provide that an entity engages in a constructive fraudulent conveyance when (1) the entity transfers assets and does not receive fair consideration or reasonably equivalent value in return, and (2) the entity (a) is insolvent at the time of the transfer or is rendered insolvent by the transfer, (b) has unreasonably small capital with which to carry on its business, or (c) intends to incur or believes it will incur debts beyond its ability to repay its debts as they mature. An unpaid creditor or an entity acting on behalf of a creditor (including without limitation a trustee or debtor-in-possession in a bankruptcy by us or Marriott International or any of our respective subsidiaries) may bring a lawsuit alleging that the spin-off or any of the related transactions constituted a constructive fraudulent conveyance. If a court accepts these allegations, it could impose a number of remedies, including without limitation, voiding our claims against Marriott International, requiring our shareholders to return to Marriott International some or all of the shares of our common stock issued in the spin-off, or providing Marriott International with a claim for money damages against us in an amount equal to the difference between the consideration received by Marriott International and the fair market value of our company at the time of the spin-off.

The measure of insolvency for purposes of the fraudulent conveyance laws will vary depending on which jurisdiction's law is applied. Generally, an entity would be considered insolvent if (1) the present fair saleable value of its assets is less than the amount of its liabilities (including contingent liabilities); (2) the present fair saleable value of its assets is less than its probable liabilities on its debts as such debts become absolute and matured; (3) it cannot pay its debts and other liabilities (including contingent liabilities and other commitments) as they mature; or (4) it has unreasonably small capital for the business in which it is engaged. We cannot assure you what standard a court would apply to determine insolvency or that a court would determine that we, Marriott International or any of our respective subsidiaries were solvent at the time of or after giving effect to the spin-off.

The distribution of our common stock is also subject to review under state corporate distribution statutes. Under the General Corporation Law of the State of Delaware (the "DGCL"), a corporation may only pay dividends to its shareholders either (1) out of its surplus (net assets minus capital) or (2) if there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Although Marriott International intends to make the distribution of our common stock entirely from surplus, we cannot assure you that a court will not later determine that some or all of the distribution to Marriott International shareholders was unlawful.

Prior to the spin-off, the Marriott International board of directors expects to obtain an opinion that Marriott International and we each will be solvent at the time of the spin-off (including immediately after the payment of the dividend and the spin-off), will be able to repay its debts as they mature following the spin-off and will have sufficient capital to carry on its businesses and the spin-off and the distribution will be made entirely out of surplus in accordance with Section 170 of the DGCL. We cannot assure you, however, that a court would reach the same conclusions set forth in such opinion in determining whether Marriott International or we were insolvent at the time of, or after giving effect to, the spin-off, or whether lawful funds were available for the separation and the distribution to Marriott International's shareholders.

A court could require that we assume responsibility for obligations allocated to Marriott International under the Separation and Distribution Agreement.

Under the Separation and Distribution Agreement, from and after the spin-off, each of Marriott International and we will be responsible for the debts, liabilities and other obligations related to the business or businesses which it owns and operates following the consummation of the spin-off. Although we do not expect to be liable for any obligations that are not allocated to us under the Separation and Distribution Agreement, a court could disregard the allocation agreed to between the parties, and require that we assume responsibility for obligations allocated to Marriott International (for example, tax and/or environmental liabilities), particularly if Marriott International were to refuse or were unable to pay or perform the allocated obligations. See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Separation and Distribution Agreement."

We might have been able to receive better terms from unaffiliated third parties than the terms we receive in our agreements with Marriott International.

The agreements related to the spin-off, including the Separation and Distribution Agreement, the Marriott License Agreement, the Ritz-Carlton License Agreement, the Employee Benefits and Other Employment Matters Allocation Agreement, the Tax Sharing and Indemnification Agreement, the Transition Services Agreements, the Non-Competition Agreement and any other agreements, will be negotiated in the context of our separation from Marriott International while we are still part of Marriott International. Although these agreements are intended to be on an arm's-length basis, they may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties. The terms of the agreements being negotiated in the context of our separation concern, among other things, allocations of assets, liabilities, rights, indemnifications and other obligations among Marriott International and us. See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off" for more detail.

After the spin-off, certain of our executive officers and directors may have actual or potential conflicts of interest because of their ownership of Marriott International equity or their current or former positions in Marriott International.

Certain of the persons we expect will be our executive officers and directors will be former officers and employees of Marriott International and thus have professional relationships with Marriott International's executive officers and directors. In addition, many of our expected executive officers and directors have a substantial financial interest in Marriott International as a result of their ownership of Marriott International stock, options and other equity awards. These relationships and financial interests may create, or may create the appearance of, conflicts of interest when these expected directors and officers face decisions that could have different implications for Marriott International than for us.

In addition, one of our expected Board members, Deborah Marriott Harrison, will continue to be employed by Marriott International after the spin-off. Ms. Harrison is also the daughter of the chairman of the board of directors and chief executive officer of Marriott International. These facts may also create, or may create the appearance of, conflicts of interest.

Risks Relating to Our Common Stock

You will face the following risks in connection with ownership of our common stock:

There is no existing market for our common stock and we cannot be certain that an active trading market will develop or be sustained after the spin-off. Following the spin-off, our stock price may fluctuate significantly.

There currently is no public market for our common stock. We intend to apply to list our common stock on the NYSE. See "Trading Market." We anticipate that before the distribution date for the spin-off, trading of shares of our common stock will begin on a "when-issued" basis and such trading will continue up to and

including the distribution date. However, we cannot assure you that an active trading market for our common stock will develop as a result of the spin-off or be sustained in the future. The lack of an active market may make it more difficult for you to sell our common stock and could lead to the price of our common stock being depressed or more volatile. We cannot predict the prices at which our common stock may trade after the spin-off. The market price of our common stock may fluctuate widely, depending on many factors, some of which may be beyond our control, including:

- our business profile and market capitalization may not fit the investment objectives of some Marriott International shareholders and, as a result, these Marriott International shareholders may sell our shares after the distribution;
- actual or anticipated fluctuations in our operating results due to factors related to our business;
- success or failure of our business strategy;
- our quarterly or annual earnings, or those of other companies in our industry;
- our ability to obtain financing as needed;
- announcements by us or our competitors of significant new business developments or significant acquisitions or dispositions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the failure of securities analysts to cover our common stock after the spin-off;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- investor perception of our company and the vacation ownership industry;
- overall market fluctuations;
- changes in laws and regulations affecting our business; and
- general economic conditions and other external factors.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations could adversely affect the trading price of our common stock.

Substantial sales of our common stock may occur in connection with the spin-off, which could cause the price of our common stock to decline.

The shares of our common stock that Marriott International distributes to its shareholders may be sold immediately in the public market. Marriott International shareholders could sell our common stock received in the distribution if we do not fit their investment objectives or, in the case of index funds, if we are not part of the index in which they invest. Sales of significant amounts of our common stock or a perception in the market that such sales will occur may reduce the market price of our common stock.

We cannot assure you that we will pay dividends on our common stock, and our indebtedness could limit our ability to pay dividends on our common stock.

We do not currently intend to pay dividends. Our dividend policy will be established by our Board based on our financial condition, results of operations and capital requirements, as well as applicable law, regulatory constraints, industry practice and other business considerations that our Board considers relevant. In addition, the terms of the agreements governing debt that we incur at the time of the spin-off or in the future may limit or prohibit the payments of dividends. For more information, see “Dividend Policy.” We cannot assure you that we will pay dividends in the future or continue to pay any dividends if we do commence the payment of dividends.

Additionally, indebtedness that we expect to incur at the time of the spin-off could have important consequences for holders of our common stock. If we cannot generate sufficient cash flow from operations to meet our debt-payment obligations and obligations to pay dividends on our preferred stock, if any, then our Board's ability to declare dividends on our common stock will be impaired and we may be required to attempt to restructure or refinance our debt, raise additional capital or take other actions such as selling assets, reducing or delaying capital expenditures or reducing any proposed dividends. We cannot assure you that we will be able to effect any such actions or do so on satisfactory terms, if at all, or that such actions would be permitted by the terms of our debt or our other credit and contractual arrangements.

The obligations of MVW US Holdings to its preferred shareholders could have a negative impact on our common shareholders.

We expect that our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International, which we expect will sell the preferred stock to one or more third-party investors prior to completion of the spin-off. We expect the preferred stock will pay an annual dividend of percent, and the payment of this dividend will reduce the amount of cash otherwise available for distribution by MVW US Holdings to Marriott Vacations Worldwide for further distribution to our common shareholders or for other corporate purposes. In addition, the preferred shareholders will be entitled to an aggregate liquidation preference of $ million, which will reduce the amount of cash available for distribution by MVW US Holdings to Marriott Vacations Worldwide for further distribution to our common shareholders in the event of a liquidation.

Anti-takeover provisions in our organizational documents and Delaware law and in our agreements with Marriott International could delay or prevent a change in control.

Provisions of our Charter and Bylaws may delay or prevent a merger or acquisition that a shareholder may consider favorable. For example, our Charter and Bylaws will provide for a classified board, require advance notice for shareholder proposals and nominations, place limitations on convening shareholder meetings and authorize our Board to issue one or more series of preferred stock. These provisions may also discourage acquisition proposals or delay or prevent a change in control, which could harm our stock price. In addition, Delaware law also imposes some restrictions on mergers and other business combinations between any holder of 15 percent or more of our outstanding common stock and us. See "Description of Capital Stock" for additional information.

In addition, provisions in our agreements with Marriott International may delay or prevent a merger or acquisition that a shareholder may consider favorable. Under the Tax Sharing and Indemnification Agreement, we will agree not to enter into any transaction involving an acquisition or issuance of our common stock or any other transaction (or, to the extent we have the right to prohibit it, to permit any such transaction) that could reasonably be expected to cause the distribution of our common stock to be taxable to Marriott International. We would be required to indemnify Marriott International for any tax resulting from any such prohibited transaction, and we would be required to meet various requirements, including obtaining the approval of Marriott International or obtaining an IRS ruling or unqualified opinion of tax counsel acceptable to Marriott International, before engaging in such transactions. See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Tax Sharing and Indemnification Agreement."

Further, our License Agreements with Marriott International and Ritz-Carlton will provide that a change in control may not occur without the consent of Marriott International or Ritz-Carlton, respectively. See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—License Agreements for Marriott and Ritz-Carlton Marks and Intellectual Property."

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

We make forward-looking statements throughout this information statement, including in, among others, the sections entitled “Summary,” “Questions and Answers About the Spin-Off,” “Risk Factors,” “The Spin-Off,” “Trading Market,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” based on our management’s beliefs and assumptions and on information currently available to our management. Forward-looking statements include the information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, benefits resulting from our separation from Marriott International and the effects of competition. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “might,” “should,” “could” or the negative of these terms or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements in this information statement. We do not have any intention or obligation to update forward-looking statements after we distribute this information statement.

The risk factors discussed in “Risk Factors” could cause our results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that we cannot predict at this time or that we currently do not expect will have a material adverse effect on our financial position, results of operations or cash flows. Any such risks could cause our results to differ materially from those we express in forward-looking statements.

THE SPIN-OFF

Background

We expect the board of directors of Marriott International will approve the spin-off of Marriott Vacations Worldwide from Marriott International, following which we will be an independent, publicly owned company. To complete the spin-off, Marriott International will, following an internal reorganization, distribute to its shareholders all of the outstanding shares of our common stock. The distribution will occur on the distribution date, which is , 2011. Each holder of Marriott International common stock will receive one share of our common stock for every shares of Marriott International common stock held on , 2011, the record date. After completion of the spin-off, we will be the exclusive developer and manager of vacation ownership and related products under the Marriott brand and the exclusive developer of vacation ownership and related products under the Ritz-Carlton brand.

Holders of Marriott International common stock will continue to hold their shares in Marriott International. We do not require and are not seeking a vote of Marriott International's shareholders in connection with the spin-off, and Marriott International's shareholders will not have any appraisal rights in connection with the spin-off or the internal reorganization.

The distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. In addition, Marriott International has the right not to complete the spin-off if, at any time prior to the distribution, its board of directors determines, in its sole discretion, that the spin-off is not in the best interests of Marriott International or its shareholders, or that it is not advisable for us to separate from Marriott International. For a more detailed description, see "—Conditions to the Spin-Off."

Reasons for the Spin-Off

Marriott International's board of directors believes that the spin-off is in the best interests of Marriott International and its shareholders because the spin-off is expected to provide various benefits, including: (1) enhanced strategic and management focus for each company; (2) more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; (3) the ability to implement a tailored approach to recruiting and retaining employees at each company; (4) improved investor understanding of the business strategy and operating results of each company; and (5) investor choice.

Enhanced Strategic and Management Focus. The lodging business and the vacation ownership business currently compete with each other for management attention and resources. The spin-off should permit each company to tailor its business strategies to best address market opportunities in its industry. In addition, the spin-off should allow the management of each company to sharpen the company's strategic vision and enhance its focus. The spin-off should provide each company with the flexibility needed to pursue its own goals and serve its own needs.

More Efficient Capital Allocation, Direct Access to Capital and Expanded Growth Opportunities. As part of Marriott International, the vacation ownership business is limited to Marriott International brands and effectively competes with the lodging business for capital resources. After the spin-off, however, each company should be able to access the capital markets directly to fund its growth strategy and to establish a capital structure tailored to its business needs. Each company should be able to allocate capital and make investments as its management elects in order to grow its business. In particular, Marriott Vacations Worldwide will have the ability to pursue non-Marriott branded vacation ownership growth opportunities. Moreover, the liquidity of its stock should enable Marriott Vacations Worldwide to use its securities to fund future growth (subject to certain limitations during the two-year period following the spin-off, as described in "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Tax Sharing and Indemnification Agreement"). Accordingly, following the spin-off, Marriott Vacations Worldwide is expected to have additional flexibility to pursue acquisitions.

Tailored Approach to Recruiting and Retaining Employees. After the spin-off, each company should be able to recruit and retain employees with expertise directly applicable to its needs under compensation policies appropriate for its specific business. In particular, following the distribution, the value of equity-based incentive compensation arrangements reflected in each company's stock price should be more closely aligned with the performance of its business. Such equity-based compensation arrangements should also provide enhanced incentives for employee performance and improve the ability of each company to attract, retain and motivate qualified personnel, including management and key employees considered essential to that company's future success.

Improved Investor Understanding. After the spin-off, investors will receive disclosure about our operating results and Marriott International's operating results on a stand-alone basis, which information should enable them to better evaluate the financial performance of each company, as well as each company's strategy within the context of its industry, thereby increasing the likelihood that each company's securities will be appropriately valued by the market.

Investor Choice. Marriott International's board of directors believes that the lodging business and the vacation ownership business each appeal to different types of investors with different investment goals and risk profiles. Finding investors who want to invest in both industries together is more challenging than finding investors for each individually. After the spin-off, investors will be able to pursue investment goals in either or both companies. In addition, the management of each company should be able to establish goals, implement business strategies and evaluate growth opportunities in light of investor expectations specific to that company's respective business, without undue consideration of investor expectations for the other business. Each company should also be able to focus its public relations efforts on cultivating its own separate identity.

Manner of Effecting the Spin-Off

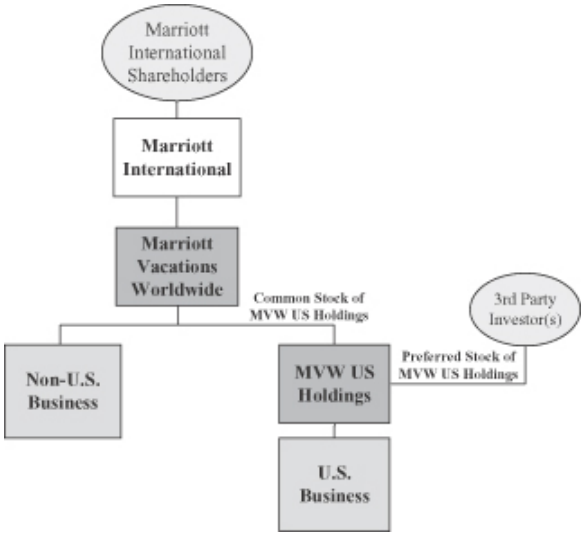
The general terms and conditions relating to the spin-off will be set forth in a Separation and Distribution Agreement between us and Marriott International.

Internal Reorganization

Prior to the distribution, as described under "—Distribution of Shares of Our Common Stock," Marriott International will complete an internal reorganization. Following the reorganization, which is a condition to the spin-off, Marriott Vacations Worldwide will own all the companies that conduct Marriott International's vacation ownership and related residential business. The reorganization will include various restructuring transactions in preparation for the spin-off, including restructuring transactions involving the non-U.S. subsidiaries of Marriott International that conduct its vacation ownership business. In addition, Marriott International and certain of its subsidiaries will contribute the companies that conduct our U.S. business to MVW US Holdings in exchange for common stock and preferred stock of MVW US Holdings. Marriott International will sell all of the preferred stock of MVW US Holdings to one or more third-party investors prior to completion of the spin-off. The formation of MVW US Holdings and the sale of the preferred stock of MVW US Holdings have been structured in a manner that is intended to result, for U.S. federal income tax purposes, in the recognition of significant built-in losses in properties used in the vacation ownership and related residential businesses. These losses should be available to Marriott International's U.S. federal consolidated group despite the intended tax-free treatment of the distribution of our common stock to Marriott International shareholders. The recognition of these built-in losses is not a condition to the spin-off. In addition, we have transferred the net proceeds from our first draw under the Warehouse Credit Facility to Marriott International in settlement of certain intercompany account balances.

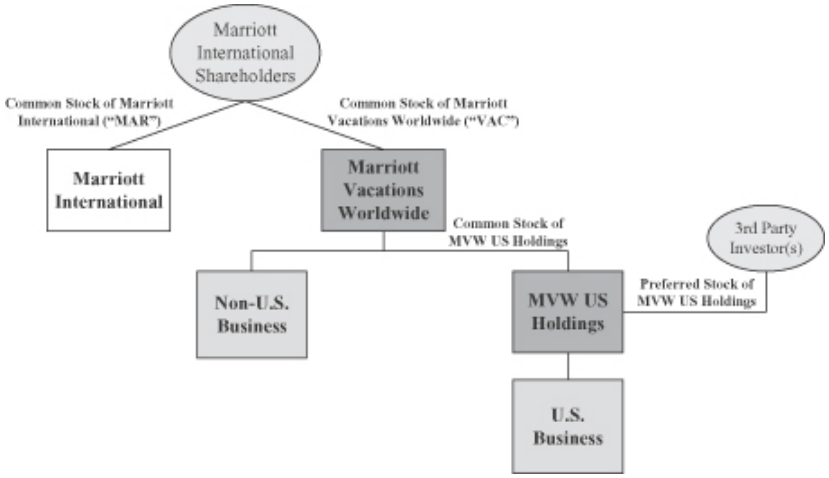
The diagram below, simplified for illustrative purposes, shows the **current structure** of the entities conducting our businesses:

The diagram below, simplified for illustrative purposes, shows the structure of the entities conducting our businesses **immediately after completion of the internal reorganization** and sale of the preferred stock:



Distribution of Shares of Our Common Stock

Under the Separation and Distribution Agreement, the distribution will be effective as of 12:01 a.m., Eastern time, on , 2011, the distribution date. As a result of the spin-off, on the distribution date, each holder of Marriott International common stock will receive one share of our common stock for every shares of Marriott International common stock that the shareholder owns as of the record date. In order to receive shares of our common stock in the spin-off, a Marriott International shareholder must be a shareholder at the close of business of the NYSE on , the record date. The diagram below shows the structure, simplified for illustrative purposes, of Marriott International and Marriott Vacations Worldwide **immediately after completion of the spin-off**:



On the distribution date, Marriott International will release the shares of our Marriott Vacations Worldwide common stock to our distribution agent to distribute to Marriott International shareholders as of the record date. Our distribution agent will establish book-entry accounts for record holders of Marriott International common stock and credit to such accounts the shares of our common stock distributed to such holders. Our distribution agent will send these shareholders, including any registered holder of shares of Marriott International common stock represented by physical share certificates on the record date, a statement reflecting their ownership of our common stock. Book-entry refers to a method of recording stock ownership in our records that does not use physical stock certificates. For shareholders who own Marriott International common stock through a broker or other nominee, their broker or nominee will credit their shares of our common stock to their accounts. We expect that it will take the distribution agent up to one week to electronically issue shares of our common stock to Marriott International shareholders or their bank or brokerage firm by way of direct registration in book-entry form. Any delay in the electronic issuance of Marriott Vacations Worldwide shares by the distribution agent will not affect trading in Marriott Vacations Worldwide common stock. As further discussed below, we will not issue fractional shares of our common stock in the distribution. Following the spin-off, shareholders who hold shares in book-entry form may request that their shares of our common stock be transferred to a brokerage or other account at any time.

Marriott International shareholders will not be required to make any payment or surrender or exchange their shares of Marriott International common stock or take any other action to receive their shares of our common stock.

Treatment of Fractional Shares

The distribution agent will not distribute any fractional shares of our common stock to Marriott International shareholders. Instead, as soon as practicable on or after the distribution date, the distribution agent will aggregate fractional shares of our common stock held by holders of record into whole shares, sell them in the open market at the prevailing market prices and then distribute the aggregate sale proceeds ratably to Marriott International shareholders who would otherwise have received fractional shares of our common stock. The amount of this payment will depend on the prices at which the distribution agent sells the aggregated fractional shares of our common stock in the open market shortly after the distribution date. We will be responsible for payment of any brokerage fees, which we do not expect will be material to us. Your receipt of cash in lieu of fractional shares of our common stock generally will result in a taxable gain or loss for U.S. federal income tax purposes, but you should consult your own tax advisor as to the receipt of such cash based on your particular circumstances. We describe the material U.S. federal income tax consequences of the distribution in more detail under "—Material U.S. Federal Income Tax Consequences of the Spin-Off."

Material U.S. Federal Income Tax Consequences of the Spin-Off

The following discussion summarizes the material U.S. federal income tax consequences of the distribution to holders of Marriott International common stock that are United States persons for U.S. federal income tax purposes and certain other matters. Holders of Marriott International common stock that are not United States persons may be taxable on the distribution with different tax consequences than those described below and are urged to consult their tax advisors regarding the tax treatment to them under relevant non-U.S. tax law. Further, this summary may not be applicable to shareholders who received their Marriott International common stock pursuant to the exercise of employee stock options, under an employee stock purchase plan or otherwise as compensation. This discussion is based on the Code, the Treasury regulations promulgated thereunder, judicial opinions, published positions of the IRS, and all other applicable authorities as of the date of this information statement, all of which are subject to change, possibly with retroactive effect, and does not discuss U.S. state or local or non-U.S. laws.

The following discussion may not describe all of the tax consequences that may be relevant to a holder of Marriott International common stock in light of such shareholder's particular circumstances or to shareholders subject to special rules. In addition, this summary is limited to shareholders that hold their Marriott International

common stock as a capital asset within the meaning of Section 1221 of the Code (generally, assets held for investment). Thus, we urge each shareholder to consult his or her tax advisor as to the particular consequences of the distribution to such shareholder, including the application of U.S. state and local and non-U.S. tax laws, and as to possible changes in tax laws that may affect the tax consequences described in this information statement.

Marriott International has applied for a private letter ruling from the IRS to the effect that, on the basis of certain facts presented, and representations and assumptions set forth in the request submitted to the IRS for such ruling, the distribution of Marriott Vacations Worldwide common stock will qualify as a distribution that is generally tax-free under Sections 368(a)(1)(D) and/or 355 of the Code. Shearman & Sterling LLP, our special tax counsel, will render an opinion on certain aspects of the tax treatment of the distribution not addressed by the IRS in the private letter ruling.

Treatment of the Distribution

Subject to the discussion below relating to the receipt of cash in lieu of fractional shares, for holders of Marriott International common stock that are United States persons, the principal U.S. federal income tax consequences of the distribution will be as follows:

- no gain or loss will be recognized by, and no amount will be includible in the income of, a holder of Marriott International common stock solely as a result of the receipt of Marriott Vacations Worldwide common stock in the distribution;
- no gain or loss will be recognized by, and no amount will be includible in the income of, Marriott International as a result of the distribution, other than with respect to any "excess loss account" or "intercompany transaction" required to be taken into account under Treasury regulations relating to consolidated groups;
- the holding period for the Marriott Vacations Worldwide common stock received in the distribution will include the period during which the Marriott International common stock was held; and
- the tax basis of Marriott International common stock held by a Marriott International shareholder immediately prior to the distribution will be apportioned, based upon relative fair market values at the time of the distribution, between such Marriott International common stock and the Marriott Vacations Worldwide common stock received, including any fractional share of Marriott Vacations Worldwide common stock deemed received by such shareholder in the distribution.

Although the private letter ruling relating to the qualification of the distribution as a tax-free transaction generally is binding on the IRS, the continuing validity of the ruling is subject to factual representations and assumptions and future events. In addition, an opinion of tax counsel is not binding on the IRS. If the IRS subsequently holds the distribution to be taxable (for example, because of noncompliance with representations or future events), the foregoing consequences would not apply and the distribution could be taxable to Marriott International and Marriott International shareholders, as described below. Additionally, certain future events that may or may not be within the control of Marriott International or us, including certain extraordinary purchases of Marriott International common stock or our common stock, could cause the spin-off not to qualify as tax-free to Marriott International and/or Marriott International shareholders. For example, if one or more persons were to acquire a 50 percent or greater interest in our stock or in the stock of Marriott International as part of a plan or a series of related transactions of which the distribution is a part, the distribution would be taxable to Marriott International, as described below, although not necessarily to Marriott International shareholders. Further, certain sales and redemptions of our common stock for cash or other property (other than certain stock-for-stock acquisitions and other permitted transactions) and certain asset dispositions by us following the distribution may cause the distribution to fail to qualify for non-recognition treatment and thus the distribution would be taxable to both Marriott International and Marriott International shareholders. Depending on the event, we may have to indemnify Marriott International for some or all of the taxes and losses resulting from the distribution not

qualifying for non-recognition treatment under Sections 368(a)(1)(D) and/or 355 of the Code. If the distribution does not qualify for non-recognition treatment under Section 355 of the Code, then:

- each holder of Marriott International common stock who receives shares of our common stock in the distribution would be treated as if such shareholder received a taxable distribution equal to the full value of the shares of our common stock received, taxed as a dividend to the extent of such shareholder's pro rata share of Marriott International's current and accumulated earnings and profits (including the gain to Marriott International described in the following bullet point) and then treated as a non-taxable return of capital to the extent of the holder's tax basis in the Marriott International common stock and finally as capital gain, and
- Marriott International would recognize a taxable gain equal to the excess of the fair market value of our common stock on the date of the distribution over the tax basis of Marriott International therein.

Under current U.S. federal income tax law, individual citizens or residents of the United States currently are subject to U.S. federal income tax on dividends at a maximum rate of 15 percent (assuming certain holding period requirements are met) and long-term capital gains (*i.e.*, capital gains on assets held for more than one year) at a maximum rate of 15 percent.

Cash in Lieu of Fractional Shares

No fractional shares of our common stock will be issued in the distribution to you. All fractional shares resulting from the distribution will be aggregated and sold by the distribution agent, and the proceeds will be distributed to the Marriott International shareholders that otherwise would have received such fractional shares. A Marriott International shareholder who receives cash instead of a fractional share of our common stock as a part of the distribution generally will recognize capital gain or loss measured by the difference between the cash received for such fractional share and the shareholder's tax basis in the fractional share as described above. Any such capital gain or loss will be treated as a long-term or short-term gain or loss based on the shareholder's holding period for the Marriott International common stock with respect to which the shareholder received the distribution of our common stock. Payments of cash in lieu of a fractional share of our common stock made in connection with the distribution may, under certain circumstances, be subject to backup withholding of U.S. federal income tax (currently at a rate of 28 percent) unless a shareholder provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with the requirements of the backup withholding rules. Backup withholding does not constitute an additional tax, but merely an advance payment, which may be refunded or credited against a shareholder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Information Reporting

Current Treasury regulations require certain Marriott International shareholders with significant ownership in Marriott International that receive our common stock pursuant to the distribution to attach to their U.S. federal income tax return for the year in which the distribution occurs a detailed statement setting forth such data as may be appropriate in order to show the applicability to the distribution of Section 355 of the Code. Marriott International will provide to holders of record of Marriott International common stock information necessary to comply with such requirement.

Treatment of MVW US Holdings Formation

The formation of MVW US Holdings and the sale of the preferred stock of MVW US Holdings have been structured in a manner that is intended to result, for U.S. federal income tax purposes, in the recognition of significant built-in losses in properties used in the vacation ownership and related residential businesses, despite the intended tax-free treatment of the distribution of our common stock to Marriott International shareholders. Marriott International has applied to the IRS for a private letter ruling regarding the U.S. federal income tax treatment of the formation of MVW US Holdings, including the recognition of such built-in losses. The intended

treatment of the formation of MVW US Holdings would permit Marriott International (through its U.S. federal consolidated group) rather than Marriott Vacations Worldwide (through its U.S. federal consolidated group) to recognize such built-in losses and take them into account in computing taxable income or loss. The tax basis of the properties for which such losses are recognized will be equal to their fair market values as of the formation of MVW US Holdings. While any private letter ruling Marriott International receives providing that the built-in losses will be recognized and taken into account generally is binding on the IRS, the continuing validity of the ruling is subject to factual representations and assumptions and the IRS could subsequently hold otherwise (for example, because of the inaccuracy of an assumption), in which case Marriott International (through its U.S. federal consolidated group) could have substantially greater taxable income.

Ownership of Marriott Vacations Worldwide Common Stock

A holder of our common stock that is not a United States person could be subject to U.S. federal income tax on gain from a disposition of our common stock if we are or have been a "United States real property holding corporation" ("USRPHC") for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-United States person's holding period for our common stock. We anticipate that we will be a USRPHC. The determination of whether we are a USRPHC depends on the fair market value of our United States real property interests relative to the fair market value of our other trade or business assets and our non-U.S. real property interests. Even if we are or become a USRPHC, as long as our common stock is regularly traded on an established securities market, a non-United States person's disposition of our common stock generally will not be subject to U.S. federal income tax provided that such non-United States person does not actually or constructively hold more than 5 percent of such regularly traded common stock during the applicable period.

Results of the Spin-Off

After the spin-off, we will be an independent, publicly owned company. Immediately following the spin-off, we expect to have approximately record holders of shares of our common stock and approximately shares of our common stock outstanding, based on the number of shareholders of record and outstanding shares of Marriott International common stock on , 2011. The figures assume no exercise of outstanding options and exclude any shares of Marriott International common stock held directly or indirectly by Marriott International. The actual number of shares to be distributed will be determined on the record date and will reflect any exercise of Marriott International options and repurchase by Marriott International of Marriott International shares between the date the Marriott International board of directors declares the dividend for the distribution and the record date for the distribution.

For information about options to purchase shares of our common stock that will be outstanding after the distribution, see "—Treatment of Share-Based Awards" and "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Employee Benefits and Other Employment Matters Allocation Agreement."

Before the spin-off, we will enter into several agreements with Marriott International to effect the spin-off and provide a framework for our relationship with Marriott International after the spin-off. These agreements will govern the relationship between us and Marriott International after completion of the spin-off and provide for the allocation between us and Marriott International of Marriott International's assets, liabilities and obligations. For a more detailed description of these agreements, see "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off."

Market for Our Common Stock

There is currently no public market for our common stock. We intend to apply to list our common stock on the NYSE under the symbol "VAC." A condition to the distribution is the listing of our common stock on a national securities exchange approved by Marriott International.

Trading Between the Record Date and Distribution Date

Beginning on or shortly before the record date and continuing up to and including through the distribution date, there will be two markets in Marriott International common stock: a "regular-way" market and an "ex-distribution" market. Shares of Marriott International common stock that trade on the regular-way market will trade with an entitlement to shares of our common stock distributed in the distribution. Shares that trade on the ex-distribution market will trade without an entitlement to shares of our common stock distributed in the distribution. Therefore, if you sell shares of Marriott International common stock in the regular-way market up to and including the distribution date, you will be selling your right to receive shares of our common stock in the distribution. If you own shares of Marriott International common stock at the close of business on the record date and sell those shares on the ex-distribution market up to and including through the distribution date, you will still receive the shares of our common stock that you would be entitled to receive pursuant to your ownership of the shares of Marriott International common stock.

Furthermore, beginning on or shortly before the record date and continuing up to and including the distribution date, there will be a "when-issued" market in our common stock. When-issued trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The when-issued trading market will be a market for shares of our common stock that will be distributed to Marriott International shareholders on the distribution date. If you owned shares of Marriott International common stock at the close of business on the record date, you would be entitled to shares of our common stock distributed pursuant to the distribution. You may trade this entitlement to shares of our common stock, without the shares of Marriott International common stock you own, on the when-issued market. On the first trading day following the distribution date, when-issued trading with respect to our common stock will end and regular-way trading will begin.

Treatment of Share-Based Awards

Marriott International maintains outstanding equity awards for its common stock in the form of stock options, stock appreciation rights ("SARs"), restricted stock units, restricted stock, deferred stock arrangements and deferred bonus stock under the Marriott International, Inc. Stock and Cash Incentive Plan (the "Marriott Stock Plan"). Pursuant to the Employee Benefits and Other Employment Matters Allocation Agreement between us and Marriott International, Marriott International will continue to maintain the Marriott Stock Plan on and after the distribution date, and we will establish a separate stock and incentive cash compensation plan (the "Marriott Vacations Worldwide Stock Plan"), effective as of a date shortly before the spin-off.

Effective as of the distribution date, persons holding awards other than options or SARs under the Marriott Stock Plan (the "Marriott Stock Awards") will receive awards under the Marriott Vacations Worldwide Stock Plan (the "Marriott Vacations Worldwide Stock Awards") in a ratio of one share of Marriott Vacations Worldwide common stock subject to Marriott Vacations Worldwide Stock Awards for each shares of Marriott International common stock subject to the Marriott Stock Awards, with terms and conditions substantially similar to the terms and conditions applicable to the Marriott Stock Awards. The Marriott Stock Awards will continue to remain outstanding in accordance with their material terms and conditions. This adjustment providing for Marriott Vacations Worldwide Stock Awards is intended to preserve the aggregate fair market value of the Marriott Stock Awards.

In addition, effective as of the distribution date, stock options and SARs granted under the Marriott Stock Plan will be converted into adjusted Marriott International stock options or SARs under the Marriott Stock Plan and Marriott Vacations Worldwide stock options or SARs issued under the Marriott Vacations Worldwide Stock Plan. The exercise prices of the adjusted Marriott International stock options and SARs and the Marriott Vacations Worldwide stock options and SARs, and the number of shares subject to such awards, will reflect a conversion ratio that is designed so that the difference between the market price of Marriott International common stock and the exercise price of an award immediately prior to the distribution date will equal the difference between the market prices of Marriott International and Marriott Vacations Worldwide common stock

and the adjusted awards' exercise prices immediately after the distribution. The exact adjustment formula, which is designed to satisfy tax and accounting standards, is set forth in Section of the Employee Benefits and Other Employment Matters Allocation Agreement between us and Marriott International. The terms and conditions of the adjusted Marriott International stock options and SARs and the Marriott Vacations Worldwide stock options and SARs will be substantially similar to the terms and conditions applicable to the original Marriott International stock options and SARs.

With respect to each of the awards described above, after the distribution date, service with Marriott International and/or Marriott Vacations Worldwide will be treated as continuous service with respect to the awards, as specified in the Employee Benefits and Other Employment Matters Allocation Agreement. Thus, the vesting, exercisability and forfeiture of the awards generally will be determined taking into account all such service.

See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Employee Benefits and Other Employment Matters Allocation Agreement" for more information.

Debt Incurrence and Other Financing Arrangements

We expect to have two secured revolving credit facilities in place at the time of the spin-off, the Revolving Corporate Credit Facility and the Warehouse Credit Facility, with aggregate borrowing capacity of $500 million. On September 28, 2011, we closed the Warehouse Credit Facility, and on October 5, 2011 we made our first draw on the facility. We transferred the net proceeds of $122 million from the draw to Marriott International in settlement of certain intercompany account balances. In addition, our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International as part of the internal reorganization, and that Marriott International will sell all of the preferred stock to one or more third-party investors prior to completion of the spin-off. See "Description of Material Indebtedness and Other Financing Arrangements" for details on the credit facilities and the preferred stock.

Conditions to the Spin-Off

We expect that the spin-off will be effective as of 12:01 a.m., Eastern time, on , 2011, the distribution date, provided that the following conditions are either satisfied or waived by Marriott International:

- the board of directors of Marriott International, in its sole and absolute discretion, has authorized and approved the spin-off (including the internal reorganization) and not withdrawn such authorization and approval, and has declared the dividend of our common stock to Marriott International shareholders;
- the Separation and Distribution Agreement and each ancillary agreement contemplated by the Separation and Distribution Agreement have been executed by each party thereto;
- our registration statement on Form 10, of which this information statement is a part, has become effective under the Exchange Act, no stop order suspending that effectiveness is in effect, and no proceedings for such purpose are pending before or threatened by the SEC;
- our common stock has been accepted for listing on a national securities exchange approved by Marriott International, subject to official notice of issuance;
- the internal reorganization (as described in "—Manner of Effecting the Spin-Off—Internal Reorganization") has been completed;
- Marriott International has received an opinion from its tax counsel, in form and substance acceptable to Marriott International, and a private letter ruling from the IRS, each of which remains in full force and effect, that the distribution of shares of Marriott Vacations Worldwide common stock will not result in recognition, for U.S. federal income tax purposes, of income, gain or loss to Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional shares of Marriott Vacations Worldwide common stock;

- this information statement has been mailed to the Marriott International shareholders;
- Marriott Vacations Worldwide's restated certificate of incorporation and restated bylaws, each in the form filed as exhibits to the Form 10 of which this information statement is a part, are in effect;
- Marriott Vacations Worldwide's board of directors consists of the individuals identified in this information statement as directors of Marriott Vacations Worldwide;
- Marriott Vacations Worldwide has received resignations, effective immediately after the distribution, of each individual (other than Deborah Marriott Harrison) who will be an employee of Marriott International or one of its subsidiaries after the distribution and who will be an officer or director of Marriott Vacations Worldwide or one of its subsidiaries immediately prior to the distribution;
- Marriott Vacations Worldwide has entered into the Revolving Corporate Credit Facility and the Warehouse Credit Facility;
- Marriott International has received an opinion, in form and substance acceptable to Marriott International, as to the solvency of Marriott International and Marriott Vacations Worldwide;
- no order, injunction or decree that would prevent the consummation of the distribution is threatened, pending or issued (and still in effect) by any governmental authority of competent jurisdiction, no other legal restraint or prohibition preventing consummation of the distribution is pending, threatened, issued or in effect and no other event has occurred or failed to occur that prevents the consummation of the distribution; and
- any material governmental approvals and other consents necessary to consummate the spin-off have been obtained.

The fulfillment of the foregoing conditions will not create any obligation on Marriott International's part to effect the spin-off. Except as described in the foregoing conditions, we are not aware of any material federal or state regulatory requirements that must be complied with or any material approvals that must be obtained. Marriott International has the right not to complete the spin-off if, at any time prior to the distribution, the board of directors of Marriott International determines, in its sole discretion, that the spin-off is not in the best interests of Marriott International or its shareholders, or that it is not advisable for us to separate from Marriott International.

Solvency Opinion

Marriott International's board of directors has engaged Duff & Phelps, LLC ("Duff & Phelps"), a nationally recognized, independent financial advisory firm, to deliver an opinion to Marriott International and its board of directors regarding the solvency and capitalization of Marriott International immediately before the distribution and each of Marriott International and Marriott Vacations Worldwide immediately following the distribution. The draft form of this opinion is attached to this information statement as Annex A. Marriott International expects that Duff & Phelps will deliver this opinion prior to the distribution of this information statement to Marriott International shareholders, but delivery of the opinion is subject to the firm's completion of its due diligence and financial analysis. Marriott International also expects that Duff & Phelps will confirm its opinion immediately prior to the completion of the distribution. The opinion will set forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Duff & Phelps in connection with the preparation of its opinion.

With regard to the rendering of Duff & Phelps' solvency opinion, Marriott International asked Duff & Phelps to determine whether, as of the date of its opinion:

- the fair value of the aggregate assets of Marriott International immediately before consummation of the distribution, and of each of Marriott International and Marriott Vacations Worldwide immediately after consummation of the distribution, will exceed their respective total liabilities (including contingent liabilities);

- the present fair saleable value of the aggregate assets of Marriott International immediately before consummation of the distribution, and of each Marriott International and Marriott Vacations Worldwide immediately after consummation of the distribution, will be greater than their respective probable liabilities on their debts as such debts become absolute and matured;
- each of Marriott International and Marriott Vacations Worldwide, immediately after consummation of the distribution, should be able to pay their respective debts and other liabilities (including contingent liabilities and other commitments) as they mature;
- each of Marriott International and Marriott Vacations Worldwide, immediately after consummation of the distribution, will not have unreasonably small capital for the businesses in which they are engaged, as managements of Marriott International and Marriott Vacations Worldwide have indicated such businesses are now conducted and have indicated their businesses are proposed to be conducted following consummation of the distribution;
- the excess of the fair value of aggregate assets of Marriott International, immediately before consummation of the distribution, over the total identified liabilities (including contingent liabilities) of Marriott International is equal to or exceeds the fair value of the distribution plus the stated capital of Marriott International (as such capital is calculated pursuant to Section 154 of the DGCL); and
- the excess of the fair value of aggregate assets of Marriott International, immediately after consummation of the distribution, over the total identified liabilities (including contingent liabilities) of Marriott International is equal to or exceeds the stated capital of Marriott International (as such capital is calculated pursuant to Section 154 of the DGCL).

Reason for Furnishing this Information Statement

We are furnishing this information statement to you, as a Marriott International shareholder entitled to receive shares of our common stock in the spin-off, for the sole purpose of providing you with information about us. This information statement is not, and you should not consider it, an inducement or encouragement to buy, hold or sell any of our securities. We believe that the information in this information statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither Marriott International nor we undertake any obligation to update the information except in the normal course of our respective public disclosure obligations.

TRADING MARKET

Market for Our Common Stock

There is no public market for our common stock, and an active trading market may not develop or may not be sustained. We anticipate that trading of our common stock will commence on a "when-issued" basis beginning on or shortly before the record date and continuing through the distribution date. When-issued trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. When-issued trades generally settle within four trading days after the distribution date. If you own shares of Marriott International common stock at the close of business on the record date, you will be entitled to receive shares of our common stock distributed in the spin-off. You may trade this entitlement to receive shares of our common stock, without the shares of Marriott International common stock you own, on the when-issued market. On the first trading day following the distribution date, any when-issued trading of our common stock will end and "regular-way" trading will begin. We intend to list our common stock on the NYSE under the ticker symbol "VAC." We will announce our when-issued trading symbol when and if it becomes available.

We also anticipate that, beginning on or shortly before the record date and continuing up to and including the distribution date, there will be two markets in Marriott International common stock: a "regular-way" market and an "ex-distribution" market. Shares of Marriott International common stock that trade on the regular-way market will trade with an entitlement to shares of our common stock distributed in the distribution. Shares that trade on the ex-distribution market will trade without an entitlement to shares of our common stock distributed in the distribution. Therefore, if you sell shares of Marriott International common stock in the regular-way market up to and including the distribution date, you will be selling your right to receive shares of our common stock in the distribution. However, if you own shares of Marriott International common stock at the close of business on the record date and sell those shares on the ex-distribution market up to and including the distribution date, you will not be selling the right to receive shares of our common stock in connection with the spin-off and you will still receive such shares of our common stock.

We cannot predict the prices at which our common stock may trade before the spin-off on a "when-issued" basis or after the spin-off. Those prices will be determined by the marketplace. Prices at which trading in our common stock occurs may fluctuate significantly. Trading prices for our common stock may be influenced by many factors, including anticipated or actual fluctuations in our operating results or those of other companies in our industry, investor perception of our company and the vacation ownership industry, market fluctuations and general economic conditions. In addition, the stock market in general has experienced extreme price and volume fluctuations that have affected the performance of many stocks and that have often been unrelated or disproportionate to the operating performance of these companies. These are just some factors that may adversely affect the market price of our common stock. See "Risk Factors—Risks Relating to Our Common Stock" for further discussion of risks relating to the trading prices of our common stock.

Transferability of Shares of Our Common Stock

On , 2011, Marriott International had shares of its common stock issued and outstanding. Based on this number, we expect that upon completion of the spin-off, we will have approximately shares of common stock issued and outstanding. The shares of our common stock that you will receive in the distribution will be freely transferable, unless you are considered an "affiliate" of ours under Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). Persons who can be considered our affiliates after the spin-off generally include individuals or entities that directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, us, and may include certain of our officers and directors. As of the distribution date, we estimate that our directors and officers will beneficially own shares of our common stock. In addition, individuals who are affiliates of Marriott International on the distribution date may be deemed to be affiliates of ours. Our affiliates may sell shares of our common stock received in the distribution only:

- under a registration statement that the SEC has declared effective under the Securities Act; or

- under an exemption from registration under the Securities Act, such as the exemption afforded by Rule 144.

In general, under Rule 144 as currently in effect, an affiliate will be entitled to sell, within any three-month period commencing 90 days after the date the registration statement of which this information statement is a part has become effective, a number of shares of our common stock that does not exceed the greater of:

- 1.0% of our common stock then outstanding; or
- the average weekly trading volume of our common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 for the sale.

Rule 144 also includes restrictions governing the manner of sale. Sales may not be made under Rule 144 unless certain information about us is publicly available.

In the future, we may adopt new stock option and other equity-based award plans and issue options to purchase shares of our common stock and other share-based awards. We currently expect to file a registration statement under the Securities Act to register shares to be issued under these stock plans. Shares issued under awards after the effective date of the registration statement, other than shares issued to affiliates, generally will be freely tradable without further registration under the Securities Act.

Except for our common stock distributed in the distribution, none of our common stock will be outstanding on or immediately after the spin-off and there are no registration rights agreements existing for our common stock.

DIVIDEND POLICY

We do not currently intend to pay dividends. Our Board will establish our dividend policy based on our financial condition, results of operations and capital requirements, as well as applicable law, regulatory constraints, industry practice and other business considerations that our Board considers relevant. We anticipate that the credit agreements relating to our revolving credit facilities will include restrictions on our ability to pay dividends. The terms of agreements governing debt that we may incur in the future may also limit or prohibit dividend payments. Accordingly, we cannot assure you that we will either pay dividends in the future or continue to pay any dividend that we may commence in the future.

CAPITALIZATION

The following table presents our historical capitalization at June 17, 2011 and our pro forma capitalization at that date reflecting the spin-off and the related transactions and events described in this information statement as if the spin-off and the related transactions and events had occurred on June 17, 2011.

We are providing the capitalization table below for informational purposes only. You should not construe it as indicative of our capitalization or financial condition had the spin-off and the related transactions and events been completed on the date assumed. The capitalization table below also may not reflect the capitalization or financial condition that would have resulted had we been operated as a separate, independent entity at that date or our future capitalization or financial condition.

You should read the table below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical Combined Financial Statements and accompanying notes included elsewhere in this information statement.

	As of June 17, 2011	
($ in millions)	**Historical**	**Pro Forma**
Securitized vacation ownership debt	$ 895	$ 895
Other debt:		
Revolving credit facility	—	—
Warehouse facility	—	79
Other	3	3
Preferred shares subject to mandatory redemption	—	40
Total debt and preferred shares subject to mandatory redemption	898	1,017
Divisional equity[(1)]	1,916	1,498
Total capitalization	$ 2,814	$ 2,515

(1) Divisional equity includes Accumulated other comprehensive income and Net Parent Investment (as defined in Footnote No. 13, "Net Parent Investment," of the Notes to our annual Combined Financial Statements). See Footnote No. 14, "Subsequent Events," to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

SELECTED HISTORICAL COMBINED FINANCIAL DATA

The following tables present a summary of selected historical combined financial data for the periods indicated below. The selected historical combined statements of operations for the fiscal years 2007 and 2006 and the selected combined balance sheet data for fiscal years 2008, 2007 and 2006 are derived from our unaudited combined financial statements, which are not included in this information statement. The selected historical combined statements of operations for each of the three fiscal years 2010, 2009 and 2008, and the selected combined balance sheet data for fiscal years 2010 and 2009 are derived from our audited Combined Financial Statements, which are included elsewhere in this information statement.

The selected historical combined financial data for the first fiscal halves of 2011 and 2010 are derived from our unaudited interim Combined Financial Statements, which are included elsewhere in this information statement. We have prepared our unaudited combined financial statements on the same basis as our audited financial statements and have included all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and operating results for the unaudited periods. The selected historical combined financial data as of and for the first fiscal halves of 2011 and 2010 are not necessarily indicative of the results that may be obtained for a full year.

Our historical financial statements include allocations of certain expenses from Marriott International, including expenses for costs related to functions such as treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, real estate, shared information technology systems, corporate governance activities and centrally managed employee benefit arrangements. These costs may not be representative of the future costs we will incur as an independent, public company, and do not include certain additional costs we may incur as a public company that we do not incur as a private company.

The financial statements included in this information statement may not necessarily reflect our financial position, results of operations and cash flows as if we had operated as a stand-alone public company during all periods presented. Accordingly, our historical results should not be relied upon as an indicator of our future performance. The following table includes EBITDA and Adjusted EBITDA, which are financial measures we use in our business that are not calculated or presented in accordance with GAAP, but we believe these measures are useful to help investors understand our results of operations. We explain these measures and reconcile them to their most directly comparable financial measures calculated and presented in accordance with GAAP in Footnote No. 4 to the following table.

In presenting the financial data in conformity with GAAP, we are required to make estimates and assumptions that affect the amounts reported. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates,” included elsewhere in this information statement for detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

Between 2006 and 2010, we completed a number of acquisitions and dispositions, the results of operations and financial position of which have been included beginning from the relevant acquisition or disposition dates. See Footnote No. 7, “Acquisitions and Dispositions,” of the Notes to our annual Combined Financial Statements for a more detailed discussion of these acquisitions and dispositions.

In 2009 and 2008, we incurred restructuring charges of $44 million and $19 million, respectively. In addition, we recorded an impairment reversal of $5 million in the 2011 first half and impairment charges related to inventory and property and equipment in 2010, 2009 and 2008 of $15 million, $623 million and $44 million, respectively. We also recorded an equity investment impairment charge in 2009 of $138 million and an impairment reversal of $11 million in 2010 related to our investment in and loans to one joint venture and our estimated liability to fund its losses.

See Footnote No. 16, “Restructuring Costs and Other Charges,” and Footnote No. 17, “Impairment Charges,” of the Notes to our annual Combined Financial Statements for more detailed discussions of these items. See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

The following selected historical financial and other data should be read in conjunction with “Capitalization,” “Unaudited Pro Forma Condensed Combined Financial Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Certain Relationships and Related Party Transactions” and our Combined Financial Statements and related notes included elsewhere in this information statement.

	Twenty-four Weeks Ended		Fiscal Years				
($ in millions)	June 17, 2011	June 18, 2010	2010[1]	2009	2008	2007	2006[2]
Statement of operations data:							
Total revenues	$ 751	$ 745	$1,584	$1,596	$1,916	$2,240	$1,971
Total revenues net of total expenses	61	55	88	(615)	(2)	274	250
Net income (loss) attributable to MVW	35	30	67	(521)	9	178	60
Balance sheet data (end of period):							
Total assets	3,492	3,801	3,642	3,036	3,811	3,297	2,733
Total debt	898	1,005	1,022	59	85	132	5
Total liabilities	1,576	1,705	1,738	813	965	1,038	883
Divisional equity	1,916	2,096	1,904	2,223	2,846	2,259	1,850
Other data:							
EBITDA[4]	$ 100	$ 94	$ 207	$ (720)	$ 55	$ 323	$ 129
Adjusted EBITDA[4]	$ 78	$ 61	$ 155	$ 85	$ 118	$ 323	$ 129
Contract sales[3]:							
Vacation ownership	306	329	692	736	1,133	1,352	1,345
Residential products	2	10	13	12	58	49	287
Total before cancellation allowance	308	339	705	748	1,191	1,401	1,632
Cancellation allowance	1	(14)	(20)	(83)	(115)	—	—
Total contract sales	$ 309	$ 325	$ 685	$ 665	$1,076	$1,401	$1,632

(1) We adopted the new Consolidation Standard in our 2010 first quarter, which significantly increased our reported notes receivable and debt. See Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our annual Combined Financial Statements.

(2) We adopted certain provisions of Accounting Standards Codification Topic 978 (previously Statement of Position 04-2, “Accounting for Real Estate Time Sharing Transactions”), in our 2006 first quarter, which we reported in our Statement of Operations as a cumulative effect of change in accounting principle.

(3) Contract sales represent the total amount of vacation ownership product sales from purchase agreements signed during the period where we have received a downpayment of at least 10 percent of the contract price, reduced by actual rescissions during the period. Contract sales differ from revenues from the sale of vacation ownership products that we report in our Combined Statements of Operations due to the requirements for revenue recognition described above. We consider contract sales to be an important operating measure because it reflects the pace of sales in our business.

(4) EBITDA, a financial measure which is not prescribed or authorized by GAAP, reflects earnings excluding the impact of interest expense, provision for income taxes, depreciation and amortization. We consider EBITDA to be an indicator of operating performance, and we use it to measure our ability to service debt, fund capital expenditures and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. EBITDA also

excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

We also evaluate Adjusted EBITDA, another non-GAAP financial measure, as an indicator of performance. Our Adjusted EBITDA excludes the impact of our 2008 and 2009 restructuring costs and 2008, 2009 and 2010 impairment charges and includes the impact of interest expense associated with our debt from the securitization of our notes receivable. We include the interest expense related to debt from the securitization of our notes receivable in determining Adjusted EBITDA as the debt is secured by notes receivable that have been sold to bankruptcy remote special purpose entities, and is not recourse generally to us or to our business. We evaluate Adjusted EBITDA, which adjusts for these items, to allow for period-over-period comparisons of our ongoing core operations before material charges and is useful to measure our ability to service our non-securitized debt. EBITDA and Adjusted EBITDA also facilitate our comparison of results from our ongoing operations with results from other vacation ownership companies.

EBITDA and Adjusted EBITDA have limitations and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. Both of these non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do or may not calculate it at all, limiting Adjusted EBITDA's usefulness as a comparative measure. The table below shows our EBITDA and Adjusted EBITDA calculations and reconciles those measures with Net Income (Loss).

The following is a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA:

	Twenty-four Weeks Ended		Fiscal Years				
	June 17, 2011	June 18, 2010	2010[1]	2009	2008	2007	2006[2]
Net income (loss)	$ 35	$ 30	$ 67	$(532)	$ (16)	$177	$ 60
Interest Expense	22	28	56	—	—	—	—
Tax provision (benefit), continuing operations	26	18	45	(231)	25	107	29
Depreciation and amortization	17	18	39	43	46	39	40
EBITDA	100	94	207	(720)	55	323	129
Restructuring expenses.	—	—	—	44	19	—	—
Impairment charges:							
Impairments.	—	(5)	15	623	44	—	—
Equity investment impairments.	—	—	(11)	138	—	—	—
Consumer financing interest expense	(22)	(28)	(56)	—	—	—	—
	(22)	(33)	(52)	805	63	—	—
Adjusted EBITDA.	$ 78	$ 61	$ 155	$ 85	$118	$323	$ 129

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements (together with the related notes) should be read in conjunction with the sections entitled “Business,” “Selected Historical Combined Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our historical annual and interim Combined Financial Statements and accompanying notes included elsewhere within this Information Statement.

The unaudited pro forma condensed combined financial statements set forth below are based on and have been derived from our historical annual and interim Combined Financial Statements, including the unaudited combined balance sheet as of June 17, 2011, the unaudited combined statement of operations for the twenty-four weeks ended June 17, 2011, and the audited combined statement of operations for 2010, which are included elsewhere within this Information Statement. Our historical financial statements include allocations of certain expenses from Marriott International, including expenses for costs related to functions such as treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, real estate, shared information technology systems, corporate governance activities and centrally managed employee benefit arrangements. These costs may not be representative of the future costs we will incur as an independent, public company, and do not include certain additional costs we may incur as an independent public company.

The unaudited pro forma condensed combined statement of operations gives effect to the spin-off as if it had occurred on January 2, 2010. The unaudited pro forma combined balance sheet gives effect to the spin-off as if it had occurred on June 17, 2011. In management’s opinion, the unaudited pro forma condensed combined financial statements reflect adjustments that are both necessary to present fairly the unaudited pro forma condensed combined statement of operations and the unaudited combined financial position of our business as of and for the periods indicated and are reasonable given the information currently available.

The unaudited pro forma condensed combined financial statements are for illustrative and informational purposes only and are not intended to represent what our results from operations or financial position would have been had the transactions contemplated by the Separation and Distribution Agreement occurred on the dates indicated. The unaudited pro forma condensed combined financial statements also should not be considered indicative of our future results of operations or financial position as an independent, public company.

The following unaudited pro forma condensed combined statement of operations and unaudited pro forma combined balance sheet give pro forma effect to the following:

- the completion by Marriott International of an internal reorganization as a result of which we will own, directly or indirectly, the entities that conduct Marriott International’s vacation ownership business and residential real estate development business, including all liabilities of such businesses at the distribution date;
- the distribution of our common stock to Marriott International shareholders (assuming a one to ten distribution ratio);
- our entry into the Revolving Corporate Credit Facility and Warehouse Credit Facility;
- the issuance by our subsidiary MVW US Holdings of $40 million of Series A mandatorily redeemable preferred stock to Marriott International as part of the internal reorganization (which Marriott International plans to sell to third-party investors at or prior to the distribution, with Marriott International retaining all net proceeds of such sale);
- our entry into the License Agreements, which require us to pay (i) a fixed annual fee of $50 million plus (ii) 2 percent of the gross sales price paid to us for initial developer sales of interests in vacation ownership units and residential real estate units and 1 percent of resales of interests in vacation ownership units and residential real estate units, in each case that are identified with or use the Marriott or Ritz-Carlton marks; and
- the retention by Marriott International of a majority of the net operating loss carryforwards we historically generated as of the distribution date.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the twenty-four weeks ended June 17, 2011
($ in millions)

	Historical	Adjustments		Pro Forma	
REVENUES					
Sales of vacation ownership products, net	$ 295	$ —		$ 295	
Resort management and other services	108	—		108	
Financing	80	—		80	
Rental	95	—		95	
Other	15	—		15	
Cost reimbursements	158	—		158	
TOTAL REVENUES	751	—		751	
EXPENSES					
Cost of vacation ownership	116	—		116	
Marketing and sales	154	—		154	
Resort management and other services	91	—		91	
Financing and other	17	—		17	
Rental	94	—		94	
General and administration	38	—		38	
Interest expense	22	6	(B)(C)	28	
Royalty fee	—	29	(A)	29	
Cost reimbursements	158	—		158	
TOTAL EXPENSES	690	35		725	
INCOME BEFORE INCOME TAXES	61	(35)		26	
Provision for income taxes	(26)	12	(D)	(14)	
NET INCOME	$ 35	$ (23)		$ 12	
Basic Outstanding Shares	N/A			36.2	(E)
Basic EPS	N/A			$ 0.33	(E)
Diluted Outstanding Shares	N/A			37.6	(F)
Diluted EPS	N/A			$ 0.32	(F)

See accompanying notes to unaudited pro forma condensed combined financial statements.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the fiscal year ended December 31, 2010
($ in millions)

	Historical	Adjustments		Pro Forma	
REVENUES					
Sales of vacation ownership products, net	$ 635	$ —		$ 635	
Resort management and other services	227	—		227	
Financing	188	—		188	
Rental	187	—		187	
Other	29	—		29	
Cost reimbursements	318	—		318	
TOTAL REVENUES	1,584	—		1,584	
EXPENSES					
Cost of vacation ownership products	247	—		247	
Marketing and sales	344	—		344	
Resort management and other services	196	—		196	
Financing and other	44	—		44	
Rental	194	—		194	
General and administration	82	—		82	
Interest expense	56	15	(B)(C)	71	
Impairment	15	—		15	
Royalty Fee	—	64	(A)	64	
Cost reimbursements	318	—		318	
TOTAL EXPENSES	1,496	79		1,575	
Gains and other income	21	—		21	
Equity in losses	(8)	—		(8)	
Impairment reversals on equity investment	11	—		11	
INCOME BEFORE INCOME TAXES	112	(79)		33	
Provision for income taxes	(45)	28	(D)	(17)	
NET INCOME	$ 67	$ (51)		$ 16	
Basic Outstanding Shares	N/A			36.3	(E)
Basic EPS	N/A			$ 0.44	(E)
Diluted Outstanding Shares	N/A			37.8	(F)
Diluted EPS	N/A			$ 0.42	(F)

See accompanying notes to unaudited pro forma condensed combined financial statements.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of June 17, 2011
($ in millions)

	Historical	Adjustments		Pro Forma
ASSETS				
Cash and cash equivalents	$ 25	$		$ 25
Restricted cash (including $61 from VIEs)	75	—		75
Accounts and contracts receivable (net of allowance of $1)	97	—		97
Notes receivable (including $913 from VIEs)	1,188	—		1,188
Inventory	1,349	—		1,349
Property and equipment	306	—		306
Deferred taxes	316	(308)	(G)	8
Other (including $5 from VIEs)	136	9	(H)(I)	145
Total Assets	$ 3,492	$ (299)		$ 3,193
LIABILITIES AND DIVISIONAL EQUITY				
Accounts payable	$ 62	$ —		62
Advance deposits	57	—		57
Accrued liabilities	108	—		108
Deferred revenue	41	—		41
Payroll and benefits liability	61	—		61
Liability for Marriott Rewards loyalty program	198	—		198
Deferred compensation liability	63	—		63
Debt (including $895 from VIEs)	898	79	(J)	977
Preferred shares subject to mandatory redemptions	—	40	(H)	40
Other (including $5 from VIEs)	88	—		88
	1,576	119		1,695
Divisional Equity				
Net Parent Investment	1,888	(418)		1,470
Accumulated other comprehensive income	28	—		28
	1,916	(418)		1,498
Total Liabilities and Divisional Equity	$ 3,492	$ (299)		$ 3,193

The abbreviation VIEs above means Variable Interest Entities.

See accompanying notes to unaudited pro forma condensed combined financial statements.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(A) Represents the fixed and variable components of the royalty fees of $29 million and $64 million for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively, paid by us under the License Agreements. The fixed fee is $50 million per year and the variable component is 2 percent of the gross sales price paid to us for initial developer sales of interests in vacation ownership units and residential real estate units, plus one percent of the gross sales price paid to us for resales of interests in vacation ownership units and residential real estate units, in each case that are identified with or use the Marriott or Ritz-Carlton marks.

(B) Reflects incremental interest expense in connection with the following events:

- Entry into the Revolving Corporate Credit Facility. The interest expense adjustment assumes amortization of debt issuance costs and unused line of credit fees of approximately $2 million and $4 million for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively.
- Entry into the Warehouse Credit Facility and monthly average borrowings under the Warehouse Credit Facility of $61 million and $137 million for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively. Borrowings under the Warehouse Credit Facility are limited to eligible notes receivable at any point in time. The monthly average borrowings under the Warehouse Credit Facility were estimated based on our historical eligible notes receivable balances for the last 18 months. The applicable interest rate on outstanding borrowings under the Warehouse Credit Facility fluctuates with LIBOR. Interest expense of $2 million and $7 million was calculated assuming an annual average interest rate of 2.69% and 3.48% for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively. The interest expense adjustment assumes amortization of debt issuance costs and unused line of credit fees of approximately $1 million and $3 million for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively.

(C) Reflects incremental interest expense as a result of the issuance by MVW US Holdings of $40 million of Series A mandatorily redeemable preferred stock to Marriott International, which we assume will pay dividends at a rate of 10% per annum. The adjustment includes $2 million and $4 million of dividend payments and the amortization of initial transaction costs, both of which will be recorded within the interest expense caption of our Statement of Operations on the preferred shares issued by MVW US Holdings for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively, which is not deductible for tax purposes.

(D) Represents the estimated tax impact of the above royalty and interest adjustments described in (A) and (B) above using a blended federal and state tax rate of 37.5%.

(E) Pro forma earnings per share and weighted average shares outstanding reflect the estimated number of common shares we expect to be outstanding upon the completion of the distribution (based on an assumed distribution ratio of one share of Marriott Vacations Worldwide common stock for every ten shares of Marriott International common stock).

(F) Pro forma diluted earnings per share and pro forma weighted-average diluted shares outstanding reflect common shares that may be issued in connection with awards granted prior to the distribution under Marriott International equity plans in which our employees participate based on the distribution ratio noted above in (E). While the actual dilutive impact will depend on various factors, we believe the estimate yields a reasonable approximation of the dilutive impact of the Marriott International equity plans.

(G) This adjustment reflects the deferred tax asset to be recognized by Marriott International in connection with the internal reorganization prior to the spin-off, as of June 17, 2011.

(H) Represents the issuance of $40 million of Series A mandatorily redeemable preferred shares by MVW US Holdings to Marriott International which we assume will pay dividends at a rate of 10% per annum and

related capitalized issuance costs of $2 million. Marriott International intends to sell these preferred shares to third parties at or prior to the distribution date and will retain all net proceeds of such sale.

(I) Represents the estimated fees and costs expected to be incurred and capitalized of $7 million in connection with the Revolving Corporate Credit Facility and the Warehouse Credit Facility.

(J) Represents an advance of $79 million under the Warehouse Credit Facility at June 17, 2011, based on the principal amount of eligible notes receivable at that date and an assumed advance rate of 80%.

See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

We will enter into agreements for Marriott International to provide certain services on a short-term transitional basis, including payroll, accounts payable and fixed asset accounting services and access to the software required to receive such services. Our future costs have not been finalized for these services. We expect to be charged based on the incremental resources required by Marriott International to provide them or on an allocation based on usage of such software and services. We expect our incremental ongoing costs for these services will be less than $1 million per annum over current levels.

Prior to and as part of the spin-off, we may incur up to $5 million of information technology costs.

BUSINESS

Overview

We are a worldwide developer, marketer, seller and manager of vacation ownership resorts and vacation club, destination club and exchange programs, principally under the “Marriott” and “Ritz-Carlton” brands and trademarks, which we will license after the spin-off from Marriott International and Ritz-Carlton. When our spin-off from Marriott International is complete, we expect to be the world’s largest company whose business is focused almost entirely on vacation ownership, based on number of owners, number of resorts and revenues.

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases of vacation ownership products; and renting vacation ownership inventory. As of December 31, 2010, we had 64 vacation ownership resorts (under 71 separate resort management contracts) in the United States and eight other countries and territories and approximately 400,000 owners of our vacation ownership and residential products.

Under our License Agreement with Marriott International, after the spin-off we will have the exclusive right to develop, market, sell and manage vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. Under our License Agreement with Ritz-Carlton, after the spin-off we will have the exclusive right to develop, market and sell vacation ownership and related products under The Ritz-Carlton Destination Club brand and the non-exclusive right to develop, market and sell whole ownership residential products under the Ritz-Carlton Residences brand. Ritz-Carlton generally will provide on-site management for Ritz-Carlton branded properties.

Our strategic goal is to further strengthen our leadership position in the vacation ownership industry. We believe that we have significant competitive advantages, including our scale and global reach, a dual product platform that includes both upscale and luxury tier products, the quality and strength of the Marriott and Ritz-Carlton brands, our loyal and highly satisfied customer base, our long-standing track record and our experienced management team. Our strategy focuses on leveraging our globally recognized brand names and existing customer base to grow sales; maximizing our cash flow by more closely matching inventory development with sales pace; maintaining and improving the satisfaction of our owners, guests and associates; disposing of excess assets and selectively pursuing “asset light” deals; and selectively pursuing new business opportunities.

The Vacation Ownership Industry

The vacation ownership industry (also known as the timeshare industry) enables customers to share ownership and use of fully-furnished vacation accommodations. Typically, a vacation ownership purchaser acquires either a fee simple interest in a property (or collection of properties), which gives the purchaser title to a fraction of a unit, or a right to use a property for a specific period of time. These rights may consist of a deeded interest in a specified accommodation unit, an undivided interest in a building or resort, or an interest in a trust that owns one or more resorts. Generally, a vacation ownership purchaser’s fee simple interest in or right to use a property is referred to as a “vacation ownership interest.” By purchasing a vacation ownership interest, owners make a commitment to vacation. For many vacation ownership interest purchasers, vacation ownership is an attractive vacation alternative to traditional lodging accommodations at hotels. By purchasing a vacation ownership interest, owners can avoid the volatility in room rates to which lodging customers are subject. Owners can also enjoy vacation ownership accommodations that are, on average, more than twice the size of traditional hotel rooms and typically have more amenities, such as kitchens, than traditional hotel rooms. Other vacation ownership purchasers find vacation ownership preferable to owning a second home because vacation ownership is more convenient and offers greater flexibility.

Typically, developers sell vacation ownership interests for a fixed purchase price that is paid in full at closing. Many vacation ownership companies provide financing or facilitate access to third-party bank financing for customers. Vacation ownership resorts are often managed by a nonprofit property owners’ association in

which owners of vacation ownership interests participate. Most property owners' associations are governed by a board of trustees or directors that includes representatives of the owners, which may include the developer for so long as the developer owns interests in the resort. Some vacation ownership resorts are held through a trust structure in which a trustee holds title to the resort and manages the resort. The board of the property owners' association, or trustee, as applicable, typically delegates much of the responsibility for managing the resort to a management company, which may be affiliated with the developer.

After the initial purchase, most vacation ownership programs require the owner of the vacation ownership interest to pay an annual maintenance fee. This fee represents the owner's allocable share of the costs and expenses of operating and maintaining the vacation ownership resorts, including management fees and expenses, taxes, insurance, and other related costs, and of providing program services (such as reservation services). This fee typically includes a property management fee payable to the vacation ownership company for providing management services as well as an assessment for funds to be deposited into a capital asset reserve fund and used to renovate, refurbish and replace furnishings, common areas and other assets (*e.g.*, parking lots or roofs) as needed over time. Owners typically reserve their usage of vacation accommodations in advance through a reservation system (often provided by the vacation ownership company), unless a vacation ownership interest specifies a fixed usage date every year. The vacation ownership industry has grown through expansion of established vacation ownership developers as well as the entrance into this market of well-known lodging and entertainment companies, including Marriott International, Disney, Four Seasons, Hilton, Hyatt, Starwood and Wyndham, which have developed larger resorts as the vacation ownership resort industry has matured. The industry's growth can also be attributed to increased market acceptance of vacation ownership resorts, stronger consumer protection laws and the evolution of vacation ownership interests from a fixed- or floating-week product, which provides the right to use the same property every year, to membership in multi-resort vacation networks, which offer a more flexible vacation experience. These vacation networks often issue their members an annual allotment of points that the member can redeem in exchange for stays at the vacation ownership resorts included in the network or for other vacation options available through the program.

To enhance the appeal of their products, vacation ownership developers with multiple resorts and/or hotel affiliations typically establish systems that enable owners to use resorts across their resort portfolio, and/or their affiliated hotel networks. In addition to these resort systems, developers of all sizes typically also affiliate with vacation ownership exchange companies in order to give customers the ability to exchange their rights to use the developer's resorts into a broader network of resorts. The two leading exchange service providers are Interval International, with which we are associated, and Resort Condominium International. Interval International's and Resort Condominium International's networks include over 2,600 and 3,700 affiliated resorts, respectively, as identified on each company's website.

According to the American Resort Development Association ("ARDA"), a trade association representing the vacation ownership and resort development industries, as of December 31, 2010, the U.S. vacation ownership community was comprised of approximately 1,548 resorts, representing approximately 197,600 units and an estimated 8.1 million vacation ownership week equivalents. The vacation ownership industry grew steadily between 1975 and 2008, with sales increasing from $0.1 billion in 1975 to $9.7 billion in 2008, according to ARDA. During the global recession of 2008 and 2009, the pace of growth slowed, with sales declining from $9.7 billion in 2008 to $6.3 billion in 2009. According to ARDA, the industry began to recover in 2010, with sales stabilizing at $6.4 billion. We believe there is considerable potential for further growth in the vacation ownership industry. According to ARDA's 2010 Market Sizing Survey conducted in January 2010, approximately 7 percent of all U.S. households own a vacation ownership interest.

We believe that competition in the vacation ownership industry is based primarily on the quality, number and location of vacation ownership resorts, trust in the brand, the pricing of product offerings and the availability of program benefits, such as exchange programs and access to affiliated hotel networks. Vacation ownership is a leisure vacation option that is positioned and sold as an attractive alternative to vacation rentals (*e.g.*, hotels, resorts and condominium rentals) and second home ownership. The various segments within the vacation

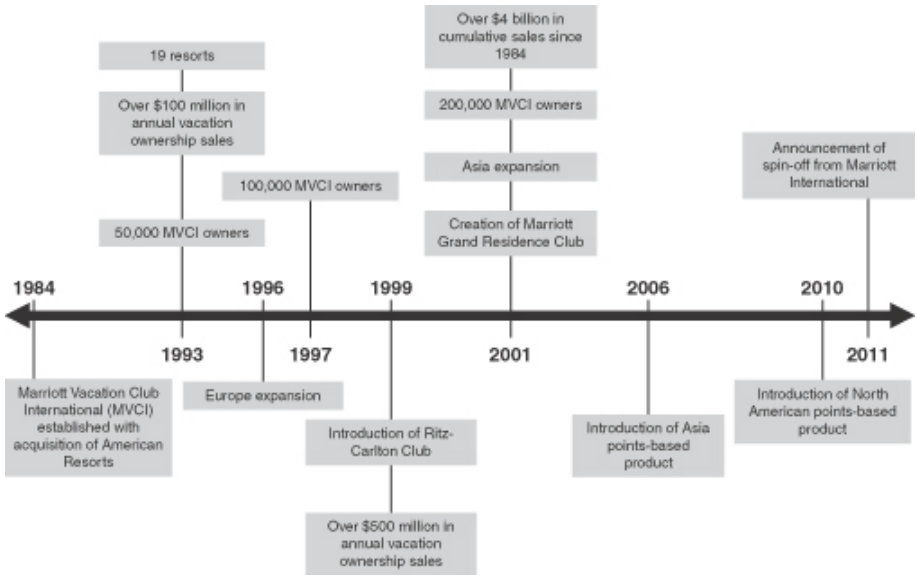
ownership industry are differentiated by the quality level of the accommodations, range of services and ancillary offerings, and price. Our brands operate in the upscale and luxury tiers of the vacation ownership segment of the industry and the upscale and luxury tiers of the whole ownership segment (also referred to as the residential segment) of the industry.

Our History

In 1984, Marriott International's predecessor, Marriott Corporation, became the first major lodging company to enter the vacation ownership industry with its acquisition of American Resorts, a small vacation ownership company with four U.S. locations and 6,000 owners. Marriott International leveraged its well-known "Marriott" brand to sell one-week vacation ownership intervals, which were frequently located at resorts developed adjacent to Marriott International hotels. The company differentiated its offerings through its high-quality resorts that were purpose-built for vacation ownership, its dedication to excellent customer service and its commitment to ethical business practices. These qualities encouraged repeat business and word-of-mouth customer referrals.

Marriott International, working with ARDA, also encouraged the enactment of responsible consumer-protection legislation and state regulation that enhanced the reputation and respectability of the overall vacation ownership industry. As Marriott International's vacation ownership business expanded, it provided new and existing owners with a growing variety of vacation experiences and resort locations. We believe that, over time, Marriott International's vacation ownership products and services helped improve the public perception of the vacation ownership industry. A number of other major lodging companies later entered the vacation ownership business, further enhancing the industry's image and credibility.

The following timeline notes significant steps in the evolution of our business and product offerings to date:



From 1984 to 2010, our gross vacation ownership sales grew at a 16 percent compound annual rate, from total contract sales of $14 million in 1984 to $705 million in 2010. Beginning in 2008, the global recession dramatically reduced vacation ownership industry demand, particularly in the United States. Disruptions in the mortgage-backed securitization market made it difficult to securitize consumer financing receivables, including vacation ownership loans. We responded to these changes by adjusting our marketing and sales approach to focus on higher yielding marketing channels and customers having a higher affinity for the Marriott brand. We closed

less productive sales offices, significantly reduced inventory development activities and eliminated consumer financing incentives. We increased cash flow by reducing overhead and capital expenditures. Despite the difficult economy, our business generated $67 million in after-tax earnings and $383 million in cash flow from operations in 2010. As of December 31, 2010, approximately 400,000 owners owned one or more of our vacation ownership and residential products.

Given our improved operating efficiency and profitability, significant available inventory and the successful launch of the MVCD program, Marriott International believed the timing was right to launch Marriott Vacations Worldwide as an independent company. In February 2011, Marriott International announced its intention to spin-off its vacation ownership business to its shareholders through a special dividend.

Marriott Vacations Worldwide Corporation was incorporated in Delaware in June 2011. Our corporate headquarters is located in Orlando, Florida.

Our Brands

We design, build, manage and maintain our properties at upscale and luxury levels in accordance with the Marriott International and Ritz-Carlton brand standards that we must comply with under the License Agreements. For a further discussion of these requirements please refer to “Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off.”

We offer our products under four brands:

The **Marriott Vacation Club** brand is our signature offering in the upscale tier of the vacation ownership industry. Marriott Vacation Club resorts typically combine many of the comforts of home, such as spacious accommodations with one-, two- and three- bedroom options, living and dining areas, in-unit kitchens and laundry facilities, with resort amenities such as large feature swimming pools, restaurants and bars, convenience stores, fitness facilities and spas, as well as sports and recreation facilities appropriate for each resort’s unique location. As of December 31, 2010, this system of resorts consisted of 53 resorts in 33 destinations in the United States and six other countries and territories.

The Marriott Vacation Club products are currently marketed for sale throughout the United States and in over 40 countries around the world, targeting customers who vacation regularly with a focus on family, relaxation and recreational activities. We offer this brand primarily in a points-based format and to a lesser extent as weekly intervals.

Grand Residences by Marriott is an upscale tier vacation ownership and whole ownership residence brand. Our vacation ownership products under this brand currently include multi-week ownership interests in two locations: Lake Tahoe, California; and London, England. The ownership structure, physical products and usage options for these two locations are similar to those we offer to Marriott Vacation Club owners, although the time period for each Grand Residences by Marriott ownership interest ranges between three and thirteen weeks. We also currently offer whole ownership residential products under this brand in two locations: Panama City, Florida; and Kauai, Hawaii. Three of our Grand Residences by Marriott locations (Lake Tahoe, Panama City and Kauai) are co-located with Marriott Vacation Club resorts.

The **Ritz-Carlton Destination Club** brand is our vacation ownership offering in the luxury tier of the industry. The Ritz-Carlton Destination Club provides luxurious vacation experiences commensurate with the legacy of the Ritz-Carlton brand. Ritz-Carlton Destination Club resorts typically feature two-, three- and four- bedroom units that generally include marble foyers, walk-in closets and custom kitchen cabinetry, and luxury resort amenities such as large feature pools and full service restaurants and bars. The on-site services, which usually include daily maid service, valet, in-residence dining, and access to fitness facilities as well as spa and sports facilities as appropriate for each destination, are delivered by Ritz-Carlton. As of December 31, 2010, the Ritz-Carlton Destination Club system consisted of ten premier destinations in the United States, the Bahamas and the Caribbean.

Ritz-Carlton Destination Club products are offered in both a points-based resort system format and in multi-week ownership interests with a specific resort preference. In the United States, the predominant form of ownership provides our owners with real estate ownership rights in perpetuity.

The **Ritz-Carlton Residences** brand is a whole ownership residence brand in the luxury tier of the industry. The Ritz-Carlton Residences include whole ownership luxury residential condominiums and home sites for luxury home construction co-located with four of our Ritz-Carlton Destination Club resorts in the Bahamas; Kapalua, Hawaii; Jupiter, Florida; and San Francisco, California. Owners can typically purchase condominiums that vary in size from one-bedroom apartments to spacious penthouses. Ritz-Carlton Residences are situated in settings ranging from city center locations to golf and beach communities with private homes where residents can avail themselves of the services and facilities that are associated with the co-located Ritz-Carlton Destination Club resort on an a la carte basis. On-site services are delivered by Ritz-Carlton. While the worldwide residential market is very large, the luxurious nature of the Ritz-Carlton Residences properties, the quality and exclusivity associated with the Ritz-Carlton brand, and the hospitality services that we provide all make our Ritz-Carlton Residences properties distinctive.

Our Products

Our Points-Based Vacation Ownership Products

We offer the majority of our Marriott Vacation Club and Ritz-Carlton Destination Club products through three points-based ownership programs: MVCD; The Ritz-Carlton Destination Club; and Marriott Vacation Club, Asia Pacific. While the individual characteristics of each of our points-based programs differ slightly, in each program, owners receive an annual allotment of points representing the owners' usage rights, and owners can use these points to access vacation ownership units across multiple destinations within their program's portfolio of resort locations. Each program permits shorter or longer stays than a traditional weeks-based vacation ownership product and provides for flexible check-in days. The MVCD and the Marriott Vacation Club, Asia Pacific programs allow owners to bank and borrow their annual point allotments, as well as access other Marriott Vacation Club locations through internal exchange programs that we and Interval International operate, access Interval International's approximately 2,600 affiliated resorts, or trade their vacation ownership usage rights for Marriott Rewards Points. Owners can use Marriott Rewards Points to access Marriott International's system of over 3,500 participating hotels or redeem their Marriott Rewards Points for airline miles or other merchandise offered through the Marriott Rewards customer loyalty program. The Ritz-Carlton Destination Club points-based product allows owners to access the system of Ritz-Carlton Destination Club resorts based on an internal exchange program that we operate, as well as Ritz-Carlton hotels worldwide and a growing list of exchange and vacation travel options.

MVCD owners and Ritz-Carlton Destination Club owners hold an interest in real estate, owned in perpetuity. Our Marriott Vacation Club, Asia Pacific program offers usage for a term of approximately 50 years from the program's date of launch. In each program, owners receive an annual allotment of vacation club points for the vacation ownership interests purchased, which they redeem for stays at our vacation ownership resorts or for other usage options provided by or available through their respective programs. Members of our points-based programs pay annual fees in exchange for the ability to participate in the program.

Our Weeks-Based Vacation Ownership Products

We continue to sell Marriott Vacation Club branded weeks-based vacation ownership products in select markets, including in countries where legal and tax constraints currently limit our ability to include those locations in the MVCD trust. We offer multi-week vacation ownership interests in specific Ritz-Carlton Destination Club resorts in addition to our points-based offering described above to address demand from some owners for site specific ownership. Our Marriott Vacation Club, Grand Residences by Marriott and Ritz-Carlton Destination Club weeks-based vacation ownership products in the United States and select Caribbean locations are typically sold as fee simple deeded real estate interests at a specific resort representing an ownership interest

in perpetuity, except where restricted by leasehold or other structural limitations. We sell vacation ownership interests as a right-to-use product subject to a finite term under the Marriott Vacation Club brand in Europe and Asia Pacific and under the Grand Residences by Marriott brand in Europe.

As part of the launch of the MVCD program in mid-2010, we offered our existing Marriott Vacation Club owners who held weeks-based products the opportunity to participate in the MVCD program on a voluntary basis. All existing owners, whether or not they elected to participate in the MVCD program, retained their existing rights and privileges of vacation ownership. Owners who elected to participate in the program received the ability to trade their weeks-based intervals usage for vacation club points usage each year, subject to payment of an initial enrollment fee and annual fees. As of the end of the first half of 2011, almost 75,000 weeks-based owners have enrolled over 140,000 weeks in the MVCD program since its launch and, of the 75,000 owners who have enrolled with one of our sales executives, approximately 32 percent have purchased additional MVCD points. As more weeks-based owners enroll in the MVCD program and elect to exchange their usage, available inventory increases for all MVCD program participants.

Our Sources of Revenue

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases of vacation ownership products; and renting vacation ownership inventory.

Sale of Vacation Ownership Products

Our principal source of revenue is the sale of vacation ownership interests. See "—Marketing and Sales Activities" below for information regarding our marketing and sales activities.

Resort Management and Other Services Revenue

We generate revenue from fees we earn for managing each of our resorts. See "—Property Management Activities" below for additional information on the terms of our management agreements. In addition, we receive annual fees from members of the MVCD program. We also earn revenue from food and beverage offerings, golf courses and spas at our various resorts.

Financing Revenue

We earn interest income on loans that we provide to purchasers of our vacation ownership interests, as well as loan servicing and other fees. See "—Consumer Financing" below for further information regarding our consumer financing activities.

Rental Revenue

We generate rental revenue from transient rentals of inventory we hold for development and sale as interests in our vacation ownership programs or as residences, or inventory that we control because our owners have elected various usage options permitted under our vacation ownership programs.

Marketing and Sales Activities

We sell our upscale tier vacation ownership products under the Marriott Vacation Club brand primarily through our worldwide network of resort-based sales centers and certain off-site sales locations. Approximately 85 percent of our sales originate at one of our sales centers that are co-located with one of our resorts. We maintain a range of different off-site sales centers, including our central telesales organization based in Orlando, our network of third-party brokers in Latin America and our city-based sales centers, such as our sales centers in Dubai, Hong Kong and Singapore. We have over 65 global sales locations focused on the sale of Marriott Vacation Club products.

We utilize a number of marketing channels to attract qualified customers to our sales locations for our Marriott Vacation Club vacation ownership products. Historically, approximately 50 percent of our annual sales revenues were from purchases by existing owners and their referrals. Since 2008, in response to decreased consumer demand, we curtailed some of our higher cost marketing channels and, more recently, beginning in the middle of 2010, we focused our initial MVCD sales activities on existing Marriott Vacation Club owners. As a result of these initiatives, the percentage of sales from our owners and their referrals has increased to approximately 70 percent as of June 17, 2011. We solicit our owners to add to their ownership primarily while they are staying in our resorts. We also offer our owners the opportunity to make additional purchases through direct phone sales, owner events and referrals from our central customer service center located in Salt Lake City. We offer customers who are referred to us by our owners discounted stays at our resorts and conduct scheduled sales tours while they are on-site. Where allowed by regulation, we offer Marriott Rewards Points to our owners when their referral candidates tour with us or buy vacation ownership interests from us.

We also market to existing Marriott Rewards customer loyalty program members and travelers who are staying in locations where we have resorts. We market extensively to guests in Marriott International hotels that are located near one of our sales locations. In addition, we operate other local marketing venues in various high-traffic areas. A significant part of our direct marketing activities are focused on prospects in the Marriott Rewards customer loyalty program database and our own in-house database of qualified prospects. Guests who do not buy a vacation ownership interest during their initial tour are offered a special package for another stay at our resorts within a year. These return guests are typically twice as likely to purchase as a first time visitor.

Our Marriott Vacation Club sales tours are designed to provide our guests with an in-depth overview of our company and our products, as well as a customized presentation to explain how our products and services can meet their vacationing needs. Our sales force is highly trained in a consultative sales approach designed to ensure that we meet customers' needs on an individual basis. We hire our Marriott Vacation Club sales executives based on stringent selection criteria. After they are hired, they spend a minimum of four weeks in product and sales training before interacting with any customers. We manage our sales executives' consistency of presentation and professionalism using a variety of sales tools and technology and through a post-presentation survey of our guests that measures many aspects of each guest's interaction with us.

The marketing channels we use for our upscale tier vacation ownership products sold under the Grand Residences by Marriott brand and our luxury tier vacation ownership products sold under the Ritz-Carlton Destination Club brand are fairly consistent with those we use for our Marriott Vacation Club products, but the types of customers we target differ substantially due to the substantially greater financial commitment involved. For example, we partner with commercial airlines for Marriott Vacation Club products and with fractional private air operators such as Marquis Jets and Net Jets for The Ritz-Carlton Destination Club products. Similarly, our marketing arrangements with American Express are designed to target Gold Card members for our Marriott Vacation Club vacation ownership products and Platinum Card members for our Grand Residences by Marriott and Ritz-Carlton Destination Club vacation ownership products.

While we also rely on on-site resort sales locations to market our Grand Residences by Marriott and Ritz-Carlton Destination Club products, much of the sales activity takes place well after our customers' initial visits and is supported by sales personnel located in the same market as the customer. As the purchase price of the Ritz-Carlton Destination Club products and Grand Residences by Marriott products generally start at more than four times the average Marriott Vacation Club purchase price, buyers of these products tend to take more time to consider their purchase. Our residential sales are typically conducted through our own and third-party brokerage services.

We believe consumers place a great deal of trust in the Marriott and Ritz-Carlton brands and the strength of these brands is important to our ability to attract qualified prospects in the marketplace. We maintain a prominent presence on the www.marriott.com and www.ritzcarlton.com websites. Our proprietary sites, www.marriottvacationclub.com and www.ritzcarltonclub.com, have more than 5,000,000 visits per year.

Inventory and Development Activities

We secure inventory by building multiple phases at our existing resorts, repurchasing inventory in the secondary market, beginning ground up development in strategic markets, acquiring built inventory at new locations, and/or establishing fee-based marketing and management agreements with real estate developers and lenders.

After selecting a site we believe is suitable for development and attractive to customers, we typically complete the development of a new resort's design and entitlement process within one year from the acquisition of the land. We typically complete the basic infrastructure of the resort within the following year, and generally deliver units and core amenities, such as pools and food and beverage facilities, during the initial phase of the development six to nine months after the infrastructure is completed. We pace our construction to demand trends.

Approximately one-third of our vacation ownership resorts are co-located with Marriott International and Ritz-Carlton hotel properties. Co-location of our resorts with Marriott International or Ritz-Carlton branded hotels can provide several advantages from development, operations, customer experience and marketing perspectives, including sharing amenities, infrastructure and staff; integration of services; and other cost efficiencies. The larger campus of an integrated vacation ownership and hotel resort often can afford our owners more varied and elaborate amenities than those that would have been available for the resort on a stand-alone basis. Shared infrastructure can also reduce our overall development costs for our resorts on a per unit basis. Integration of services and sharing staff and other expenses can lower overhead and operating costs for our resorts. Our on-site access to hotel customers, including Marriott Rewards customer loyalty program members, who are visiting co-located hotels also provides us with a cost-effective marketing channel for our vacation ownership products.

Co-located resorts require cooperation and coordination among all parties and are subject to cost sharing and integration agreements among us, the applicable property owners association and managers and owners of the co-located hotel. Our License Agreements with Marriott International and Ritz-Carlton allow for the development of co-located properties in the future, and we intend to pursue co-located projects with them opportunistically.

Under our points-based business model, we are able to supply many sales offices with new inventory from a small number of resort locations, which provides us with greater efficiency in the use of our capital. As a result, our risk associated with construction delays is concentrated in fewer locations than it has been in the past. Additionally, selling vacation ownership interests in a system of resorts under a points-based business model increases the risk of temporary inventory depletion. We sell vacation ownership interests denominated in points from a single trust entity in each of our North America, Asia Pacific and Luxury business segments. Thus, the primary source of inventory for each segment is concentrated in its corresponding trust. To avoid the risk of temporary inventory depletion, we employ a strategy of seeking to maintain a six- to nine-month surplus supply of inventory available to sell. Even in the unlikely event that this surplus is not sufficient, we believe that the actual risk of temporary inventory depletion is relatively minor, as there are other mitigation strategies that could be employed to prevent such an occurrence, such as accelerating completion of resorts under construction, acquiring vacation ownership interests on the secondary market, or reducing sales pace by adjusting prices or sales incentives.

Owners generally can offer their vacation ownership interests for resale on the secondary market, which can create pricing pressure on the sale of developer inventory. However, owners who purchase vacation ownership interests on the secondary market typically do not receive all of the same benefits as owners who purchase products directly from us. When an owner purchases a vacation ownership interest directly from us, the owner receives certain entitlements, such as the right to reserve a resort unit that underlies their vacation ownership interest in order to occupy that unit or exchange its use for use of a unit at another resort through an outside exchange company, that are tied to the underlying vacation ownership interest, as well as benefits that are incidental to the purchase of the vacation ownership interest. While a purchaser on the secondary market will

receive all of the entitlements that are tied to the underlying vacation ownership interest, the purchaser will not receive certain incidental benefits. For example, owners who purchase our products on the secondary market are not entitled to trade their usage rights for Marriott Rewards Points. Owners of our points-based products who do not purchase from us do not have access to our internal exchange program and are not entitled to trade their usage rights for Marriott Rewards Points. Therefore, those owners are only able to use the inventory that underlies the vacation ownership interests they purchased. Additionally, most of our vacation ownership interests provide us with a right of first refusal on secondary market sales. We monitor sales that occur in the secondary market and exercise our right of first refusal when it is advantageous for us to do so, whether due to pricing, desire for the particular inventory, or other factors. All owners, whether they purchase directly from us or on the secondary market, are responsible for the annual maintenance fees, property taxes and any assessments that are levied by the relevant property owners' association, as well as any exchange company membership dues or service fees.

We own certain parcels of undeveloped land that we originally acquired for vacation ownership development, as well as built Luxury inventory, including unfinished units. Given our strategies to match completed inventory with our sales pace and to pursue future "asset light" development opportunities, we have decided to implement a plan to dispose of certain undeveloped land and built Luxury inventory. As a result, we refer to this land and inventory as "excess." Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Based on our current plans, we believe we have identified all excess land and inventory. However, if our future plans change, the planned use of such assets may change. Further, to the extent that real estate market conditions change, our estimates of the fair value of such assets may change.

As discussed in more detail in Footnote No. 14, "Subsequent Events," of the Notes to our Interim Combined Financial Statements, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. Under this plan, management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. If we are able to dispose of this excess land and built Luxury inventory, we will eliminate the associated carrying costs. As a result of adopting this plan, we expect to record a pre-tax non-cash impairment charge of approximately $324 million in our third quarter financial statements to write-down the value of these assets.

Property Management Activities

We enter into a management agreement with the property owners' association at each of our resorts or, in the case of resorts held by a trust, with the associated trust. In exchange for a management fee, we typically provide owner account management (reservations/usage selection), housekeeping, check-in, maintenance and billing and collections services. The management fee is typically between 10 to 15 percent of the resort and program operating costs. We earn these fees regardless of usage or occupancy. We also receive revenues that represent reimbursement for certain costs we incur under our management agreements, principally related to payroll costs, at the locations where we employ the associates providing on-site services.

The terms of our management agreements typically range from three to ten years and are subject to periodic renewal for three to five year terms. Many of these agreements renew automatically unless either party provides advance notice of termination before the expiration of the term. In our 27-year history, our management agreements for most of our resorts have been regularly renewed, and very few resorts have left our system. When our management agreement for a resort expires or is terminated, the resort loses the ability to use the Marriott name and trademarks. The owners at such resorts also lose their ability to trade their vacation ownership usage rights for Marriott Rewards Points and to access other Marriott Vacation Club resorts through our internal exchange system.

Ritz-Carlton manages the on-site operations for all Ritz-Carlton Destination Club and Ritz-Carlton Residences properties under separate management agreements with us or the relevant property owners' association or trust for each property, except that we manage one such property that has only three units. We provide property owners' association governance and vacation ownership program management services for the Ritz-Carlton Destination Club properties, including preparing association budgets, facilitating association meetings, billing and collecting maintenance fees, and supporting reservations, vacation experience planning and other off-site member services. We and Ritz-Carlton split the management fees equally for these resorts. If a management agreement for a resort expires or is terminated, the resort loses the ability to use the Ritz-Carlton name and trademarks. The owners at such resorts would also lose their ability to access other Ritz-Carlton Destination Club usage benefits, such as access to accommodations at the other Ritz-Carlton Destination Club resorts, preferential access to Ritz-Carlton hotels worldwide and access to our internal exchange and vacation travel options.

Each management agreement requires the property owners' association or trust to provide sufficient funds to pay for the vacation ownership program and resort operating costs. To satisfy this requirement, owners of vacation ownership interests pay an annual maintenance fee. This fee represents the owner's allocable share of the costs of operating and maintaining the vacation ownership resorts, including management fees and expenses, taxes (in some locations), insurance, and other related costs, and the costs of providing program services (such as reservation services). This fee includes a management fee payable to us for providing management services as well as an assessment for funds to be deposited into a capital asset reserve fund and used to renovate, refurbish and replace furnishings, common areas and other assets (*e.g.*, parking lots or roofs) as needed over time. As the owner of completed but unsold vacation ownership inventory, we also pay maintenance fees in accordance with the legal requirements of the jurisdictions applicable to such resorts and programs. In addition, in early phases of development at a resort, we sometimes enter into subsidy agreements with the property owners' associations under which we agree to pay costs that otherwise would be covered by annual maintenance fees associated with vacation ownership interests or units that have not yet been built. These subsidy arrangements help keep maintenance fees at a customary level for owners that purchase in the early stages of development.

In the event of a default by an owner in payment of maintenance fees or other assessments, the property owners' association typically has the right to foreclose on or revoke the defaulting owner's vacation ownership interest. We sometimes enter into arrangements with property owners' associations to assist in reselling foreclosed or revoked vacation ownership interests or to reacquire such foreclosed or revoked vacation ownership interests from the property owners' associations.

Consumer Financing

We offer purchase money financing for qualified purchasers of our vacation ownership products. By offering or eliminating financing incentives and modifying underwriting standards, we have been able to increase or decrease our financing activities depending on market conditions.

In the first half of 2011, just under 42 percent of Marriott Vacation Club customers financed their purchase with us. The average loan for our Marriott Vacation Club products totaled just over $22,000, which represented just over 86 percent of the purchase price. Our policy is to require a minimum downpayment of 10 percent of the purchase price for qualified applicants, although downpayments and/or interest rates are higher for applicants with credit scores below certain levels and for purchasers who do not have credit scores, such as non-U.S. purchasers. The average interest rate for loans for our Marriott Vacation Club products made in the first half of 2011 was approximately 12.31 percent and the average term was 9.5 years. Interest rates are fixed, and a loan fully amortizes over the life of the loan. The average monthly mortgage payment for a Marriott Vacation Club owner who received a loan in the first half of 2011 was $480. Historically, about 18 percent of borrowers prepay their loan within the first six months.

Generally, loans for our Ritz-Carlton Destination Club products have a significantly higher balance, a longer term and a lower interest rate than loans for our Marriott Vacation Club products. In the first half of 2011, approximately 12 percent of Ritz-Carlton Destination Club owners financed their purchase with us. We do not provide financing to residential buyers.

In the first half of 2011, just over 82 percent of our loans were used to finance U.S.-based products. In our North American business, we perform a credit investigation or other review or inquiry to determine the purchaser's credit history before extending a loan. The interest rates on the loans we provide are based primarily upon the purchaser's credit score, the size of the purchase and the amount of the downpayment. We base our financing terms largely on a purchaser's FICO score, which is a branded version of a consumer credit score widely used in the United States by banks and lending institutions. FICO scores range from 300 to 850 and are calculated based on information obtained from one or more of the three major U.S. credit reporting agencies that compile and report on a consumer's credit history. In the first half of 2011, the average FICO score of our customers who were U.S. citizens or residents who financed a vacation ownership purchase was 737; 74 percent had a credit score of over 700, 89 percent had a credit score of over 650 and over 96 percent had a credit score of over 600.

In the event of a default, we generally have the right to foreclose on or revoke the defaulting owner's vacation ownership interest. We typically resell interests that we reacquire through foreclosure.

We securitize the majority of the loans we originate in support of our North American business to institutional investors in the asset-backed securities market on a non-recourse basis. In 2010, we securitized $230 million in loans. Since the early 1990s, we have securitized over $4.6 billion of loans to investors. We retain the servicing and collection responsibilities for the loans we securitize, for which we receive a servicing fee.

Our Competitive Advantages

We believe that we have significant competitive advantages that support our leadership position in the vacation ownership industry.

Leading global "pure-play" vacation ownership company

When the spin-off is complete, we expect to be the world's largest "pure-play" vacation ownership company (that is, a company whose business is focused almost entirely on vacation ownership), based on number of owners, number of resorts and revenues. As a "pure-play" vacation ownership company, we will be able to enhance our focus on the vacation ownership industry and tailor our business strategy to address our company's industry-specific goals and needs.

We believe our scale and global reach, coupled with our renowned brands and development, marketing, sales and management expertise, help us achieve operational efficiencies and support future growth opportunities. Our size allows us to provide owners with a wide variety of experiences within our resort portfolio. We also believe our size helps us obtain better financing terms from lenders, achieve cost savings in procurement and attract talented management and associates.

The breadth and depth of our operations enables us to offer a variety of products. We are one of the only vacation ownership companies with a dual product platform; we cater to a diverse range of customers through our upscale tier Marriott branded vacation ownership products and our luxury tier Ritz-Carlton branded vacation ownership products.

Premier global brands

We believe that the exclusive licenses of the Marriott and Ritz-Carlton brands we will enter into for use in the vacation ownership business will provide us with a meaningful competitive advantage. Marriott International is a leading lodging company with over 3,500 properties in 70 countries and territories, including Marriott and Ritz-Carlton branded properties. Consumer confidence in these renowned brands helps us attract and retain guests and owners. In addition, we provide our customers with access to the award-winning Marriott Rewards customer loyalty program. We also utilize the Marriott and Ritz-Carlton websites, www.marriott.com and www.ritzcarlton.com, as relatively low-cost marketing tools to introduce Marriott and Ritz-Carlton guests to our products and rent available inventory.

Loyal, highly satisfied customers

We have a large, highly satisfied customer base. In 2010, based on nearly 210,000 survey responses, 90 percent of respondents indicated that they were highly satisfied with our products, sales, owner services and their on-site experiences (by selecting 8, 9 or 10 on a 10-point scale). Owner satisfaction is also demonstrated by the fact that our average resort occupancy was 90 percent in 2010, significantly higher than the overall vacation ownership industry average of nearly 80 percent, as reported by ARDA. We believe that strong customer satisfaction and brand loyalty result in more frequent use of our products and encourage owners to purchase additional products and to recommend our products to friends and family, which in turn generates higher revenues. Historically, approximately 50 percent of our business has come from sales of additional products to our owners or sales to friends and family referred to us by our owners.

Long-standing track record, experienced management and engaged associates

We have been a pioneer in the vacation ownership industry since 1984, when Marriott International became the first company to introduce a lodging-branded vacation ownership product. Our seasoned management team is led by Stephen P. Weisz, our President and Chief Executive Officer. Mr. Weisz has served as President of our company since 1997 and has 39 years of experience at Marriott International. William J. Shaw, the Chairman of our Board, is the former Vice Chairman, President and Chief Operating Officer of Marriott International and has 36 years of experience at Marriott International. Our ten executive officers have an average of 22 years of total experience at Marriott International, with approximately half of those years spent leading our business. We believe our management team's extensive public company and vacation ownership industry experience will enable us to continue to respond quickly and effectively to changing market conditions and consumer trends. Management's experience in the highly regulated vacation ownership industry should also provide us with a competitive advantage in expanding product forms and developing new ones.

We believe that our associates provide superior customer service, which enhances our competitive position. We leverage outstanding associate engagement and strong corporate culture to deliver positive customer experiences in sales, marketing and resort operations. We survey our associates regularly through an external survey provider to understand their satisfaction and engagement, defined as how passionate employees are about the company's mission and their willingness to "go the extra mile" to see it succeed. We routinely rank highly compared to other companies participating in such surveys. In 2010, we ranked in the 92nd percentile of Aon Hewitt's database of more than 450 companies and exceeded Aon Hewitt's 2010 Global Best Employer benchmark.

Our Business Strategy

Our strategic goal is to further strengthen our leadership position in the vacation ownership industry. To achieve this goal, we are pursuing the following initiatives:

Drive profitable sales growth

We intend to continue to generate growth in vacation ownership sales by leveraging our globally recognized brand names and focusing on our approximately 400,000 owners around the world. Since the launch of the MVCD program in 2010, we have been focused on educating our existing owners about, and enrolling them in, the program. We are now turning our focus toward generating a greater number of new owners. To do so, we plan to expand marketing activities that generate tours from new customer sources.

We are well-positioned to grow our stable and recurring revenue streams by capitalizing on the growth of vacation ownership sales to generate associated management and other fees and financing revenues. We expect to continue to offer our customers attractive financing alternatives, and we believe that by opportunistically securitizing loans and receivables, we can enhance our profitability and liquidity. As we expand our points-based system, we also expect to generate additional fee revenues because our owners pay us annual fees to participate in the program.

Maximize cash flow and optimize our capital structure

Through the use of our points-based products, we are able to more closely match inventory development with sales pace and reduce inventory levels, thereby improving our cash flows over time. Additionally, by limiting the amount of completed inventory on hand, we are able to reduce the maintenance fees that we pay on unsold units. Over the last few years, we have significantly reduced our overhead costs, and we intend to continue to control costs as sales volumes grow.

We expect our modest level of debt and limited near-term capital needs will enable us to maintain a level of liquidity that ensures financial flexibility, giving us the ability to pursue strategic growth opportunities, withstand potential future economic downturns and optimize our cost of capital. We intend to meet our liquidity needs through operating cash flow, the disposition of excess undeveloped land and excess built luxury inventory, our revolving credit facilities and continued access to the asset-backed security term financing market. See Footnote No. 14, “Subsequent Event,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

Focus on our owners, guests and associates

We are in the business of providing high-quality vacation experiences to our owners and guests around the world. We intend to maintain and improve their satisfaction with our products and services, particularly since our owners and guests are our most cost-effective sales channels. We intend to continue to sell our products through these very effective channels and believe that maintaining a high level of engagement across all of our customer groups is key to our success.

Engaging our associates in the success of our business continues to be one of our long-term core strategies. We understand the connection between the engagement of our associates and the satisfaction and engagement of our owners and guests. At the heart of Marriott International’s culture is the belief that if a company takes care of its associates, they will take care of the company’s guests and the guests will return again and again. This belief will continue to be at the core of our strategy.

Opportunistically dispose of excess assets and selectively pursue “asset light” deal structures

We intend to dispose of certain excess assets over the next few years and deploy the capital from these sales more effectively. The majority of these dispositions consist of undeveloped land holdings. We expect these assets will be marketed and sold as the real estate markets in the various locations improve. See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

While we do not need to develop new resorts at this time, we intend to selectively pursue external growth opportunities by targeting high-quality inventory sources that allow us to add desirable new locations to our system as well as new sales locations through transactions that do not involve or limit our capital investment. These “asset light” deals could be structured as turn-key developments with third-party partners, purchases of constructed inventory just prior to sale, or fee-for-service arrangements.

Selectively pursue compelling new business opportunities

As an independent company, we are positioned to explore new business opportunities, such as development of our exchange activities, new management affiliations and select on-site ancillary businesses, that we may not have previously pursued as part of Marriott International. We intend to selectively pursue these types of opportunities with a focus on driving recurring streams of revenue and profit. Prior to entering into any new business, we will evaluate its strategic fit and assess whether it is complementary to our current business, has strong expected financial returns and leverages our existing competencies.

Segments

Our operations are grouped into four business segments: North America, Luxury, Europe and Asia Pacific. The "Corporate and Other" information described below includes activities that do not collectively comprise a separate reportable segment.

The table below shows our revenue for the first half of 2011 for each of our segments and each of our revenue sources (dollars in millions).

Revenue Source	North America	Luxury	Europe	Asia Pacific	Total
Vacation ownership sales	$ 234	$ 9	$ 22	$ 30	$295
Resort management and other services	82	12	13	1	108
Financing	73	3	2	2	80
Rental	82	2	7	4	95
Other	14	1	—	—	15
Cost reimbursements	118	23	12	5	158
	$ 603	$ 50	$ 56	$ 42	$751

Financial information by segment and geographic area for 2010, 2009 and 2008 appears in Footnote No. 20, "Business Segments," of the Notes to our annual Combined Financial Statements.

The following sections contain tables showing our vacation ownership and residential properties in each of our segments. We generally own the unsold vacation ownership inventory as either a deeded beneficial interest in a real estate land trust, a deeded interest at a specific resort, or a right to use interest in real estate owned or leased by a trust or other property owning or leasing vehicle (these forms of ownership are described in more detail in "Business—Our Products"), except as otherwise indicated in the tables that follow. With respect to inventory that has not yet been converted into one of these forms of vacation ownership, we generally hold a fee interest in the underlying real estate rights to the land parcel, building or units corresponding to such inventory. Further, we also own or lease other property at these resorts, including golf courses, fitness, spa and sports facilities, food and beverage outlets, resort lobbies and other common area assets. See Footnote No. 10, "Contingencies and Commitments," of the Notes to our annual Combined Financial Statement for more information on our golf course land leases and other operating leases. We anticipate that our ownership and leasehold interests in these properties will be pledged as collateral for our planned loan facilities.

North America Segment

In our North America segment, we develop, market, sell and manage vacation ownership products under the Marriott Vacation Club and Grand Residences by Marriott brands in the United States and the Caribbean. We also develop, market, sell and manage resort residential real estate located within our vacation ownership developments under the Grand Residences by Marriott brand.

As of June 17, 2011, we had 46 resorts, 10,836 vacation ownership villas ("units") and nearly 367,000 owners in our North America business. The following table shows the vacation ownership and residential properties in our North America segment as of June 17, 2011:

North America Segment Properties

Property Name[1]	Experience	Location	Vacation Ownership (VO) or Residential	Units Built[2]	Additional Planned Units[3]
Aruba Ocean Club	Island / Beach	Aruba	VO	218	—
Aruba Surf Club	Island / Beach	Aruba	VO	450	—
Barony Beach Club	Beach	Hilton Head, SC	VO	255	—
BeachPlace Towers	Beach	Fort Lauderdale, FL	VO	206	—
Canyon Villas at Desert Ridge	Golf / Desert	Phoenix, AZ	VO	213	39
Crystal Shores on Marco Island	Island / Beach	Marco Island, FL	VO	67	—
Custom House	Urban	Boston, MA	VO	84	—
Cypress Harbour	Entertainment	Orlando, FL	VO	510	—
Desert Springs Villas	Golf / Desert	Palm Desert, CA	VO	638	—
Fairway Villas at Seaview	Golf	Absecon, NJ	VO	180	90
Frenchman's Cove	Island / Beach	St. Thomas, USVI	VO	155	66
Grand Chateau	Entertainment	Las Vegas, NV	VO	448	447
Grand Residences by Marriott at Bay Point	Golf	Panama City, FL	Residential	65	—
Grande Ocean	Beach	Hilton Head, SC	VO	290	—
Grande Vista	Entertainment	Orlando, FL	VO	900	—
Harbour Club	Beach	Hilton Head, SC	VO	40	—
Harbour Lake	Entertainment	Orlando, FL	VO	312	588
Harbour Point/Sunset Pointe	Beach	Hilton Head, SC	VO	111	—
Heritage Club	Golf	Hilton Head, SC	VO	30	—
Imperial Palm Villas	Entertainment	Orlando, FL	VO	46	—
Kauai Beach Club	Island / Beach	Kauai, HI	VO	232	—
Kauai Lagoons:					
Grand Residences by Marriott	Island / Beach	Kauai, HI	Residential	3	—
Kalanipu'u	Island / Beach	Kauai, HI	VO	46	26
Ko Olina Beach Club	Island / Beach	Oahu, HI	VO	428	322
Lakeshore Reserve at Grande Lakes	Entertainment	Orlando, FL	VO	95	245
Legends Edge at Bay Point	Golf	Panama City, FL	VO	83	—
Manor Club at Ford's Colony	Entertainment	Williamsburg, VA	VO	200	—
Marriott Grand Residence Club, Lake Tahoe	Mountain / Ski	Lake Tahoe, CA	VO	199	—
Maui Ocean Club	Island / Beach	Maui, HI	VO	459	—
Monarch at Sea Pines	Beach	Hilton Head, SC	VO	122	—
Mountain Valley Lodge	Mountain / Ski	Breckenridge, CO	VO	78	—
MountainSide	Mountain / Ski	Park City, UT	VO	182	—
Newport Coast Villas	Beach	Newport Beach, CA	VO	700	—
Ocean Pointe	Beach	Palm Beach Shores, FL	VO	341	—
Ocean Watch Villas at Grand Dunes	Beach	Myrtle Beach, SC	VO	374	—
Oceana Palms	Beach	Singer Island, FL	VO	91	78
Royal Palms	Entertainment	Orlando, FL	VO	123	—
Sabal Palms	Entertainment	Orlando, FL	VO	80	—
Shadow Ridge	Golf / Desert	Palm Desert, CA	VO	500	484
St. Kitts Beach Club	Island / Beach	West Indies	VO	88	—
Streamside	Mountain / Ski	Vail, CO	VO	96	—
Summit Watch	Mountain / Ski	Park City, UT	VO	135	—
Surf Watch	Beach	Hilton Head, SC	VO	195	—
Timber Lodge	Mountain / Ski	Lake Tahoe, CA	VO	264	—
Villas at Doral	Golf	Miami, FL	VO	141	—
Waiohai Beach Club	Island / Beach	Kauai, HI	VO	231	—
Willow Ridge Lodge	Entertainment	Branson, MO	VO	132	282
Total North America Segment				**10,836**	**2,693**
Units Available for Sale[4]				**745**	

(1) A property is counted as a separate property to the extent it does not share common areas (*e.g.*, check-in facilities, pools, etc.) with another property.
(2) "Units Built" represents units with a Certificate of Occupancy.

(3) "Additional Planned Units" represents the total additional units under construction or that we expect to build.
(4) To be sold as vacation ownership interests; includes units that we reacquire mainly through the foreclosure process.

Luxury Segment

In our Luxury segment, we develop, market, sell and manage luxury vacation ownership products under the Ritz-Carlton Destination Club brand. We also sell whole ownership luxury residential real estate under the Ritz-Carlton Residences brand. As of June 17, 2011, we had 10 locations, 711 residence villas and homes and nearly 3,200 owners in our Luxury business. The following table shows the vacation ownership and residential properties in our Luxury segment as of June 17, 2011:

Luxury Segment Properties

Property Name[1]	Experience	Location	Vacation Ownership (VO) or Residential	Units Built[2]	Additional Planned Units[3]
The Abaco Club on Winding Bay, A Ritz-Carlton Managed Club					
Vacation Ownership	Island / Beach	Bahamas	VO	12	4
Residential	Island / Beach	Bahamas	Residential	32	—
The Ritz-Carlton Golf Club and Residences, Jupiter					
Vacation Ownership	Golf	Jupiter, FL	VO	50	—
Residential	Golf	Jupiter, FL	Residential	81	—
The Ritz-Carlton Club and Residences, Kapalua Bay[4]					
Vacation Ownership	Island / Beach	Maui, HI	VO	62	—
Residential	Island / Beach	Maui, HI	Residential	84	—
The Ritz-Carlton Club and Residences, San Francisco					
Vacation Ownership	Urban	San Francisco, CA	VO	25	19
Residential	Urban	San Francisco, CA	Residential	57	—
The Ritz-Carlton Club, Aspen Highlands	Mountain / Ski	Aspen, CO	VO	73	—
The Ritz-Carlton Club, Bachelor Gulch	Mountain / Ski	Bachelor Gulch, CO	VO	54	—
The Ritz-Carlton Club, Kauai Lagoons	Island / Beach	Kauai, HI	VO	3	—
The Ritz-Carlton Club, Lake Tahoe	Mountain / Ski	Lake Tahoe, CA	VO	28	—
The Ritz-Carlton Club, St. Thomas	Beach	St. Thomas, USVI	VO	105	—
The Ritz-Carlton Club, Vail	Mountain / Ski	Vail, CO	VO	45	—
Total Luxury Segment				**711**	**23**
Units Available for Sale[5]				**118**	

(1) A property is counted as a separate property to the extent it does not share common areas (*e.g.*, check-in facilities, pools, etc.) with another property.
(2) "Units Built" represents units with a Certificate of Occupancy.
(3) "Additional Planned Units" represents the total additional units under construction or that we expect to build.
(4) Joint venture project. Although we expect to receive commissions from the sale of the Kapalua Bay vacation ownership and residential products under a sales and marketing arrangement with the joint venture, we do not directly own such vacation ownership and residential products and will not receive proceeds directly from such sales. Accordingly, we have omitted these products from the total number of "Units Available for Sale."
(5) To be sold as vacation ownership interests; includes units that we reacquire mainly through the foreclosure process.

Given the continued weakness in the economy, particularly in the luxury real estate market, we have significantly scaled back our development of Luxury segment vacation ownership products. We do not have any Luxury segment projects under construction nor do we have any current plans for new luxury development. While we will continue to sell existing Luxury segment vacation ownership products, we also expect to evaluate opportunities for bulk sales of finished inventory and disposition of undeveloped land.

Europe Segment

In our Europe segment, we develop, market, sell and manage vacation ownership products in several locations in Europe. As of June 17, 2011, we had 919 villas and nearly 29,200 owners in our European business. The following table shows the vacation ownership properties in our Europe segment as of June 17, 2011:

Europe Segment Properties

Property Name[1]	Experience	Location	Vacation Ownership (VO) or Residential	Units Built[2]	Additional Planned Units[3]
47 Park Street—Grand Residences by Marriott	Urban	London, UK	VO	49	—
Club Son Antem	Island / Golf	Mallorca, Spain	VO	224	—
Marbella Beach Resort	Beach	Marbella, Spain	VO	288	—
Playa Andaluza	Beach	Estepona, Spain	VO	173	—
Village d'Ile-de-France	Entertainment	Paris, France	VO	185	—
Total Europe Segment				**919**	**—**
Units Available for Sale[4]				**118**	

(1) A property is counted as a separate property to the extent it does not share common areas (*e.g.*, check-in facilities, pools, etc.) with another property.
(2) "Units Built" represents units with a Certificate of Occupancy.
(3) "Additional Planned Units" represents the total additional units under construction or that we expect to build.
(4) To be sold as vacation ownership interests; includes units that we reacquire mainly through the foreclosure process.

We are currently focusing on selling our existing products and managing our existing resorts in the Europe segment. We do not have any current plans for new development in this segment.

Asia Pacific Segment

Our Asia Pacific segment includes the results of operations of Marriott Vacation Club, Asia Pacific, a right-to-use points program we introduced in 2006 that we specifically designed to appeal to vacation preferences of the Asian market. We have sales locations in Japan, Hong Kong, Singapore and Thailand. Owners of our Asia Pacific Club points have access to resorts in Phuket and Bangkok, Thailand; Hawaii; and Las Vegas; as well as exchange opportunities with the rest of the Marriott Vacations Worldwide system and through Interval International. Through June 17, 2011, approximately 28 percent of our sales to date in Asia Pacific have come from owner referrals or the purchase of additional points by existing owners. As of June 17, 2011, we had 325 villas and over 12,100 owners in our Asia Pacific Club. The following table shows the vacation ownership properties in our Asia Pacific segment as of June 17, 2011:

Asia Pacific Segment Properties

Property Name[1]	Experience	Location	Vacation Ownership (VO) or Residential	Units Built[2]	Additional Planned Units[3]
Mai Khao Beach Resort	Beach	Phuket, Thailand	VO	126	—
Phuket Beach Club	Beach	Phuket, Thailand	VO	144	—
The Empire Place	Urban	Bangkok, Thailand	VO	55	—
Total Asia Pacific Segment				**325**	**—**
Units Available for Sale[4]				**55**	

(1) A property is counted as a separate property to the extent it does not share common areas (*e.g.*, check-in facilities, pools, etc.) with another property.
(2) "Units Built" represents units with a Certificate of Occupancy.
(3) "Additional Planned Units" represents the total additional units under construction or that we expect to build.
(4) To be sold as vacation ownership interests; includes units that we reacquire mainly through the foreclosure process.

Corporate and Other

"Corporate and Other" includes financial items not specifically allocable to an individual segment, such as gains on notes sold and accretion of retained interests (prior to the adoption of Accounting Standards Update No. 2009-17, "*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*," on January 2, 2010, the first day of our 2010 fiscal year); financing expenses relating to our lending operations; non-capitalizable development costs supporting overall company growth; company-wide general, administrative and other expenses; interest expense; and an impairment charge recorded in connection with a write-down of internally developed software in 2009.

Intellectual Property

We manage and sell properties under the Marriott Vacation Club, Grand Residences by Marriott, Ritz-Carlton Destination Club and Ritz-Carlton Residences brands. After the spin-off, we will manage and sell properties under these brands under license agreements we will enter into with Marriott International and Ritz-Carlton. See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—License Agreements for Marriott and Ritz-Carlton Marks and Intellectual Property" for further information. The foregoing segment descriptions specify the brands that are used by each of our segments. We operate in a highly competitive industry and our brand names, trademarks, service marks, trade names and logos are very important to the marketing and sales of our products and services. We believe that our licensed brand names and other intellectual property have come to represent the highest standards of quality, caring, service and value to our customers and the traveling public. We register and protect our intellectual property where we deem appropriate and otherwise seek to protect against its unauthorized use.

Seasonality

In general, the vacation ownership business is modestly seasonal, with stronger revenue generation during traditional vacation periods, including summer months and major holidays. Our residential business is generally not subject to seasonal fluctuations; rather, the sales pace of our residential products typically depends on the underlying residential real estate environment in the applicable geographic market.

Competition

The vacation ownership industry is highly fragmented, with competitors ranging from small vacation ownership companies to large branded hotel companies that operate vacation ownership businesses. In North America and the Caribbean, we typically compete with companies that sell upscale tier vacation ownership products under a lodging or entertainment brand umbrella, such as Starwood Vacation Ownership, Hilton Grand Vacations Club, Hyatt Vacation Club, and Disney Vacation Club, as well as numerous regional vacation ownership operators. Our luxury vacation ownership products compete with vacation ownership products offered by Four Seasons, Exclusive Resorts and several other small independent companies. In addition, the vacation ownership industry competes generally with the other vacation rental options (*e.g.*, hotels, resorts, cruises and condominium rentals) offered by the lodging industry.

Outside North America and the Caribbean, we operate in two primary regions, Europe and Asia Pacific. In both regions, we are one of the largest lodging-branded vacation ownership companies operating in the upscale tier, with regional operators dominating the competitive landscape. Where possible, our vacation ownership

properties in these regions are co-located with Marriott International branded hotels. In Europe, our owner base is derived primarily from North American, European and Middle Eastern customers. In Asia Pacific, our owner base is derived primarily from the Asia Pacific region and secondarily from the North America region.

Competition in the vacation ownership business is based primarily on the quality, number and location of resorts, the quality and capability of the related property management program, the reputation of the operator's brand, the pricing of product offerings and the availability of program benefits, such as exchange programs. We believe that our focus on offering distinctive vacation experiences, combined with our financial strength, well-established and diverse market presence, strong brands, expertise and well-managed and maintained properties, will enable us to remain competitive.

Regulation

Our business is heavily regulated. We are subject to a wide variety of complex international, national, federal, state and local laws, regulations and policies in jurisdictions around the world. These laws, regulations and policies primarily affect four areas of our business: real estate development activities, marketing and sales activities, lending activities, and resort management activities.

Real Estate Development Regulation

Our real estate development activities are regulated under a number of different timeshare, condominium and land sales disclosure statutes in many jurisdictions. We are generally subject to laws and regulations typically applicable to real estate development, subdivision, and construction activities, such as laws relating to zoning, land use restrictions, environmental regulation, accessibility, title transfers, title insurance and taxation. In the United States, these include the Fair Housing Act and the Americans with Disabilities Act. In addition, we are subject to laws in some jurisdictions that impose liability on property developers for construction defects discovered or repairs made by future owners of property developed by the developer.

Marketing and Sales Regulation

Our marketing and sales activities are closely regulated. In addition to regulations contained in laws enacted specifically for the vacation ownership and land sales industries, a wide variety of laws govern our marketing and sales activities, including fair housing statutes, the Federal Interstate Land Sales Full Disclosure Act, U.S. Federal Trade Commission and state "Little FTC Act" regulations regulating unfair and deceptive trade practices and unfair competition, state attorney general regulations, anti-fraud laws, prize, gift and sweepstakes laws, real estate and other licensing laws and regulations, telemarketing laws, home solicitation sales laws, tour operator laws, lodging certificate and seller of travel laws, securities laws, consumer privacy laws and other consumer protection laws.

Many jurisdictions require that we file detailed registration or offering statements with regulatory authorities disclosing certain information regarding the vacation ownership interests and other real estate interests we market and sell, such as information concerning the interests being offered, the project, resort or program to which the interests relate, applicable condominium or vacation ownership plans, evidence of title, details regarding our business, the purchaser's rights and obligations with respect to such interests, and a description of the manner in which we intend to offer and advertise such interests. We must obtain the approval of numerous governmental authorities for our marketing and sales activities. Changes in circumstances or applicable law may necessitate the application for or modification of existing approvals. Currently, we are qualified to market and sell vacation ownership products in all 50 states and the District of Columbia in the United States and numerous countries in North and South America, the Caribbean, Europe, Asia and the Middle East.

Laws in many jurisdictions in which we sell vacation ownership interests grant the purchaser of a vacation ownership interest the right to cancel a purchase contract during a specified rescission period following the later of the date the contract was signed or the date the purchaser received the last of the documents required to be provided by us.

In recent years, regulators in many jurisdictions have increased regulations and enforcement actions related to telemarketing operations, including requiring adherence to "do not call" legislation. These measures have significantly increased the costs associated with telemarketing. While we continue to be subject to telemarketing risks and potential liability, we believe that our exposure to adverse effects from telemarketing legislation and enforcement is mitigated in some instances by the use of "permission marketing," under which we obtain the permission of prospective purchasers to contact them in the future. We have implemented procedures that we believe will help reduce the possibility that we contact individuals who have requested to be placed on federal or state "do not call" lists.

Lending Regulation

Our lending activities are subject to a number of laws and regulations. In the United States, these include the Real Estate Settlement Procedures Act and Regulation X, the Truth In Lending Act and Regulation Z, the Federal Trade Commission Act, the Equal Credit Opportunity Act and Regulation B, the Fair Credit Reporting Act, the Foreign Investment In Real Property Tax Act, the Fair Housing Act, the Fair Debt Collection Practices Act, the Electronic Funds Transfer Act and Regulation E, the Home Mortgage Disclosure Act and Regulation C, the Unfair or Deceptive Acts or Practices regulations and Regulation AA, the USA PATRIOT Act, the Right to Financial Privacy Act, the Gramm-Leach-Bliley Act and the Fair and Accurate Credit Transactions Act. Our lending activities are also subject to the laws and regulations of other jurisdictions, including, among others, laws and regulations related to consumer loans, retail installment contracts, mortgage lending, fair debt collection practices, consumer collection practices, mortgage disclosure, lender licenses and money laundering.

Resort Management Regulation

Our resort management activities are subject to laws and regulations regarding community association management, public lodging, labor, employment, health care, health and safety, accessibility, discrimination, immigration, gaming, and the environment (including climate change), as well as regulations applicable under the U.S. Treasury's Office of Foreign Asset Control and the U.S. Foreign Corrupt Practices Act (and the foreign equivalents of such regulation in other jurisdictions).

Environmental Compliance and Awareness

The properties we manage or develop are subject to national, state and local laws and regulations that govern the discharge of materials into the environment or otherwise relate to protecting the environment. These laws and regulations include requirements that address health and safety; the use, management and disposal of hazardous substances and wastes; and emission or discharge of wastes or other materials. We believe that our management and development of properties comply, in all material respects, with environmental laws and regulations. Our compliance with such provisions also has not had a material impact on our capital expenditures, earnings or competitive position, nor do we anticipate that such compliance will have a material impact in the future.

We take our commitment to protecting the environment seriously. We have collaborated with Audubon International to further the "greening" of our resorts in our North America segment through the Audubon Green Leaf Eco-Rating Program for Hotels. The Audubon partnership is just one of several programs incorporated into our green initiatives. We have more than 20 years of energy conservation experience that we have put to use in implementing Marriott's Spirit To Preserve® environmental strategy across all of our segments. This strategy includes further reducing energy and water consumption; expanding our portfolio of green resorts, including LEED® (Leadership in Energy & Environmental Design) certification; educating and inspiring associates and guests to support the environment; and embracing innovation.

Employees

As of June 17, 2011, we had approximately 9,900 associates with an average length of service of 6.7 years, approximately 0.5 percent of whom were represented by labor unions. We believe our relations with our associates are very good.

Properties

As of June 17, 2011, we managed 64 vacation ownership or residential properties in the United States and eight other countries and territories. These vacation ownership and residential properties are described above in the tables appearing under the caption "—Segments." We own all unsold inventory at these properties. We also own, manage or lease golf courses, fitness, spa and sports facilities, undeveloped land and other common area assets at our resorts, including resort lobbies and food and beverage outlets.

We own or lease our regional offices and sales centers, both in the United States and internationally. Our corporate headquarters in Orlando, Florida consists of approximately 190,000 square feet of leased space in two buildings, under a lease expiring in December 2013. We also own an office building in Lakeland, Florida consisting of approximately 125,000 square feet.

Legal Proceedings

From time to time, we are subject to legal proceedings and claims in the ordinary course of business, including adjustments proposed during governmental examinations of the various tax returns we file. While management presently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, cash flows, or overall trends in results of operations, legal proceedings are subject to inherent uncertainties, and unfavorable rulings or outcomes could occur that have individually or in aggregate, a material adverse effect on our business, financial condition or operating results.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations and financial condition together with our audited and unaudited historical combined financial statements and accompanying notes that we have included elsewhere in this information statement as well as the discussion in the section of this information statement entitled "Business." This discussion contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on our current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those we discuss in the sections of this information statement entitled "Risk Factors" and "Special Note About Forward-Looking Statements."

Our combined financial statements, which we discuss below, reflect our historical financial condition, results of operations and cash flows. The financial information discussed below and included in this information statement, however, may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been operated as a separate, independent entity during the periods presented, or what our financial condition, results of operations and cash flows may be in the future.

Business Overview

We are the exclusive worldwide developer, marketer, seller and manager of vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. We are also the exclusive global developer, marketer and seller of vacation ownership and related products under the Ritz-Carlton Destination Club brand. Ritz-Carlton generally provides on-site management for Ritz-Carlton branded properties. See the section of this information statement entitled "Business—Segments" for further details of our individual properties by segment.

Our business is grouped into four segments: North America, Luxury, Europe and Asia Pacific. We operate 64 properties (under 71 separate resort management contracts) in the United States and eight other countries and territories. We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases of vacation ownership products; and renting vacation ownership inventory.

In 2010 and through the first half of 2011, despite a continued weak economic environment, we:

- Successfully launched our new points-based vacation ownership program, MVCD, in North America and the Caribbean, offering greater flexibility, further personalization and more experience opportunities for our owners. As of the end of the first half of 2011, nearly 75,000 of our weeks-based owners have enrolled in this new program, representing over 140,000 weeks.
- Generated $1,584 million of total revenues in 2010, including $635 million from the sale of vacation ownership products, resulting in $67 million of net income and $383 million of cash flows from operating activities. We generated $751 million of total revenues through the first half of 2011, including $295 million from the sale of vacation ownership products, resulting in $35 million of net income and $152 million of cash flows from operating activities.
- Securitized nearly $230 million of notes receivable in 2010 providing $215 million of net cash proceeds to the company. The 2010 securitization reflected improved economic terms over the previous securitization completed in the 2009 fourth quarter. The 2010 securitization reflected an all-in interest rate of 3.64 percent, compared to 4.81 percent for the securitization completed in the 2009 fourth quarter. In addition, we were able to achieve an advance rate of 95 percent of the total note pool, a nearly 12 percentage point improvement over the previous securitization.

- Generated $42 million of cash proceeds from the disposal of an operating hotel in 2010 that we originally acquired for conversion into vacation ownership products for our Asia Pacific segment.

We own certain parcels of undeveloped land that we originally acquired for vacation ownership development, as well as built Luxury inventory, including unfinished units. Given our strategies to match completed development with our sales pace and to pursue future "asset light" development opportunities, we have decided to implement a plan to dispose of certain undeveloped land and built Luxury inventory. As a result, we refer to this land and inventory as "excess." Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Based on our current plans, we believe we have identified all excess land and inventory. However, if our future plans change, the planned use of such assets may change. Further, to the extent that real estate market conditions change, our estimates of the fair value of such assets may change.

As discussed in more detail in Footnote No. 14, "Subsequent Events," of the Notes to our Interim Combined Financial Statements, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. Under this plan, management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. If we are able to dispose of this excess land and built Luxury inventory, we will eliminate the associated carrying costs. As a result of adopting this plan, we expect to record a pre-tax non-cash impairment charge of approximately $324 million in our third quarter financial statements to write-down the value of these assets.

Below is a summary of significant accounting policies used in our business that will be used in describing our results of operations.

Sales of Vacation Ownership Products

We recognize revenues from our sales of vacation ownership products when all of the following conditions exist:

- A binding sales contract has been executed;
- The statutory rescission period has expired;
- The receivable is deemed collectible;
- The criteria for percentage of completion accounting are met; and
- The remainder of our obligations are substantially completed.

Sales of vacation ownership products may be made for cash or we may provide financing. For sales where we provide financing, we defer revenue recognition until we receive a minimum downpayment equal to ten percent of the purchase price plus the fair value of certain sales incentives provided to the purchaser. These sales incentives have typically included Marriott Rewards Points and are only awarded if the sale is closed.

When construction of a vacation ownership product purchased is not complete, we recognize revenues using the percentage-of-completion ("POC") method of accounting. Under the POC method, sales may only be recognized when the preliminary construction phase is complete and a minimum of 10 percent of expected sales has been achieved. The completion percentage is determined by the proportion of life-to-date real estate inventory costs incurred to total estimated costs, with that percentage being applied to life-to-date revenues to determine the amount of revenue to be recognized. The remaining revenues and related costs of sales, including commissions and direct expenses, are deferred and recognized in subsequent periods as the construction is completed in the same proportion as the costs incurred compared to the total expected costs for completion. Our points-based ownership programs generally require that we only sell completed inventory and, given that we

expect most of our sales to be completed under the points-based programs going forward, we do not expect the POC method of accounting to result in a significant deferral of revenues in the future. As of year-end 2010, we did not have any deferred revenues related to projects that were not completed.

As a result of the downpayment requirements and the POC method of accounting, we often defer revenues associated with the sale of vacation ownership products from the date of the purchase agreement to a future period. When comparing results year-over-year, this deferral frequently generates significant variances, which we categorize as the impact of revenue reportability.

Finally, as more fully described in the "Financing" section below, we record an estimate of expected uncollectibility on all notes receivable (also known as a notes receivable reserve) from vacation ownership purchases as a reduction of revenues from the sale of vacation ownership products at the time we recognize revenues from a sale.

We report, on a supplemental basis, contract sales for each of our four segments. Contract sales represent the total amount of vacation ownership product sales from purchase agreements signed during the period where we have received a downpayment of at least 10 percent of the contract price, reduced by actual rescissions during the period. Contract sales differ from revenues from the sale of vacation ownership products that we report in our Combined Statements of Operations due to the requirements for revenue recognition described above. We consider contract sales to be an important operating measure because it reflects the pace of sales in our business.

In 2008, 2009 and 2010, we established cancellation allowances for previously reported contract sales in anticipation that a portion of these contract sales would not be realized due to contract cancellations prior to closing. These cancellation allowances related mainly to our Luxury segment where we were selling vacation ownership products well in advance of completion of construction. Given the significant amount of time between the date of the purchase agreement and ultimate closing of the sale for these projects, as well as the significant weakness in the overall economic environment and, in particular, the luxury real estate market during 2008, 2009 and 2010, many customers decided not to complete their purchases. As we do not have any luxury products under construction, we do not anticipate having significant additional cancellation allowances in the future.

Cost of vacation ownership products includes costs to develop and construct the project (also known as real estate inventory costs) as well as other non-capitalizable costs associated with the overall project development process. For each project, we expense real estate inventory costs in the same proportion as the revenue recognized. Consistent with the applicable accounting guidance, to the extent there is a change in the estimated sales revenues or real estate inventory costs for the project, a non-cash adjustment is recorded in our Combined Statements of Operations to true-up revenues and costs in that period to those that would have been recorded historically if the revised estimates had been used. These true-ups will have a positive or negative impact on our Combined Statements of Operations.

Throughout this information statement, we refer to revenues from the sale of vacation ownership products less vacation ownership product costs and marketing and sales costs as revenues from the sale of vacation ownership products, net of expenses.

Resort Management and Other Services

Our resort management and other services revenues includes revenues we earn for managing our resorts, providing ancillary offerings including food and beverage, retail, and golf and spa offerings, and for providing other services to our guests.

We provide day-to-day-management services, including housekeeping services, operation of a reservation system, maintenance, and certain accounting and administrative services for property owners' associations. We receive compensation for such management services which is generally based on either a percentage of total costs to operate the resorts or a fixed fee arrangement. We earn these fees regardless of usage or occupancy. With

the launch of the MVCD program in mid-2010, we also receive additional fees for services we provide to our property owners' associations and certain annual and transaction based fees charged to owners and other third parties for services.

Resort management and other services expenses include costs to operate the food and beverage and other ancillary operations and overall customer support services, including reservations.

Financing

We offer financing to qualified customers for the purchase of most types of our vacation ownership products. The average FICO score of customers who were U.S. citizens or residents who financed a vacation ownership purchase were as follows:

	Twenty-four Weeks Ended		Fiscal Years		
	June 17, 2011	June 18, 2010	2010	2009	2008
Average FICO score	737	735	732	731	741

The typical financing agreement provides for monthly payments of principal and interest with the principal balance of the loan fully amortizing over the term of the loan, which is generally 10 years. The interest income earned from the financing arrangements is earned on an accrual basis on the principal balance outstanding over the life of the arrangement and is recorded as financing revenues on our Combined Statements of Operations.

Financing revenues include interest income earned on notes receivable as well as fees earned from servicing the existing loan portfolio. Financing expenses include costs in support of the financing, servicing and securitization processes.

In the event of a default, we generally have the right to foreclose on or revoke the vacation ownership interest. We typically return interests that we reacquire through foreclosure or revocation back to developer inventory. As discussed above, we record a notes receivable reserve at the time of sale and classify the reserve as a reduction to revenues from the sales of vacation ownership products in our Combined Statements of Operations. See "Description of Material Indebtedness and Other Financing Arrangements—Warehouse Credit Facility" for a description of the terms of our Warehouse Credit Facility and the related impact of notes receivable defaults on our Warehouse Credit Facility covenants. Historical defaults were as follows:

	Twenty-four Weeks Ended		Fiscal Years		
	June 17, 2011	June 18, 2010	2010	2009	2008
Historical default rates	2.6%	2.9%	5.3%	6.0%	3.8%

On January 2, 2010, the first day of our 2010 fiscal year, we adopted Accounting Standards Update ("ASU") No. 2009-17, "*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*" ("ASU No. 2009-17" or the new "Consolidation Standard"). We use certain special purpose entities to securitize notes receivable originated with the sale of vacation ownership products, which prior to our adoption of the new Consolidation Standard were treated as off-balance sheet entities. We retain the servicing rights and varying subordinated interests ("residual interests") in the securitized notes receivable. Pursuant to GAAP in effect prior to 2010, we did not consolidate these special purpose entities in our Combined Financial Statements because the notes receivable securitization transactions were executed through qualified special purpose entities and qualified as sales of financial assets. As a result of adopting the new Consolidation

Standard on the first day of 2010, we consolidated 13 existing qualifying special purpose entities associated with past notes receivable securitization transactions, and we recorded a one-time non-cash after-tax reduction to shareholders' equity of $141 million ($238 million pretax) in the 2010 first quarter, representing the cumulative effect of a change in accounting principle.

The following table highlights some of the key changes to our Combined Balance Sheets and Combined Statement of Operations resulting from our adoption of the new Consolidation Standard.

	After the January 2, 2010 adoption of the new Consolidation Standard	Prior to the January 2, 2010 adoption of the new Consolidation Standard
Gains on securitization of notes receivable	Not recorded	Recorded in our Combined Statements of Operations
Securitized notes receivable (Balance Sheet)	Remain on our Combined Balance Sheets	Removed from our Combined Balance Sheets
Retained interest in securitized notes receivable (Balance Sheet)	Not recorded	Recorded on our Combined Balance Sheets
Accretion of retained interests	Not recorded	Recorded in our Combined Statements of Operations
Interest income on securitized notes	Recorded in our Combined Statements of Operations	Not recorded
Reversal of the notes receivable reserve upon securitization	Not recorded	Recorded in our Combined Statements of Operations
Debt issued upon securitization of notes receivable	Recorded on our Combined Balance Sheets	Not recorded

See Footnote No. 5, "Fair Value Measurements," in the Notes to our annual Combined Financial Statements for further information on the valuation of our retained interests in securitized notes receivable prior to adoption of the Consolidation Standard.

Rental

We operate a rental business to provide owner flexibility and to help mitigate carrying costs associated with our inventory.

We obtain rental inventory from:

- Unsold inventory; and
- Inventory we control because owners have elected various usage options.

Rental revenues are the revenues we earn from renting this inventory. Rental expenses include:

- Maintenance fees on unsold inventory;
- Costs to provide alternate usage rights, including Marriott Rewards Points, for owners that elect to exchange their inventory;
- Subsidy payments to property owner associations at resorts that are in the early phases of construction where maintenance fees collected from the owners are not sufficient to support operating costs of the resort; and
- Marketing costs and direct operating and related expenses in connection with the rental business (*e.g.*, housekeeping, credit card expenses and reservation services).

Rental metrics, including the average daily transient rate or the number of transient keys rented, may not be comparable between periods given fluctuation in available occupancy by location, unit size (*e.g.*, two bedroom, one bedroom or studio unit), and owner use and exchange behavior. Further, as our ability to rent certain inventory in our Luxury and Asia Pacific segments is often limited on a site-by-site basis, rental operations may not generate adequate rental revenues to cover associated costs. Our vacation units are either full villas or "lock-off" villas. Lock-off villas are units that can be separated into a master unit and a guest room. Full villas are "non-lock-off" villas because they cannot be separated. A "key" night is the lowest increment for reporting occupancy statistics based upon the mix of non-lock-off and lock-off villas. Lock-off villas represent two keys and non-lock-off villas represent one key. "Transient keys" represent the blended mix of inventory available for rent and includes all of the combined inventory configurations available in our resort system.

Other

We also record other revenues which are primarily fees received from our external exchange company, fees received from the settlement process for sales of vacation ownership products and tour deposit forfeitures.

Cost Reimbursements

Cost reimbursements revenue includes direct and indirect costs that property owners' associations and joint ventures we participate in reimburse to us. In accordance with the accounting guidance for "gross versus net" presentation, we record these revenues on a gross basis. We recognize cost reimbursements revenue when we incur the related reimbursable costs. These costs primarily consist of payroll and payroll related costs for management of the property owners' associations and other services we provide where we are the employer, and for development and marketing and sales services that joint ventures contract with us to perform. Cost reimbursements are based upon actual expenses with no added margin.

Other Items

We measure operating performance using the following key metrics:

- Contract sales from the sale of vacation ownership products;
- Marketing and sales costs as a percentage of revenues from the sale of vacation ownership products; and
- With the launch of the MVCD program, volume per guest ("VPG"). We calculate VPG by dividing contract sales, excluding telesales and other sales that are not attributed to a tour at a sales location, by the number of sales tours. We believe that this operating metric is valuable in evaluating the effectiveness of the sales process as it combines the impact of average contract price with the number of touring guests that make a purchase.

Combined Results

The following discussion presents an analysis of results of our operations for the twenty-four weeks ended June 17, 2011 (first half of 2011), compared to the twenty-four weeks ended June 18, 2010 (first half of 2010), as well as 2010, 2009 and 2008.

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	June 17, 2011	June 18, 2010	2010	2009	2008
Revenues					
Sales of vacation ownership products, net	$ 295	$ 298	$ 635	$ 743	$1,104
Resort management and other services	108	102	227	213	221
Financing[1]	80	90	188	119	82
Rental	95	89	187	175	178
Other	15	15	29	34	27
Cost reimbursements	158	151	318	312	304
Total revenues	751	745	1,584	1,596	1,916
Expenses					
Costs of vacation ownership products	116	121	247	314	430
Marketing and sales	154	160	344	413	604
Resort management and other services	91	88	196	170	192
Financing	13	12	26	21	32
Rental	94	92	194	199	170
Other	4	7	18	27	24
General and administrative	38	36	82	88	99
Interest expense[1]	22	28	56	—	—
Restructuring	—	—	—	44	19
Impairment	—	(5)	15	623	44
Cost reimbursements	158	151	318	312	304
Total expenses	690	690	1,496	2,211	1,918
Gains and other income	—	—	21	2	—
Equity in (losses) earnings	—	(7)	(8)	(12)	11
Impairment reversals (charges) on equity investment	—	—	11	(138)	—
Income (loss) before income taxes	61	48	112	(763)	9
(Provision) benefit for income taxes	(26)	(18)	(45)	231	(25)
Net income (loss)	35	30	67	(532)	(16)
Add: Net losses attributable to noncontrolling interests, net of tax	—	—	—	11	25
Net income (loss) attributable to Marriott Vacations Worldwide	$ 35	$ 30	$ 67	$ (521)	$ 9
Contract Sales					
Company-Owned					
Vacation ownership	$ 300	$ 322	$ 680	$ 717	$1,118
Residential products	2	6	9	12	26
Subtotal	302	328	689	729	1,144
Cancellation allowance	1	—	(1)	(8)	(18)
Total company-owned contract sales	303	328	688	721	1,126
Joint Venture					
Vacation ownership	6	7	12	19	15
Residential products	—	4	4	—	32
Subtotal	6	11	16	19	47
Cancellation allowance	—	(14)	(19)	(75)	(97)
Total joint venture contract sales	6	(3)	(3)	(56)	(50)
Total contract sales	$ 309	$ 325	$ 685	$ 665	$1,076

(1) Financing revenues and Interest expense reflect the impact of adopting the new Consolidation Standard in 2010.

Revenues and Expenses

First Half of 2011 Compared to First Half of 2010

Revenues increased by $6 million (1 percent) to $751 million in the first half of 2011 from $745 million in the first half of 2010, reflecting $7 million of higher cost reimbursements, $6 million of higher resort management and other services revenues, and $6 million of higher rental revenues, partially offset by $10 million of lower financing revenues and $3 million of lower sales of vacation ownership products.

Cost reimbursements increased $7 million (5 percent) to $158 million in the first half of 2011 from $151 million in the first half of 2010, reflecting the impact of growth across the system from new resorts and new phases of existing resorts.

Resort management and other services revenues increased $6 million (6 percent) to $108 million in the first half of 2011 from $102 million in the first half of 2010, reflecting $6 million of additional fees earned from the MVCD program, $4 million of higher ancillary revenues from food and beverage and golf offerings, and $1 million of higher management fees (from $27 million to $28 million) resulting from the cumulative increase in the number of vacation ownership products sold, partially offset by $5 million of lower resales commissions.

Rental revenues increased $6 million (7 percent) to $95 million in the first half of 2011 from $89 million in the first half of 2010 due to rental demand mainly at our North America and Europe properties that resulted in a company-wide 3 percent increase in transient keys rented (13,000 additional keys) and a company-wide 5 percent increase in transient rate ($9.93 increase per key). This was partially offset by the loss of rental units in our Asia Pacific segment associated with the disposition in the 2010 fourth quarter of an operating hotel that we originally acquired for conversion into vacation ownership products. Resort occupancy, which includes owner and rental occupancy, declined slightly to 88 percent in the first half of 2011, compared to 89 percent in the first half of 2010.

Financing revenues decreased $10 million (11 percent) to $80 million in the first half of 2011 from $90 million in the first half of 2010 due to a lower outstanding notes receivable balance (reflecting the continued collection of existing notes receivables), partially offset by a slight increase in the number of customers choosing to finance their vacation ownership purchase with us (we refer to the rate at which owners finance with us as “financing propensity”). The average notes receivable balance decreased $170 million to $1,399 million in the first half of 2011 from $1,569 million in the first half of 2010. For the first half of 2011, 40 percent of purchasers financed their vacation ownership purchase with us, compared to more than 39 percent in the first half of 2010.

Revenues from the sale of vacation ownership products declined $3 million (1 percent) to $295 million in the first half of 2011 from $298 million in the first half of 2010, driven by $31 million of lower gross contract sales (before cancellation allowances) and $4 million from lower revenue reportability, partially offset by $26 million of lower notes receivable reserve activity due primarily to higher reserves recorded in the first half of 2010 as a result of higher note receivable default and delinquency activity.

Gross contract sales declined by $31 million (9 percent) to $308 million in the first half of 2011 from $339 million in the first half of 2010, driven by $19 million of lower contract sales in our North America segment and $14 million of lower contract sales in our Luxury segment, reflecting the continued weakness in the luxury real estate market, partially offset by $2 million of higher contract sales in our Asia Pacific segment. Contract sales, net of cancellation allowances, decreased $16 million to $309 million in the first half of 2011 from $325 million in the first half of 2010.

The lower contract sales in the North America segment reflected an increase in the proportion of sales to existing owners at an average purchase price that was generally lower than the average purchase price for new owners. The average price per contract declined 17 percent to $24,100 in the first half of 2011 from $29,114 in the first half of 2010. The increase in existing owner purchases was driven by the launch of the MVCD program in mid-2010 as our sales efforts were focused on educating existing owners about this program. As a result, while

the number of sales contracts executed in the first half of 2011 rose by 22 percent, or over 1,500 contracts, from the first half of 2010, sales to existing owners as a percentage of total sales was 69 percent in the first half of 2011, compared to 49 percent in the first half of 2010. The average price per contract for sales to existing owners was over $7,000 (or 25 percent) lower than the first half of 2010 given the lower minimum purchase price requirement for existing owners under the MVCD program compared to the average price for a week in the first half of 2010. The average price per contract for new owners increased by nearly $700 (or 2 percent) from the first half of 2010.

Total revenues net of total expenses increased $6 million to $61 million in the first half of 2011 from $55 million in the first half of 2010. Results reflected $8 million of higher revenues from the sale of vacation ownership products net of related expenses, $6 million of lower interest expense, $4 million of higher rental revenues net of expenses, $3 million of higher resort management and other services revenues net of expenses, and $3 million of higher other revenues net of expenses. These increases were offset by an unfavorable variance of $5 million related to a 2010 first quarter reversal of a previously recorded impairment charge for one of our Asia Pacific projects, $11 million of lower financing revenues net of expenses on lower interest income, and $2 million of higher general and administrative costs.

Revenues from the sale of vacation ownership products net of expenses increased $8 million to $25 million in the first half of 2011 from $17 million in the first half of 2010. Results reflected $4 million of lower costs associated with a proportionately higher sales mix of lower cost projects, as well as the inclusion in the first half of 2010 of the increase to the notes receivable reserve as a result of higher note receivable default and delinquency activity. These increases were partially offset by lower contract sales.

Interest expense decreased by $6 million to $22 million in the first half of 2011 compared to $28 million in the first half of 2010 due to the repayment of the debt related to the securitized notes receivable.

Rental revenues net of expenses improved $4 million to $1 million in the first half of 2011 from a loss of $3 million in the first half of 2010. Results reflected higher rental revenues, partially offset by a $2 million increase in maintenance fees on unsold inventory ($30 million in the first half of 2011 from $28 million in the first half of 2010) associated with new resort and phase openings.

Resort management and other services revenues net of expenses increased $3 million to $17 million in the first half of 2011 from $14 million in the first half of 2010, reflecting $6 million of additional fees earned from the MVCD program and a $1 million increase in management fees, partially offset by increases in MVCD program operating and technology costs.

Other revenues net of expenses increased $3 million to $11 million in the first half of 2011 from $8 million in the first half of 2010, primarily from a $2 million favorable true-up of the 2010 bonus accrual as a result of final payouts made in the first quarter of 2011.

2010 Compared to 2009

Revenues decreased by $12 million (1 percent), to $1,584 million in 2010 from $1,596 million in 2009, as a result of $108 million of lower revenues from the sale of vacation ownership products and $5 million of lower other revenues, partially offset by $69 million of higher financing revenues, $14 million of higher resort management and other services revenues, $12 million of higher rental revenues, and $6 million of higher cost reimbursements.

Gross contract sales (before cancellation allowances) declined $43 million (6 percent) to $705 million in 2010 from $748 million in 2009, primarily due to $43 million of lower contract sales in our North America segment. Contract sales, net of cancellation allowances, increased $20 million in 2010 to $685 million from $665 million in 2009 driven mainly by a $63 million decrease in cancellation allowances year-over-year.

Revenues from the sale of vacation ownership products declined $108 million (15 percent) to $635 million in 2010 from $743 million in 2009, driven mainly by $43 million of lower gross contract sales, $38 million from lower revenue reportability and $37 million related to the notes receivable reserve activity as discussed below.

The $43 million decline in gross North America contract sales primarily reflected:

- The continued impact of a weakened economy, due in part to the continued weakness in consumer confidence and decreased consumer willingness to spend discretionary income on purchases such as vacation ownership;
- The impact of restructuring efforts that we started in 2008 in response to the weakened economy that resulted in the closing of eight sales locations and one call center where we were no longer selling cost effectively. While those efforts resulted in lower sales volumes in 2010, they contributed to improvement in our total revenues from the sale of vacation ownership products, net of expenses;
- The impact of the 2009 sales promotion launched in celebration of the company's 25th anniversary, which resulted in a significant increase in contract sales in 2009; and
- The impact of a higher proportion of sales made to existing owners that resulted in a 22 percent decline in the overall average price per contract to $21,799 in 2010 from $27,889 in 2009. The increase in existing owner purchases was driven by: (1) sales promotions and (2) the launch of the MVCD program in mid-2010, as our sales efforts were focused on educating existing owners about this program. As a result, while the number of sales contracts executed in 2010 rose by 29 percent, or nearly 4,400 contracts, from 2009, sales to existing owners as a percentage of total sales was 66 percent in 2010, compared to 47 percent in 2009. The average price per contract for sales to existing owners was nearly $8,000 (or 30 percent) lower than 2009 given the impact of discounting and lower minimum purchase requirements for existing owners.

The $37 million of lower revenues relating to the notes receivable reserve activity included a $25 million impact due to the reversal in 2009 of the notes receivable reserve upon the securitization of our notes receivable. As discussed in "Business Overview" above, as a result of the adoption of the new Consolidation Standard on the first day of fiscal year 2010, securitization transactions are no longer treated as sales transactions. Thus, after adoption of the new Consolidation Standard, the secured notes receivable and related reserves remained in our Combined Balance Sheets, and there was no reversal of this related notes receivable reserve. Additionally, the notes receivable reserve charge was $12 million higher in 2010 as a result of higher note receivable default and delinquency activity.

Other revenues decreased $5 million (15 percent) to $29 million in 2010 from $34 million in 2009 due primarily to higher tour deposit forfeitures in 2009.

The $69 million increase (58 percent) in financing revenues to $188 million in 2010 from $119 million in 2009 primarily reflected:

- a $129 million increase in interest income, due to a $139 million increase from the notes receivable we now consolidate as part of our adoption of the new Consolidation Standard, partially offset by a $10 million decrease in interest income related mainly to non-securitized notes receivable, reflecting a lower outstanding balance as discussed below; and
- a $60 million reduction from the elimination of accretion of retained interests in securitized notes receivable and gains on a securitization of notes receivable which were no longer recorded in 2010 after the adoption of the new Consolidation Standard.

The lower non-securitized notes receivable balance reflects the continued collection of existing notes receivable, as well as the impact of lower financing propensity. The reduction in financing propensity was due in part to our elimination of financing incentive programs. The average non-securitized notes receivable balance

decreased $71 million to $451 million in 2010 from $522 million in 2009. For 2010, 40 percent of purchasers financed their vacation ownership purchase with us, compared to 44 percent in 2009 and 67 percent in 2008.

The $12 million (7 percent) increase in rental revenues to $187 million in 2010 from $175 million in 2009 reflected rental demand mainly at our North America properties ($13 million) that resulted in a company-wide 10 percent increase in transient keys rented (78,000 additional keys) and a company-wide 9 percent increase in transient rate ($14.52 increase per key). This was partially offset by a decrease in tour package revenue of $11 million related to lower tour flow, as we reduced reliance on this higher cost marketing channel. Resort occupancy, which includes owner and rental occupancy, remained at 90 percent in both 2010 and 2009.

Resort management and other services revenues increased $14 million (7 percent) to $227 million in 2010 from $213 million in 2009, reflecting $7 million of fees earned from the MVCD program; $4 million of higher ancillary revenues due to stronger demand for food and beverage and golf offerings as well as the impact of full-year operations at various projects and phases that opened during 2009; and a $4 million increase in management fees (from $56 million to $60 million) resulting primarily from the cumulative increase in the number of vacation ownership products sold.

The $6 million (2 percent) increase in cost reimbursements revenue to $318 million in 2010 from $312 million in 2009 reflected the impact of growth across the system from new resorts and new phases of existing resorts, partially offset by the impact of continued cost savings initiatives, lower development expenditures after the completion of a joint venture project, and lower marketing and sales efforts incurred under our joint venture arrangements in response to weak business conditions.

Total revenues net of total expenses increased by $703 million to $88 million in 2010 from a loss of $615 million in 2009. The increase reflected a favorable variance of $652 million related to impairment charges and restructuring expenses (see further discussion below), a $64 million increase in financing revenues net of expenses, $28 million of higher revenues from the sale of vacation ownership products net of expenses, $17 million of improvement in rental revenues net of expenses, $6 million of lower general and administrative expenses, and $4 million of higher other revenues net of expenses. Offsetting these improvements were $56 million of higher interest expense, $12 million of lower resort management and other services revenues net of expenses.

The $64 million increase in financing revenues net of expenses to $162 million in 2010 from $98 million in 2009 reflected $129 million of higher interest income, partially offset by $60 million related to the elimination of both the gains from the securitization of notes receivable and accretion of retained interests mainly as a result of adopting the new Consolidation Standard and $5 million of higher financing related expenses.

Revenues from the sale of vacation ownership products net of expenses increased $28 million to $44 million in 2010 from $16 million in 2009. Results reflected lower expenses related to lower sales volumes, lower average inventory costs associated with a proportionately higher sales mix of lower cost products, and a 1.4 percentage point reduction in marketing and selling expenses, as a percentage of related revenues. This improvement reflects the impact of ongoing cost savings initiatives, including the closure of higher cost sales locations and other restructuring efforts. These increases were partially offset by $108 million of lower revenues from the sale of vacation ownership products, a $6 million unfavorable variance for real estate inventory cost true-ups due to revised estimates of project economics, and $6 million from an increase in non-capitalizable development expenses, including property taxes and insurance, due to the decision to delay development of new project phases.

Rental revenues net of expenses improved $17 million to a loss of $7 million in 2010 from a loss of $24 million in 2009. Results reflected $12 million of higher revenues, $12 million of lower Marriott Rewards customer loyalty program costs due to fewer owner exchanges for Marriott Rewards Points, and $4 million of lower operating expenses resulting mainly from cost savings initiatives implemented in 2009. Partially offsetting

these increases was a $9 million increase in maintenance fees on unsold inventory ($68 million in 2010 from $59 million in 2009) and a $2 million increase in subsidy costs, due mainly to new resort and phase openings.

General and administrative expenses decreased $6 million to $82 million in 2010 from $88 million in 2009 due to lower technology related depreciation expense and the full-year impact of cost savings initiatives and other restructuring efforts that resulted in lower finance, human resource, information resources and other costs.

Other revenues net of expenses increased $4 million to $11 million in 2010 from $7 million in 2009 due mainly to a $10 million charge in the prior year related to resolving a tax issue with a state taxing authority, partially offset by the high amount of tour deposit forfeitures in 2009.

Interest expense increased by $56 million from zero in 2009. This increase was driven mainly by the consolidation of $1,121 million of debt associated with previously securitized notes receivable on the first day of fiscal 2010 in conjunction with our adoption of the new Consolidation Standard.

Resort management and other services revenues net of expenses decreased $12 million to $31 million in 2010 from $43 million in 2009, reflecting $12 million of start-up costs associated with the launch of the MVCD program and higher technology costs, partially offset by $14 million of higher revenues.

2009 Compared to 2008

Revenues decreased by $320 million (17 percent) to $1,596 million in 2009 from $1,916 million in 2008 as a result of $361 million of lower revenues from the sale of vacation ownership products, $8 million of lower resort management and other services revenues and $3 million of lower rental revenues. These declines were partially offset by $37 million of higher financing revenues, $8 million of higher cost reimbursements, and $7 million of higher other revenues.

Revenues from the sale of vacation ownership products decreased $361 million (33 percent) to $743 million in 2009, from $1,104 million in 2008, reflecting lower contract sales, partially offset by $27 million of higher revenue reportability year-over-year, and $17 million of lower notes receivable reserve activity. As we reversed notes receivable reserves upon sale of our related notes through securitization under the accounting guidance in 2009 and 2008, 2009 benefited from a higher reversal of the notes receivable reserve into income because higher note sale volumes associated with two note securitization transactions occurred in 2009, compared to only one in 2008.

Gross contract sales (before cancellation allowances) decreased $443 million (37 percent) to $748 million in 2009 from $1,191 million in 2008 due to weak economic conditions as well as the impact of the closure or downsizing of less effective sales centers. Our sales performance, similar to the rest of the vacation ownership industry, reflected the impact that the weakened economy had on consumer confidence and consumer willingness to spend discretionary income on purchases such as vacation ownership, and availability of credit to consumers. Contract sales, net of cancellation allowances, decreased by $411 million to $665 million in 2009 from $1,076 million in 2008.

Resort management and other services revenues decreased $8 million (4 percent) to $213 million in 2009 from $221 million in 2008 due to $11 million of lower commissions on lower resales volumes and $8 million of lower food and beverage, golf and spa, and marketplace revenues from lower customer spending due to the weakened economy, partially offset by the impact of new projects and new phases of existing projects. Offsetting these decreases were $7 million of higher management fee revenues (from $49 million to $56 million) and $2 million of higher customer service revenues, both from the cumulative increase in the number of vacation ownership products sold.

Rental revenues decreased $3 million (2 percent) to $175 million in 2009 from $178 million in 2008, reflecting rental demand mainly in our North America and Europe segments ($13 million) that resulted in a

company-wide 17 percent decrease in transient rate ($36.00 decrease per key), partially offset by an 18 percent increase in transient keys rented (118,000 additional keys) as well as $10 million of higher revenues in our Asia Pacific segment from operating a hotel we acquired to convert into vacation ownership products.

Financing revenues increased $37 million (45 percent) to $119 million in 2009 from $82 million in 2008 primarily due to $21 million of higher note sale gains in 2009 on higher securitized notes receivable volumes and $35 million of higher retained interest accretion (including a decrease in the adjustment to the fair market value of residual interests), partially offset by $18 million of lower interest income on a declining mortgage note receivable portfolio driven in part by our elimination of financing incentive programs. The average notes receivable balance decreased $50 million to $522 million in 2009 from $572 million in 2008. For 2009, 44 percent of vacation ownership sales were financed with us, compared to 67 percent in 2008.

The $8 million (3 percent) increase in cost reimbursements to $312 million in 2009 from $304 million in 2008 reflected the impact of growth across the system from new resorts and new phases of existing resorts, partially offset by the impact of cost containment efforts, lower development expenditures due to the completion of construction of one of our joint venture projects, and lower marketing and sales efforts incurred under our joint venture arrangements in response to weak business conditions.

Other revenues increased $7 million (26 percent) to $34 million in 2009 from $27 million in 2008, mainly reflecting $8 million of higher tour deposit forfeitures in 2009 and $4 million of higher revenues from our external exchange company. These increases were partially offset by $6 million of lower settlement revenues on lower contract sales volumes.

Total revenues net of total expenses decreased by $613 million to a loss of $615 million in 2009 from a loss of $2 million in 2008. The change reflected $604 million of higher impairment charges and restructuring expenses in 2009, $54 million of lower revenues from the sale of vacation ownership products net of expenses, and $32 million of lower rental revenues net of expenses. These increases were partially offset by $48 million of higher financing revenues net of expenses, $14 million of higher resort management and other services revenues net of expenses, $11 million of lower general and administrative expenses, and $4 million of higher other revenues net of expenses.

Revenue from the sale of vacation ownership products net of expenses declined $54 million to $16 million in 2009 from $70 million in 2008 due to the impact of $361 million of lower revenues from the sale of vacation ownership products, a nearly 1 percentage point increase in marketing and sales expenses as a percentage of revenues due to decreased contract sales volumes, and an unfavorable variance of $29 million for real estate inventory cost true-ups related to revised estimates of project economics.

Rental revenues net of expenses declined $32 million to a loss of $24 million in 2009 from income of $8 million in 2008, reflecting weaker demand for rental units, $20 million of higher maintenance fees on unsold units related to new projects and new phases of existing projects (to $59 million in 2009 from $39 million in 2008), and $7 million of higher costs due to an increase in owner exchanges for Marriott Rewards Points. In addition, 2008 benefited from an $8 million reduction from a change in estimate in the Marriott Rewards customer loyalty program liability. Offsetting these declines were $7 million of lower subsidy costs.

Financing revenues net of expenses increased $48 million to $98 million in 2009 from $50 million in 2008, reflecting $21 million of higher notes receivable securitization gains, $35 million of higher retained interest accretion, and an $11 million decline in the cost of financing. The lower cost of financing was driven by cost savings initiatives as well as the impact of our elimination of financing incentive programs in light of deteriorating market conditions. These improvements were partially offset by $18 million of lower interest income due to a declining notes receivable portfolio balance.

Resort management and other services revenues net of expenses increased $14 million to $43 million in 2009 from $29 million in 2008, reflecting $7 million of higher management fee revenues net of expenses and $3

million of higher customer service revenues net of expenses, both from the cumulative increase in the number of vacation ownership products sold, as well as $6 million of higher revenues net of expenses from resales activity.

General and administrative expenses decreased $11 million to $88 million in 2009 from $99 million in 2008 largely due to cost savings generated from the restructuring efforts initiated in 2008 that resulted in lower finance, human resources and information resources costs and other savings, as well as lower system-related depreciation expense.

Other revenues net of expenses increased $4 million to $7 million in 2009 from $3 million in 2008, reflecting $8 million of higher tour deposit forfeitures in 2009, partially offset by lower settlement revenue on lower contract volumes.

Impairment Charges

We own parcels of undeveloped land that we originally acquired for vacation ownership development, as well as built Luxury inventory, including unfinished units. Given our strategies to match completed inventory with our sales pace and to pursue future “asset light” development opportunities, we have decided to implement a plan to dispose of certain undeveloped land and built Luxury inventory. As a result, we refer to this land and inventory as “excess.” Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Based on our current plans, we believe we have identified all excess land and inventory. However, if our future plans change, the planned use of such assets may change. Further, to the extent that real estate market conditions change, our estimates of the fair value of such assets may change.

As discussed in more detail in Footnote No. 14, “Subsequent Events,” of the Notes to our Interim Combined Financial Statements, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. Under this plan, management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. If we are able to dispose of this excess land and built Luxury inventory, we will eliminate the associated carrying costs. As a result of adopting this plan, we expect to record a pre-tax non-cash impairment charge of approximately $324 million in our third quarter financial statements to write-down the value of these assets.

First Half of 2010

During the 2010 first half, we reversed a $5 million impairment due to our negotiation of a reduction in a purchase commitment with a third party.

2010

We recorded pretax charges totaling a net $4 million in our Combined Statements of Operations primarily comprised of a $14 million impairment charge for a golf course and related assets that we decided to sell (the amount of this charge was equal to the excess of our carrying cost over estimated fair value) and a $6 million impairment charge associated with our Luxury segment inventory due to continued sluggish sales, partially offset by an $11 million reversal of a previously recorded funding liability and a reversal of $5 million of previously recorded impairment due to our negotiation of a reduction in a purchase commitment with a third party.

We reversed $11 million of the $27 million funding liability we recorded in 2009 related to a Luxury segment vacation ownership joint venture project, based on facts and circumstances surrounding the project, including favorable resolution of certain construction-related legal claims and potential funding of certain costs by one of our joint venture partners.

For additional information related to these impairment charges, including how these impairments were determined and the impairment charges grouped by product type and/or geographic location, see Footnote No. 17, “Impairment Charges,” of the Notes to our annual Combined Financial Statements.

2009

In response to the difficult business conditions in the vacation ownership and residential real estate development businesses in 2009, we evaluated our entire portfolio for impairment. In order to adjust our business strategy to reflect market conditions at that time, we approved the following actions: (1) for our Luxury segment residential projects, to reduce prices, convert certain proposed projects to other uses, sell certain undeveloped land and not pursue further company-funded residential development projects; (2) to reduce prices for existing Luxury segment vacation ownership products; (3) to continue short-term sales promotions for our North America segment and defer the introduction of new projects and development phases; and (4) for our Europe segment vacation ownership products, to continue promotional pricing and marketing incentives and not pursue further development projects. We designed these plans to stimulate sales, accelerate cash flow and reduce investment spending.

As a result of these decisions, in 2009, we recorded pretax charges in our Combined Statements of Operations totaling $761 million, including $623 million of pretax charges recorded in the Impairment line and $138 million of pretax charges recorded in the Impairment reversals (charges) on equity investment line. The $761 million of pretax impairment charges were non-cash, other than $27 million of charges associated with ongoing mezzanine loan fundings and $21 million of charges for purchase commitments that we expected to fund in 2010.

For additional information related to these impairment charges, including how these impairments were determined and the impairment charges grouped by product type and/or geographic location, see Footnote No. 17, “Impairment Charges,” of the Notes to our annual Combined Financial Statements.

2008

We recorded pretax charges in our Combined Statements of Operations totaling a net $44 million on the Impairment line comprised of a $22 million inventory impairment charge and $22 million of costs associated with the cancellation of certain development projects.

We recorded the $22 million non-cash impairment charge for a vacation ownership and residential real estate project held for development by a Luxury segment joint venture that we consolidate. We recorded a pretax benefit of $12 million on the Net losses attributable to noncontrolling interests, net of tax line on our Combined Statements of Operations representing our joint venture partner’s pretax share of the $22 million impairment charge. As the economy weakened in 2008, our Luxury segment was negatively impacted by soft demand, contract cancellations and tightening in credit markets. The weakened market for jumbo loans particularly impacted demand for our luxury residential products. These were the predominant items we considered in our impairment analysis.

Further, as result of the sharp downturn in the economy, we decided to discontinue certain development projects and phases that required our investment. As a result, we expensed $22 million of previously capitalized costs.

For additional information related to these impairment charges, including how these impairments were determined and the impairment charges grouped by product type and/or geographic location, see Footnote No. 17, “Impairment Charges” of the Notes to our annual Combined Financial Statements. See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

Restructuring Costs and Other Charges

Our business was also negatively affected both domestically and internationally by the downturn in market conditions, particularly the significant deterioration in the credit markets, which resulted in our decision not to complete a notes receivable securitization in the fourth quarter of 2008 (although we did complete a note receivable securitization in the first quarter of 2009). These weak economic conditions resulted in cancelled development projects, reduced contract sales and higher anticipated loan losses. In the 2008 fourth quarter, we implemented certain company-wide cost-saving initiatives at both the corporate and site levels. The various initiatives resulted in aggregate restructuring costs of $19 million in the 2008 fourth quarter. As part of the restructuring we began in 2008 and as a result of the continued deterioration in market conditions, we initiated further cost-saving measures in 2009 that resulted in additional restructuring costs of $44 million in 2009. We completed this restructuring in 2009 and have not incurred additional expenses in connection with these initiatives.

For additional information on the 2008 and 2009 restructuring costs, including the types of restructuring costs incurred in total and by segment, and for the cumulative restructuring costs incurred since inception and a roll forward of the restructuring liability through year-end 2010, please see Footnote No. 16, “Restructuring Costs and Other Charges,” of the Notes to our annual Combined Financial Statements.

As a result of our restructuring efforts, we realized approximately $113 million of annualized cost savings in 2010, which were primarily reflected in our Combined Statements of Operations in marketing and sales and general and administrative expenses.

Gains and Other Income

2010 Compared to 2009

Gains and other income in 2010 of $21 million reflected a gain on the sale of an operating hotel that we originally acquired for conversion into vacation ownership products for our Asia Pacific segment. Gains and other income in 2009 of $2 million reflected a gain in our Luxury segment on the sale of a sales center that was no longer needed.

Equity in (Losses) Earnings

First Half of 2011 Compared to First Half of 2010

The decline in equity in losses to $0 in the first half of 2011 from $7 million in the first half of 2010 mainly reflected the discontinuance of recording equity in losses associated with a Luxury segment joint venture, when our investment in the joint venture, including loans due from the joint venture, reached zero in 2010 prior to 2011.

2010 Compared to 2009

Equity in losses improved $4 million to $8 million in 2010 from $12 million in 2009 due mainly to lower cancellation reserves and improved operating results related to the Luxury segment joint venture as well as the discontinuance of recording equity in losses when our investments in the joint venture, including loans from the joint venture, reached zero in 2010.

2009 Compared to 2008

Equity in (losses) earnings decreased $23 million to equity in losses of $12 million in 2009 from equity in earnings of $11 million in 2008 due to decreased earnings in 2009 for the Luxury segment joint venture associated with lower sales volumes and higher operating and other costs, as well as the impact of cancellation allowances and 2009 impairment charges.

Income Tax

First Half of 2011 Compared to First Half of 2010

Income tax expense increased by $8 million to a tax provision of $26 million in the first half of 2011 compared to $18 million in the first half of 2010. The increase in income tax expense is primarily related to an increase in pretax income in the United States. The increase was offset by a decrease in non-U.S. tax expense for the gain on the sale of property in 2010.

2010 Compared to 2009

Income tax expense increased by $276 million to a tax provision of $45 million in 2010 compared to $231 million tax benefit in 2009. The increase in income tax expense in 2010 is primarily related to an increase in pretax income (2009 pretax income was lower as a result of impairment charges). Non-U.S. tax expense increased due to a gain on the sale of property.

2009 Compared to 2008

Income tax expense decreased by $256 million to a tax benefit of $231 million in 2009 compared to $25 million tax provision in 2008. The decrease in income tax expense in 2009 is primarily related to a decrease in pretax income as a result of impairment charges. The non-U.S. tax benefit was reduced due to impairment charges on entities in low tax jurisdictions.

Net Losses Attributable to Noncontrolling Interests

2010 Compared to 2009

Net losses attributable to noncontrolling interests decreased by $11 million in 2010 to zero, compared to $11 million in 2009 and reflected our acquisition of our partner's interest in a joint venture in 2010. The benefit for net losses attributable to noncontrolling interests in 2009 of $11 million is net of tax and reflected our partner's share of losses associated with a joint venture previously consolidated that we now wholly own. See Footnote No. 15, "Variable Interest Entities," of the Notes to our annual Combined Financial Statements for additional information.

2009 Compared to 2008

Net losses attributable to noncontrolling interests decreased by $14 million in 2009 to $11 million compared to $25 million in 2008 due to the buy-out of a joint venture arrangement as well as the impact of our partner's share of losses associated with joint ventures we consolidated.

Net Income and Income (Loss) Attributable to Marriott Vacations Worldwide

First Half of 2011 Compared to First Half of 2010

Net income (loss) attributable to Marriott Vacations Worldwide increased $5 million to $35 million in the first half of 2011 from $30 million in the first half of 2010. As discussed in more detail in the preceding sections, the $5 million increase reflected higher revenues from the sale of vacation ownership products net of related expenses ($8 million), lower equity in losses ($7 million), lower interest expense ($6 million), higher rental revenues net of expenses ($4 million), higher resort management and other services revenue net of expenses ($3 million), and higher other revenues net of expenses ($3 million). These increases were partially offset by lower financing revenues net of expenses on lower interest income ($11 million), higher income taxes ($8 million), an unfavorable variance related to a 2010 first quarter reversal of a previously recorded impairment charge for one of our Asia Pacific projects ($5 million), and an increase in general and administrative expenses ($2 million).

2010 Compared to 2009

Net income (loss) attributable to Marriott Vacations Worldwide increased $588 million to income of $67 million in 2010 from a loss of $521 million in 2009. As discussed in more detail in the preceding sections, the $588 million increase reflected a favorable variance related to our impairment and restructuring charges ($801 million), higher financing revenues net of expenses ($64 million), higher revenues from the sale of vacation ownership products net of expenses ($28 million), higher gains and other income ($19 million), an improvement in rental revenues net of expenses ($17 million), lower general and administrative expenses ($6 million), lower equity in losses ($4 million), and higher other revenues net of expenses ($4 million). Offsetting these improvements were higher income taxes ($276 million), higher interest expense ($56 million), lower resort management and other services revenues net of expenses ($12 million) and lower net losses attributable to noncontrolling interests, net of tax ($11 million).

2009 Compared to 2008

Net income (loss) attributable to Marriott Vacations Worldwide decreased $530 million to a loss of $521 million in 2009 from income of $9 million in 2008. As discussed in more detail in the preceding sections, the $530 million decrease reflected higher impairment and restructuring charges ($742 million), lower revenues from the sale of vacation ownership products net of expenses ($54 million), lower rental revenues net of expenses ($32 million), lower equity in (losses) earnings ($23 million), and lower net losses attributable to noncontrolling interests, net of tax ($14 million). These decreases were partially offset by lower income taxes ($256 million), higher financing revenues net of expenses ($48 million), higher resort management and other services revenues net of expenses ($14 million), lower general and administrative expenses ($11 million), and higher other revenues net of expenses ($4 million).

Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”) and Adjusted EBITDA

EBITDA, a financial measure which is not prescribed or authorized by GAAP, reflects earnings excluding the impact of interest expense, provision for income taxes, depreciation and amortization. We consider EBITDA to be an indicator of operating performance, and we use it to measure our ability to service debt, fund capital expenditures and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. EBITDA also excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

We also evaluate Adjusted EBITDA, another non-GAAP financial measure, as an indicator of performance. Our Adjusted EBITDA excludes the impact of our 2008 and 2009 restructuring costs and 2008, 2009 and 2010 impairment charges and includes the impact of interest expense associated with our debt from the securitization of our notes receivable. We include the interest expense related to debt from the securitization of our notes receivable in determining Adjusted EBITDA as the debt is secured by notes receivable that have been sold to bankruptcy remote special purpose entities, and is not recourse generally to us or to our business. We evaluate Adjusted EBITDA, which adjusts for these items to allow for period-over-period comparisons of our ongoing core operations before material charges and is useful to measure our ability to service our non-securitized debt. EBITDA and Adjusted EBITDA also facilitate our comparison of results from our ongoing operations with results from other vacation ownership companies.

EBITDA and Adjusted EBITDA have limitations and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. Both of these non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do or may not calculate it at all, limiting Adjusted EBITDA's usefulness as a comparative measure. The table below shows our EBITDA and Adjusted EBITDA calculations and reconciles those measures with Net Income (Loss).

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	June 17, 2011	June 18, 2010	2010	2009	2008
Net income (loss)	$ 35	$ 30	$ 67	$(532)	$ (16)
Interest Expense	22	28	56	—	—
Tax provision (benefit), continuing operations	26	18	45	(231)	25
Depreciation and amortization	17	18	39	43	46
EBITDA	100	94	207	(720)	55
Restructuring expenses	—	—	—	44	19
Impairment charges:					
Impairments (reversals)	—	(5)	15	623	44
Impairments (reversals) on equity investment	—	—	(11)	138	—
Consumer financing interest expense	(22)	(28)	(56)	—	—
	(22)	(33)	(52)	805	63
Adjusted EBITDA	$ 78	$ 61	$155	$ 85	$118

Business Segments

Our business is grouped into four business segments: North America, Luxury, Europe and Asia Pacific. See Footnote No. 20, "Business Segments," of the Notes to our annual Combined Financial Statements for further information on our segments.

At the end of the first half of 2011, we operated the following 64 properties by segment (under 71 separate resort management contracts):

	U.S.(1)	Non-U.S.	Total
North America	43	3	46
Luxury	8	2	10
Europe	—	5	5
Asia Pacific	—	3	3
Total	51	13	64

(1) Includes U.S. territories.

Non-GAAP Financial Measures

We report Segment financial results (as adjusted), a financial measure that is not prescribed or authorized by GAAP. We believe Segment financial results (as adjusted) better reflects a segment's core operating performance than the comparable unadjusted measure, Segment financial results, as it adjusts this measure for restructuring charges and impairment charges that are not representative of ongoing operations.

The tables on the following pages reconcile Segment financial results (as adjusted) to the most directly comparable GAAP measure (identified by a footnote reference on the following segment tables). This non-GAAP measure is not an alternative to revenue, net income or any other comparable operating measure

prescribed by GAAP. In addition, Segment financial results (as adjusted) may be calculated and/or presented differently than measures with the same or similar names that are reported by other companies, and as a result, the Segment financial results (as adjusted) we report may not be comparable to those reported by others.

North America

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues					
Sales of vacation ownership products, net	$ 234	$ 235	$ 492	$ 596	$ 869
Resort management and other services	82	79	175	161	167
Financing[1]	73	82	172	43	66
Rental	82	73	152	139	149
Other	14	14	27	32	27
Cost reimbursements	118	111	233	224	211
Total Revenues	603	594	1,251	1,195	1,489
Expenses					
Costs of vacation ownership products	91	96	191	241	317
Marketing and sales	113	116	247	304	439
Resort management and other services	66	68	149	116	130
Rental	70	65	135	145	123
Other	6	6	12	24	19
General and administrative	1	2	4	4	4
Restructuring	—	—	—	31	13
Impairment	—	—	—	108	9
Cost reimbursements	118	111	233	224	211
Total Expenses	465	464	971	1,197	1,265
Segment financial results.	$ 138	$ 130	$ 280	$ (2)	$ 224
Segment financial results as adjusted[2]	$ 138	$ 130	$ 280	$ 137	$ 246
Contract Sales (company-owned)					
Vacation ownership	$ 237	$ 257	$ 529	$ 572	$ 905
Residential products	1	—	1	1	17
Subtotal	238	257	530	573	922
Cancellation allowance	—	—	—	(4)	(16)
Total contract sales	$ 238	$ 257	$ 530	$ 569	$ 906
Volume per Guest[3]	$2,553	N/A	$2,285	N/A	N/A

(1) Financing revenues and reflect the impact of adopting the new Consolidation Standard beginning in 2010.

(2) Denotes a non-GAAP measure and includes:

Segment financial results	$138	$130	$280	$ (2)	$224
Add:					
- Restructuring	—	—	—	31	13
- Impairment	—	—	—	108	9
Segment financial results (as adjusted)	$138	$130	$280	$137	$246

(3) Includes only VPG information subsequent to the launch of the MVCD program in mid-2010.

First Half of 2011 Compared to First Half of 2010

The $9 million (2 percent) increase in revenues to $603 million in the first half of 2011 from $594 million in the first half of 2010 reflected $9 million of higher rental revenues, $7 million of higher cost reimbursements, and $3 million of higher resort management and other services revenues, partially offset by $9 million of lower financing revenues and $1 million of lower sales of vacation ownership products.

Rental revenues increased $9 million (12 percent) to $82 million in the first half of 2011 from $73 million in the first half of 2010, reflecting rental demand for our properties that resulted in a 2 percent increase in transient keys rented (8,500 additional keys) and a near 5 percent increase in transient rate achieved ($8.33 increase per key). Resort occupancy, which includes owner and rental occupancy, declined slightly to 90 percent in the first half of 2011 compared to 91 percent in the first half of 2010.

Cost reimbursements increased $7 million (6 percent) to $118 million in the first half of 2011 from $111 million in the first half of 2010, reflecting the impact of growth across the system from new resorts and new phases of existing resorts.

Resort management and other services revenues increased $3 million (4 percent) to $82 million in the first half of 2011 from $79 million in the first half of 2010, reflecting $6 million of additional fees associated with the MVCD program, $1 million of higher ancillary revenues from food and beverage and golf offerings, and $1 million of higher management fees (from $23 million to $24 million) resulting from the cumulative increase in the number of vacation ownership products sold, partially offset by $4 million of lower resales commissions.

Financing revenues decreased $9 million (11 percent) to $73 million in the first half of 2011 from $82 million in the first half of 2010, reflecting a lower outstanding notes receivable balance due to the continued collection of existing mortgage notes receivables. In both the first half of 2011 and 2010 approximately 41 percent of purchasers financed their vacation ownership purchase with us.

Revenue from the sale of vacation ownership products decreased $1 million to $234 million in the first half of 2011 compared to $235 million in the first half of 2010, reflecting $19 million of lower gross contract sales, offset by $4 million related to higher revenue reportability and $14 million of lower notes receivable reserve activity due to an increase to the reserve in the first half of 2010 resulting from higher note receivable default and delinquency activity.

Gross contract sales decreased $19 million (7 percent) to $238 million in the first half of 2011 from $257 million in the first half of 2010 due to the impact of a higher proportion of sales made to existing owners that resulted in a 17 percent decline in the overall average price per contract to $24,100 in the first half of 2011 from $29,114 in the first half of 2010. The increase in existing owner purchases was driven by the launch of the MVCD program in mid-2010, as our sales efforts were focused on educating existing owners about this program. As a result, while the number of sales contracts executed in the first half of 2011 rose by 22 percent, or 1,500 contracts, from the first half of 2010, sales to existing owners as a percentage of total sales was 69 percent in the current year, compared to 49 percent in the prior year. The average price per contract for sales to existing owners was over $7,000 (or 25 percent) lower than the first half of 2010 given the lower minimum purchase requirements for existing owners in the MVCD program. The average price per contract for new owners increased by nearly $700 (2 percent) from the first half of 2010.

Segment financial results increased $8 million to $138 million in the first half of 2011 from $130 million in the first half of 2010 due to $7 million of higher revenue from the sale of vacation ownership products net of related expenses, $5 million from higher resort management and other services revenues net of expenses, $4 million of higher rental revenues net of expenses, and $1 million of lower general and administrative expenses. These increases were partially offset by $9 million of lower financing revenues net of expenses from lower revenues.

Revenues from the sale of vacation ownership products net of expenses increased $7 million to $30 million in the first half of 2011 from $23 million in the first half of 2010. Results included $4 million of lower real estate inventory costs associated with a proportionately higher sales mix of lower cost projects, as well as the inclusion in the first half of 2010 of the increase to the notes receivable reserve as a result of higher note receivable default and delinquency activity. These increases were partially offset by lower contract sales.

Resort management and other services revenues net of expenses increased $5 million to $16 million in the first half of 2011 from $11 million in the first half of 2010 from additional fees associated with the MVCD program, net of expenses and $1 million of higher management fees.

Rental revenues net of expenses increased $4 million to $12 million in the first half of 2011 from $8 million in the first half of 2010 as a result of increased transient keys rented and higher transient rates as well as $1 million of lower costs due to fewer owner exchanges for Marriott Rewards Points.

2010 Compared to 2009

The $56 million increase (5 percent) in revenues to $1,251 million in 2010 from $1,195 million in 2009 reflected $129 million of higher financing revenues, a $14 million increase in resort management and other services revenues, $13 million of higher rental revenues and $9 million of higher cost reimbursements, offset by a $104 million decline in revenues from the sale of vacation ownership products and $5 million of lower other revenues.

The $129 million increase in financing revenues to $172 million in 2010, from $43 million in 2009, primarily reflected a $129 million increase in interest income, including a $135 million increase from the notes receivable we now consolidate in accordance with the new Consolidation Standard, partially offset by a $6 million decline in interest income related to a lower non-securitized notes receivable balance. The lower non-securitized notes receivable balance reflects the continued collection of existing notes receivable and lower financing propensity than we experienced in the past due in part to our elimination of financing incentive programs. For 2010, 42 percent of buyers financed their purchase with us, compared to 46 percent in 2009. On average, the non-securitized notes receivable balance decreased $75 million to $320 million in 2010 from $395 million in 2009.

Rental revenues increased $13 million (9 percent) to $152 million in 2010 from $139 million in 2009, reflecting rental demand for our properties that resulted in a 9 percent increase in transient keys rented (63,000 additional keys) and a 9 percent increase in transient rate achieved ($13.83 increase per key). This was partially offset by a decrease in tour package revenue of $10 million related to lower tour flow, as we reduced reliance on this higher cost marketing channel. Resort occupancy, which includes owner and rental occupancy, increased 1 percentage point to 92 percent in 2010.

The $14 million (9 percent) increase in resort management and other services revenues to $175 million in 2010 from $161 million in 2009 reflected $7 million of fees associated with the MVCD program that we launched in mid-2010, $5 million of higher ancillary revenues due to stronger demand for food and beverage and golf offerings and the impact of new or full-year operations at various projects and phases opened in 2009, and a $4 million increase in management fees (from $46 million to $50 million) resulting from the cumulative increase in the number of vacation ownership products sold.

The $9 million (4 percent) increase in cost reimbursements to $233 million in 2010 from $224 million in 2009 reflected the impact of growth across the system from new resorts and new phases at existing resorts.

Revenues from the sale of vacation ownership products decreased $104 million (17 percent) to $492 million in 2010 from $596 million in 2009, reflecting lower vacation ownership contract sales, $38 million related to lower revenue reportability year-over-year, the majority of which became reportable in the first half of 2011, and $27 million related to notes receivable reserve activity. The notes receivable reserve activity included a $25

million favorable impact in 2009 of the reversal of the notes receivable reserve into income upon the sale of the notes receivable through securitization. In 2010, notes receivable and the related reserves remained on our books upon securitization as part of our adoption of the new Consolidation Standard. Notes receivable reserve activity also included a $2 million increase to the 2010 notes receivable reserve as a result of higher note receivable default and delinquency activity.

Gross contract sales decreased $43 million (8 percent) to $530 million in 2010 from $573 million in 2009, reflecting:

- The continued impact of a weakened economy, due in part to the continued weakness in consumer confidence and decreased consumer willingness to spend discretionary income on purchases such as vacation ownership;
- The impact of restructuring efforts that we started in 2008 in response to the weakened economy that resulted in the closing of eight sales locations and one call center where we were no longer selling cost effectively. While those efforts resulted in lower sales volumes, they contributed to improvement in our total revenues from the sale of vacation ownership products, net of expenses;
- The impact of the 2009 sales promotion launched in celebration of the company's 25th anniversary, which resulted in a significant increase in contract sales in 2009; and
- The impact of a higher proportion of sales made to our existing owners that resulted in a 22 percent decline in the overall average price per contract to $21,799 in 2010 from $27,889 in 2009. The increase in existing owner purchases was driven by: (1) sales promotions and (2) the launch of the MVCD program in mid-2010, as our sales efforts were focused on educating existing owners about this program. As a result, while the number of sales contracts executed in 2010 rose by 29 percent, or nearly 4,400 contracts, from 2009, sales to existing owners as a percentage of total sales was 66 percent in 2010, compared to 47 percent in 2009. The average price per contract for sales to existing owners was nearly $8,000 (or 30 percent) lower than 2009 given the impact of discounting and lower minimum purchase requirements for existing owners in the MVCD program as compared to the average price per week in 2010.

Other revenues decreased $5 million (16 percent) to $27 million in 2010 from $32 million in 2009 due mainly to $5 million of lower tour deposit forfeitures in 2009, partially offset by higher settlement revenues associated with a higher number of contract closings in 2010.

Segment financial results of $280 million in 2010 increased by $282 million from $2 million of losses in 2009, and primarily reflected a favorable variance from the $139 million of impairment charges and restructuring expenses recorded in 2009, $129 million of higher financing revenues, $23 million of higher rental revenues net of expenses, $7 million from higher other revenue net of expense, driven mainly by a $10 million charge in 2009 related to resolving a tax issue with a state taxing authority, and $3 million from higher revenues from the sale of vacation ownership products net of expenses. Offsetting these increases was $19 million of lower resort management and other services revenues net of expenses.

Rental revenues net of expense increased $23 million to $17 million in 2010 from a loss of $6 million in 2009 as a result of increased transient keys rented and higher transient rates, $12 million of lower costs due to fewer owner exchanges for Marriott Rewards Points, and lower operating costs resulting from cost savings initiatives implemented in 2008. These increases were partially offset by $3 million of higher maintenance fees on unsold inventory (to $43 million in 2010 from $40 million in 2009) and $4 million of higher subsidy costs, both associated with the opening of new projects and phases.

Revenues from the sale of vacation ownership products net of expenses increased $3 million to $54 million in 2010 from $51 million in 2009 as a result of a nearly 1 percentage point reduction in marketing and sales expenses, as a percentage of related revenues, related to the cost savings initiatives begun in 2008, including the closure of higher cost sales locations, and lower overall real estate inventory expenses. These increases were

partially offset by lower revenues and $4 million from higher non-capitalizable development expenses, including property taxes and insurance, due to our decision to delay developing new project phases. A proportionately higher sales mix of lower cost projects resulted in $18 million of lower real estate inventory expenses, offset by an unfavorable variance of $10 million for real estate inventory cost true-ups related to revised estimates of project economics.

Resort management and other services revenues net of expenses decreased $19 million to $26 million in 2010 from $45 million in 2009 resulting mainly from $12 million of start-up costs associated with the launch of the MVCD program, as well as higher technology costs.

Segment financial results (as adjusted) increased by $143 million to $280 million in 2010 from $137 million in 2009.

2009 Compared to 2008

The $294 million (20 percent) decrease in revenues to $1,195 million in 2009 from $1,489 million in 2008 reflected $273 million of lower revenues from the sale of vacation ownership products, $23 million of lower financing revenues, $10 million of lower rental revenues, and $6 million of lower resort management and other services revenues. These declines were partially offset by $13 million of higher cost reimbursements and $5 million of higher other revenues.

Revenues from the sale of vacation ownership products decreased $273 million (31 percent) to $596 million in 2009 from $869 million in 2008, reflecting lower vacation ownership contract sales, partially offset by $42 million of favorable revenue reportability year-over-year, and $22 million of favorable notes receivable reserve activity. Prior to 2010, under then-existing accounting guidance, we reversed into income notes receivable reserves associated with the sale through securitizations. As such, 2009 benefited from a higher reversal of the notes receivable reserve into income due to our completion of two notes receivable securitizations in 2009, compared to only one in 2008.

Gross contract sales decreased $349 million (38 percent) to $573 million in 2009 from $922 million in 2008 due to weaker demand for our products and the impact of the closure or downsizing of sales locations. Similar to other companies in the vacation ownership industry, our sales performance in 2009 reflected the impact that the weakened economy had on consumer confidence and consumer willingness to spend discretionary income on purchases such as vacation ownership. Contract sales, net of cancellation allowances, decreased $337 million to $569 million in 2009 from $906 million in 2008.

Financing revenues declined $23 million (35 percent) to $43 million in 2009 from $66 million in 2008 resulting from $22 million of lower interest income in 2009 due to a $64 million lower balance of non-securitized notes receivable in 2009 as a result of our completion of two notes receivable securitizations during 2009 compared to one notes receivable securitization that occurred early in 2008.

The $10 million (7 percent) rental revenues decline to $139 million from $149 million reflected weaker rental demand resulting in an 18 percent reduction in transient rates, partially offset by a 17 percent increase in keys rented. Resort occupancy, which includes owner and rental occupancy, declined 1 percentage point to 91 percent in 2009.

Resort management and other services revenues declined $6 million to $161 million in 2009 from $167 million in 2008 as a result of $11 million of lower commissions on lower resales volumes, partially offset by higher management fees (from $41 million to $46 million) from the cumulative increase in the number of vacation ownership products sold.

Cost reimbursements increased $13 million (6 percent) to $224 million in 2009 from $211 million in 2008, reflecting the impact of growth across the system from new resorts and new phases of existing resorts, partially offset by the impact of cost containment efforts.

Other revenues increased $5 million (19 percent) to $32 million in 2009 from $27 million in 2008, resulting mainly from $6 million of higher tour deposit forfeitures in 2009.

Segment financial results decreased $226 million to $2 million of losses in 2009 from $224 million of income in 2008, and primarily reflected an unfavorable variance of $117 million related to the impairments and restructuring costs recorded in 2009 and 2008, a decrease in revenues from the sale of vacation ownership products net of expenses of $62 million, $32 million from lower rental revenues net of expenses, and $23 million of lower financing revenues net of expenses due mainly to lower interest income as discussed in the revenues section above, partially offset by $8 million of higher resort management and other services revenues net of expenses.

Revenues from the sale of vacation ownership products net of expenses decreased $62 million to $51 million in 2009 from $113 million in 2008 due mainly to the impact of the lower revenues from the sale of vacation ownership products, a nearly 1 percentage point increase in overall marketing and sales expenses as a percentage of related revenues due to decreased contract sales volumes, and an unfavorable variance of $33 million for real estate inventory cost true-ups related to revised estimates of project economics.

Rental revenues net of expenses decreased $32 million to a loss of $6 million in 2009 from income of $26 million in 2008 from lower transient rates, $18 million of higher maintenance fees associated with unsold inventory due to new projects and new phases of existing projects ($40 million in 2009 from $22 million in 2008), and $6 million of higher Marriott Rewards expenses due to increased owner exchanges for Marriott Rewards Points. In addition, 2008 benefited from an $8 million reduction from a change in estimate in the Marriott Rewards customer loyalty program liability.

Resort management and other services revenues net of expenses increased $8 million to $45 million in 2009 from $37 million in 2008 on $6 million of higher management fee revenues and $3 million of higher revenues net of expenses on resales activity driven mainly by the favorable timing of revenue recognition for sales commissions.

Segment financial results (as adjusted) decreased by $109 million to $137 million in 2009 from $246 million in 2008.

Luxury

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues					
Sales of vacation ownership products, net	$ 9	$ 13	$ 20	$ 39	$ 45
Resort management and other services	12	10	20	20	18
Financing[1]	3	4	8	7	3
Rental	2	2	2	2	3
Other	1	—	1	1	—
Cost reimbursements	23	25	52	58	61
Total Revenues	50	54	103	127	130
Expenses					
Costs of vacation ownership products	6	6	11	28	29
Marketing and sales	6	11	23	31	38
Resort management and other services	14	11	23	26	33
Rental	11	9	21	18	20
Other	—	—	—	1	2
General and administrative	2	2	3	3	3
Restructuring	—	—	—	3	1
Impairment	—	—	20	441	25
Cost reimbursements	23	25	52	58	61
Total Expenses	62	64	153	609	212
Gains and other income	—	—	—	2	—
Equity in (losses) earnings	—	(6)	(8)	(12)	11
Impairment reversals (charges) on equity investment	—	—	11	(138)	—
Segment financial results	$ (12)	$ (16)	$ (47)	$(630)	$ (71)
Segment financial results as adjusted[2]	$ (12)	$ (16)	$ (38)	$ (48)	$ (45)
Contract Sales					
Company-Owned					
Vacation ownership	$ 9	$ 13	$ 20	$ 25	$ 27
Residential products	1	6	8	11	9
Subtotal	10	19	28	36	36
Cancellation allowance	1	—	(1)	(4)	(2)
Total company-owned contract sales	11	19	27	32	34
Joint Venture					
Vacation ownership	6	7	12	19	16
Residential products	—	4	4	—	32
Subtotal	6	11	16	19	48
Cancellation allowance	—	(14)	(19)	(75)	(97)
Total joint venture contract sales	6	(3)	(3)	(56)	(49)
Total contract sales	$ 17	$ 16	$ 24	$ (24)	$ (15)

(1) Financing revenues and reflect the impact of adopting the new Consolidation Standard beginning in 2010.

(2) Denotes a non-GAAP measure and includes:

Segment financial results	$(12)	$(16)	$(47)	$(630)	$(71)
Add:					
- Restructuring	—	—	—	3	1
- Impairment	—	—	20	441	25
- Impairment reversals (charges) on equity investment	—	—	(11)	138	—
Segment financial results (as adjusted)	$(12)	$(16)	$(38)	$ (48)	$(45)

Overview

Given the continued weakness in the economy, particularly in the luxury real estate market, we have significantly scaled back our development of luxury vacation ownership products. We do not have any luxury projects under construction nor do we have any current plans for new development in this segment. While we will continue to sell existing luxury vacation ownership products, we also expect to evaluate opportunities for bulk sales of excess luxury inventory and disposition of undeveloped land.

First Half of 2011 Compared to First Half of 2010

Revenues decreased $4 million (7 percent) to $50 million in the first half of 2011 from $54 million in the first half of 2010, reflecting $4 million of lower revenues from the sale of company-owned vacation ownership products and $2 million of lower cost reimbursements, partially offset by $2 million of higher resort management and other services revenues.

Revenue from the sale of luxury vacation ownership products decreased $4 million (31 percent) to $9 million in the first half of 2011 from $13 million in the first half of 2010, reflecting lower sales volumes due to the weakness in the luxury real estate market and $7 million related to unfavorable revenue reportability year-over-year. These declines were partially offset by $11 million of lower notes receivable reserve activity, due mainly to an increase to the reserve in the first half of 2010 as a result of higher note receivable default and delinquency activity.

Total contract sales include sales from company-owned projects as well as sales generated under a marketing and sales arrangement with a joint venture. Gross contract sales (before cancellation allowances) decreased $14 million driven mainly by lower sales of residential products due to continued weakness in the luxury real estate market. Contract sales, net of cancellation allowances, reflected an increase of $1 million to $17 million in the first half of 2011 from $16 million in the first half of 2010, reflecting a $15 million reduction in the cancellation allowances year-over-year, partially offset by the weakness in the real estate market. Since we do not expect to have any luxury projects under construction, we do not anticipate having significant cancellation allowances in the future.

Cost reimbursements decreased $2 million (8 percent) to $23 million in the first half of 2011 from $25 million in the first half of 2010 due to lower development expenditures after completion of a project by one of our joint ventures and lower marketing and sales costs incurred under our joint venture arrangements, in response to weak business conditions and cost containment measures.

Resort management and other services revenues increased $2 million (20 percent) to $12 million in the first half of 2011 from $10 million in the first half of 2010 due mainly to higher ancillary revenues related to stronger consumer demand and the addition of new projects and new phases of existing projects. Management fees remained flat at $1 million in the first halves of 2011 and 2010.

Segment financial results improved $4 million to a loss of $12 million in the first half of 2011 from a loss of $16 million in the first half of 2010, reflecting $6 million of lower equity in losses due to the discontinuance of recording equity in losses when our investments in a joint venture, including loans from the joint venture, reached zero during 2010, partially offset by $2 million of lower rental revenues net of expenses (losses).

Rental revenues net of expenses decreased $2 million to a loss of $9 million in the first half of 2011 from a loss of $7 million in the first half of 2010, reflecting increased maintenance fees on unsold inventory related to a new project, bringing total maintenance costs on unsold inventory to $8 million in the first half of 2011 up from $6 million in the first half of 2010.

2010 Compared to 2009

The $24 million (19 percent) decrease in Luxury segment revenues to $103 million in 2010 from $127 million in 2009 reflected $19 million of lower revenues from the sale of company-owned vacation ownership products and $6 million of lower cost reimbursements, partially offset by $1 million of higher financing revenues. Management fees remained flat at $3 million in 2010 and 2009.

Revenues from the sale of vacation ownership products decreased $19 million (49 percent) to $20 million in 2010 from $39 million in 2009, reflecting lower sales volumes due to the weakness in the luxury real estate market, continued price discounting to drive sales, and the impact of fewer sales locations resulting from our cost savings initiatives. In addition, results reflected a $10 million increase to the 2010 notes receivable reserve activity as a result of higher note receivable default and delinquency activity and $4 million related to unfavorable revenue reportability year-over-year.

Gross contract sales (before cancellation allowances) decreased $11 million due to the continued weakness in the luxury real estate market. Contract sales, net of cancellation allowances, reflected an increase of $48 million to $24 million in 2010 from $24 million of net negative sales in 2009 driven mainly by a net $59 million decrease in cancellation allowances. Since we do not expect to have any luxury projects under construction, we do not anticipate having significant cancellation allowances in the future.

Cost reimbursements decreased $6 million (10 percent) to $52 million in 2010 from $58 million in 2009 due to lower development expenditures after completion of a project by one of our joint ventures and lower marketing and sales costs incurred under our joint venture arrangements, in response to weak business conditions and cost containment measures.

Segment financial results improved by $583 million to $47 million of losses in 2010 from $630 million of losses in 2009, primarily reflecting a favorable variance from the $573 million of impairment charges and restructuring expenses recorded in 2009 and 2010, $6 million of higher revenues from the sale of vacation ownership products net of expenses, $1 million of higher financing revenues net of expenses due to higher interest income associated with the new Consolidation Standard, a $4 million improvement in equity in losses, and a $3 million increase in resort management and other services revenues net of expenses. These increases were partially offset by $2 million of lower gains and other income and $3 million of lower rental revenues net of expenses.

Revenues from the sale of vacation ownership products net of expenses improved $6 million to a loss of $14 million in 2010 from a loss of $20 million in 2009, resulting from lower real estate inventory expenses associated with a proportionately higher sales mix of lower cost projects, partially offset by lower revenues, higher marketing and sales costs due to weak business conditions, and a $2 million increase of non-capitalizable development expenses due to the decision to delay developing new project phases. Due to the ongoing soft luxury market, we streamlined marketing and sales staffing by focusing only on key markets. Further, we re-emphasized our points-based resort system product and lowered prices in some locations to help sell existing inventory.

Equity in losses of $8 million in 2010 improved by $4 million from equity in losses of $12 million in 2009 due mainly to lower cancellation reserves and improved operating results related to a joint venture project as well as the discontinuance of recording equity in losses when our investments in the joint venture, including loans due from the joint venture, were reduced to zero in 2010.

Resort management and other services revenues net of expenses improved $3 million to a loss of $3 million in 2010 from a loss of $6 million in 2009 due to lower marketing and sales expenses incurred under a marketing and sales arrangement with one of our joint venture projects given reduced contract sales volumes, as well as higher technology costs.

Rental losses increased $3 million to a loss of $19 million in 2010 from a loss of $16 million in 2009, reflecting increased maintenance fees on unsold inventory related to a new project, bringing total maintenance costs on unsold inventory to $13 million in 2010 from $9 million in 2009. The $2 million decrease in gains and other income primarily reflected the unfavorable variance from the $2 million gain on the disposition of a sales location in 2009.

Segment financial results (as adjusted) improved by $10 million to $38 million of losses in 2010 from $48 million of losses in 2009.

2009 Compared to 2008

The $3 million (2 percent) decrease in revenues to $127 million in 2009 from $130 million in 2008 reflected $6 million of lower revenues from the sale of luxury vacation ownership products, $3 million of lower cost reimbursements, $1 million of lower rental revenues, partially offset by $4 million of higher financing revenues and $2 million of higher resort management and other services revenues.

On relatively flat contract sales from company-owned projects, revenues from the sale of vacation ownership products decreased $6 million (13 percent) to $39 million in 2009 from $45 million in 2008, reflecting lower revenue reportability year-over-year. Rental revenues decreased $1 million to $2 million in 2009 from $3 million in 2008 due to weak demand for rental products. Cost reimbursements decreased $3 million (5 percent) to $58 million in 2009 from $61 million in 2008 due to lower development expenditures as a result of completing construction at one of our joint venture projects and lower marketing and sales efforts incurred under our joint venture arrangements, in response to business conditions and cost containment measures.

Financing revenues increased $4 million to $7 million in 2009 from $3 million in 2008 due mainly to higher interest earned on a loan to a joint venture.

The $2 million (11 percent) increase in resort management and other services revenues to $20 million in 2009 from $18 million in 2008 resulted from $4 million of higher fees earned on higher contract closings under a marketing and sales arrangement with a joint venture and $1 million of higher management fees (from $2 million to $3 million) and customer service revenues from the cumulative increase in the number of vacation ownership products sold, partially offset by $2 million of lower ancillary revenues given the weakened economy and lower customer propensity to spend as well as $1 million of lower commissions earned on lower resale volumes.

Segment financial results of $630 million of losses in 2009 increased by $559 million from $71 million of losses in 2008, and primarily reflected an unfavorable variance of $556 million from the impairments and restructuring costs recorded in 2008 and 2009, and $23 million related to decreased equity in earnings (losses). These declines were partially offset by $9 million of higher resort management and other services revenues net of expenses, $4 million of higher financing revenues net of expenses from higher interest income, $2 million of higher revenues from the sale of vacation ownership products net of expenses, $2 million related to higher other revenues net of expenses, and $1 million related to increased rental revenues net of expenses.

Equity in earnings (losses) decreased to a loss of $12 million in 2009 from earnings of $11 million in 2008 due to decreased earnings in 2009 for a joint venture project associated with lower sales volumes and higher operating and other costs, as well as the impact of cancellation allowances and 2009 impairment charges.

Resort management and other services revenues net of expenses improved $9 million to a loss of $6 million in 2009 from a loss of $15 million in 2008, reflecting $3 million of increased fees earned under a marketing and

sales arrangement, $4 million of improved revenues net of expenses associated with resales activity and $2 million related to higher customer services revenues net of expenses from the cumulative increase in the number of vacation ownership products sold.

Revenues from the sale of vacation ownership products net of expenses improved $2 million to a loss of $20 million in 2009 from a loss of $22 million in 2008 due to marketing and sales expense savings initiatives implemented in response to weak real estate market conditions as well as $3 million of favorable revenue reportability. These increases were partially offset by an unfavorable variance of $2 million for real estate inventory cost true-ups related to revised estimates of project economics.

Other revenues net of expenses improved to a breakeven position in 2009 from a loss of $2 million in 2008 reflecting the higher other revenues, and rental revenues net of expenses improved $1 million to a loss of $16 million in 2009 from a loss of $17 million in 2008 reflecting $4 million of lower subsidy expenses, partially offset by $1 million of higher maintenance fee expenses on unsold inventory related to new projects and new phases of existing projects as well as the impact of lower revenues due to weak demand. Maintenance costs on unsold inventory were $9 million in 2009 compared to $8 million in 2008.

Segment financial results (as adjusted) declined by $3 million to a loss of $48 million in 2009 from a loss of $45 million in 2008.

Europe

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues					
Sales of vacation ownership products, net	$ 22	$ 23	$ 58	$ 46	$ 91
Resort management and other services	13	12	29	30	34
Financing	2	2	5	6	7
Rental	7	6	17	16	19
Other	—	—	1	1	—
Cost reimbursements	12	11	24	23	25
Total Revenues	56	54	134	122	176
Expenses					
Costs of vacation ownership products	7	7	19	18	38
Marketing and sales	14	14	32	32	70
Resort management and other services	10	10	24	25	28
Rental	8	8	18	17	20
Other	—	—	1	1	1
General and administrative	1	—	1	1	1
Restructuring	—	—	—	3	5
Impairment	—	—	—	51	10
Cost reimbursements	12	11	24	23	25
Total Expenses	52	50	119	171	198
Segment financial results	$ 4	$ 4	$ 15	$ (49)	$ (22)
Segment financial results as adjusted[1]	$ 4	$ 4	$ 15	$ 5	$ (7)
Contract Sales (company-owned)					
Vacation ownership	$ 23	$ 23	$ 63	$ 55	$ 89
Total contract sales	$ 23	$ 23	$ 63	$ 55	$ 89

(1) Denotes a non-GAAP measure and includes:

Segment financial results	$ 4	$ 4	$ 15	$ (49)	$ (22)
Add:					
- Restructuring	—	—	—	3	5
- Impairment	—	—	—	51	10
Segment financial results (as adjusted)	$ 4	$ 4	$ 15	$ 5	$ (7)

Overview

In our Europe segment, we are focusing on selling our existing projects and managing existing resorts. We do not have any current plans for new development in this segment.

First Half of 2011 Compared to First Half of 2010

Revenues increased $2 million (4 percent) to $56 million in the first half of 2011 from $54 million in the first half of 2010, reflecting $1 million of higher cost reimbursements from growth across the system, $1 million of higher resort management and other services revenues on higher ancillary revenues from food and beverage and golf offerings, and $1 million of higher rental revenues from a 24 percent increase in transient keys (nearly 5,000) and a 4 percent increase in transient rate ($9.72 increase per key). These increases were partially offset by

$1 million of lower revenues from the sale of vacation ownership products due to lower revenue reportability on flat contract sales of $23 million in both years. Management fees remained flat at $2 million in the first halves of 2011 and 2010.

Segment financial results of $4 million in the first half of 2011 were flat to the prior year, reflecting higher rental revenues, net of expenses., offset by an increase in general and administrative costs.

2010 Compared to 2009

The $12 million (10 percent) increase in revenues to $134 million in 2010 from $122 million in 2009 reflected $12 million of higher revenue from the sale of vacation ownership products, partially offset by $1 million of lower financing revenues. Management fees remained flat at $6 million in 2010 and 2009.

Revenues from the sale of vacation ownership products increased $12 million (26 percent) to $58 million in 2010 from $46 million in 2009, reflecting higher vacation ownership contract sales and $3 million related to favorable revenue reportability year-over-year.

Contract sales increased $8 million (15 percent) to $63 million in 2010 from $55 million in 2009, reflecting increased demand for European products predominantly from Middle East based customers as well as the impact of price discounting and sales incentives versus 2009. Sales of our multi-week product increased by 40 percent as a result of price reductions to help stimulate demand.

The $1 million decrease in financing revenues to $5 million in 2010 from $6 million in 2009 primarily reflected a decrease in interest income due to a lower notes receivable balance. The average notes receivable balance decreased $8 million to $45 million in 2010 from $53 million in 2009.

Segment financial results of $15 million in 2010 improved by $64 million from $49 million of losses in 2009, and primarily reflected a favorable variance from the $54 million of impairment charges and restructuring expenses recorded in 2009 and $11 million of higher revenues from the sale of vacation ownership products net of expenses, partially offset by $1 million of lower tour deposit forfeitures.

Revenues from the sale of vacation ownership products net of expenses improved $11 million to $7 million in 2010 from a loss of $4 million in 2009, resulting from higher contract sales. Marketing and sales expenses as a percentage of related revenues declined over 14 percentage points as a result of a higher mix of sales from more cost effective marketing channels in the Middle East, increased sales of our multi-week product, and improved leverage of our fixed costs. Real estate inventory costs declined $3 million, reflecting a proportionately higher sales mix of lower cost projects in 2009.

Segment financial results (as adjusted) increased by $10 million to $15 million in 2010 from $5 million in 2009.

2009 Compared to 2008

The $54 million (31 percent) decrease in revenues to $122 million in 2009 from $176 million in 2008 reflected $45 million of lower revenues from the sale of vacation ownership products, $4 million of lower resort management and other services revenues, $3 million of lower rental revenues, and $2 million of lower cost reimbursements, many of which were unfavorably impacted by an appreciating Euro.

Revenues from the sale of vacation ownership products decreased $45 million (49 percent) to $46 million in 2009 from $91 million in 2008, reflecting lower vacation ownership contract sales and foreign currency fluctuations, $8 million related to lower revenue reportability year-over-year and $3 million due to higher notes receivable reserve activity. Resort management and other services revenues declined $4 million to $30 million in 2009 from $34 million in 2008, mainly reflecting weaker demand at ancillary operations including food and beverage and golf operations, partially offset by $1 million of higher management fees (from $5 million to $6 million).

Contract sales decreased $34 million (38 percent) to $55 million in 2009 from $89 million in 2008, reflecting our downsizing of tour production due to weaker demand for our products from the United Kingdom, German, and Middle East markets as a result of the economic downturn at the end of 2008, price discounting to help stimulate demand, and the unfavorable impact of foreign currency fluctuations on Euro-denominated sales.

Rental revenues declined $3 million (16 percent) to $16 million in 2009 from $19 million in 2008, reflecting increased discounting to drive demand given weakened economic conditions. Cost reimbursements decreased $2 million to $23 million in 2009 from $25 million in 2008 due to cost savings initiatives implemented in response to the weakened economy and overall demand.

Segment financial results declined by $27 million to a loss of $49 million in 2009 from a loss of $22 million in 2008, and primarily reflected an unfavorable variance of $39 million from the impairment charges and restructuring expenses recorded in 2009 and 2008 and $1 million of lower resort management and other services revenues net of expenses, partially offset by $13 million of higher revenues from the sale of vacation ownership products net of expenses and $1 million of higher other revenues net of expenses.

Resort management and other services revenues net of expenses decreased $1 million to $5 million in 2009 from $6 million in 2008 due mainly to $1 million of lower customer service revenues net of expenses.

Revenue from the sale of vacation ownership products net of expenses improved $13 million to a loss of $4 million in 2009 from a loss of $17 million in 2008. Despite lower contract sales volumes, marketing and sales expenses as a percentage of related revenues improved by 7 percentage points due to downsizing of the sales organization in response to weak business conditions and inventory expenses were favorably impacted by $6 million of real estate inventory cost true-ups related to revised estimates of project economics.

Segment financial results (as adjusted) increased by $12 million to $5 million in 2009 from a loss of $7 million in 2008.

Asia Pacific

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues					
Sales of vacation ownership products, net	$ 30	$ 27	$ 65	$ 62	$ 99
Resort management and other services	1	1	3	2	2
Financing	2	2	3	4	3
Rental	4	8	16	18	7
Other	—	1	—	—	—
Cost reimbursements	5	4	9	7	7
Total Revenues	42	43	96	93	118
Expenses					
Costs of vacation ownership products	10	9	20	20	32
Marketing and sales	21	19	42	46	57
Resort management and other services	1	(1)	—	3	1
Rental	5	10	20	19	7
Other	—	—	1	—	—
General and administrative	—	—	1	1	1
Restructuring	—	—	—	7	—
Impairment	—	(5)	(5)	16	—
Cost reimbursements	5	4	9	7	7
Total Expenses	42	36	88	119	105
Gains and other income	—	—	21	—	—
Equity in losses	—	(1)	—	—	—
Segment financial results	$ —	$ 6	$ 29	$ (26)	$ 13
Segment financial results as adjusted[2]	$ —	$ 1	$ 24	$ (3)	$ 13
Contract Sales					
Company-Owned					
Vacation ownership	$ 31	$ 29	$ 68	$ 65	$ 97
Total company-owned contract sales	31	29	68	65	97
Joint Venture					
Vacation ownership	—	—	—	—	(1)
Total joint venture contract sales	—	—	—	—	(1)
Total contract sales	$ 31	$ 29	$ 68	$ 65	$ 96

(1) Denotes a non-GAAP measure and includes:

Segment financial results	$ —	$ 6	$ 29	$ (26)	$ 13
Add:					
- Restructuring	—	—	—	7	—
- Impairment	—	(5)	(5)	16	—
Segment financial results (as adjusted)	$ —	$ 1	$ 24	$ (3)	$ 13

First Half of 2011 Compared to First Half of 2010

Asia Pacific revenues declined $1 million (2 percent) to $42 million in the first half of 2011 from $43 million in the first half of 2010, reflecting $4 million of lower rental revenues due the loss of rental units associated with the disposition of an operating hotel in the 2010 fourth quarter that we originally acquired for conversion into vacation ownership products, partially offset by $3 million of higher revenues from the sale of vacation ownership products on higher contract sales volumes. Management fees remained flat at $1 million in the first halves of 2011 and 2010.

Contract sales increased $2 million (7 percent) to $31 million in the first half of 2011 from $29 million in the first half of 2010, reflecting improved demand for our product.

Segment financial results were break-even in the first half of 2011, decreasing by $6 million from $6 million in the first half of 2010. Results reflected a $5 million unfavorable variance related to a 2010 first quarter reversal of a previously recorded impairment charge for one of our Asia Pacific projects and $2 million of lower resort management and other services revenues net of expenses, partially offset by a $1 million improvement in equity in losses.

Resort management and other services revenues net of expenses decreased to break-even in the first half of 2011 from $2 million in the first half of 2010 as a result of the collection of a $2 million receivable in 2010 from a joint venture arrangement that had previously been reserved for in 2009.

Segment financial results (as adjusted) declined by $1 million to $0 in the first half of 2011 from $1 million in the first half of 2010.

2010 Compared to 2009

Asia Pacific revenues increased $3 million (3 percent) to $96 million in 2010 from $93 million in 2009, reflecting $3 million of higher revenues from the sale of vacation ownership products on higher contract sales volumes, $1 million of higher resort management and other services revenues, and $2 million of higher cost reimbursements, offset by $2 million of lower rental revenues due to the fourth quarter disposition of an operating hotel that we originally acquired for conversion into vacation ownership products.

Revenues from the sale of vacation ownership products increased $3 million (5 percent) to $65 million in 2010 from $62 million in 2009, mainly reflecting higher vacation ownership contract sales.

Contract sales increased $3 million (5 percent) to $68 million in 2010 from $65 million in 2009, reflecting increased demand and the opening of a new sales location.

Resort management and other services revenues increased $1 million to $3 million in 2010 from $2 million in 2009, reflecting higher customer service revenues from the cumulative increase in the number of vacation ownership products sold. Rental revenues decreased $2 million to $16 million in 2010 from $18 million in 2009 driven by the loss of rental units associated with the disposition of an operating hotel in the 2010 fourth quarter, partially offset by a 28 percent increase in transient keys rented due to a full-year of rental operations at one of our projects in Thailand. Management fees remained flat at $1 million in 2010 and 2009.

Segment financial results of $29 million in 2010 improved by $55 million from $26 million of losses in 2009, and primarily reflected a favorable variance from the $28 million of impairments and restructuring costs recorded in 2009 and 2010, a $21 million increase in gains and other income, $7 million of higher revenues from the sale of vacation ownership products net of expenses and $4 million of higher resort management and other services revenues net of expenses, partially offset by $3 million of lower rental revenues net of expenses.

Revenues from the sale of vacation ownership products net of expenses improved $7 million to $3 million in 2010 from a loss of $4 million in 2009, resulting from higher contract sales, an 8 percentage point reduction in marketing and sales expenses as a percentage of related revenues due to the cost savings initiatives begun in 2008, and $2 million of lower average inventory costs associated with a proportionately higher sales mix of lower cost projects.

The $21 million of gains and other income in 2010 related to a gain on the sale of an operating hotel.

Resort management and other services revenues net of expenses increased $4 million to $3 million in 2010 from a loss of $1 million in 2009 due to the collection of a $2 million receivable from a joint venture arrangement that had previously been reserved for in 2009.

Rental revenues net of expenses decreased $3 million to a loss of $4 million in 2010 from a loss of $1 million in 2009 due to lower rental revenues, as well as $1 million of higher unsold maintenance fees related to a new project.

Segment financial results (as adjusted) increased by $27 million to $24 million in 2010 from a loss of $3 million in 2009.

2009 Compared to 2008

The $25 million (21 percent) decrease in Asia Pacific revenues to $93 million in 2009 from $118 million in 2008 reflected $37 million of lower revenues from the sale of vacation ownership products from lower contract sales, partially offset by $11 million of higher rental revenues driven primarily by higher revenues from operating a hotel we acquired to convert into vacation ownership products. Management fees remained flat at $1 million in 2009 and 2008.

Revenues from the sale of vacation ownership products decreased $37 million (37 percent) to $62 million in 2009 from $99 million in 2008, reflecting lower contract sales and $6 million related to unfavorable revenue reportability year-over-year.

Contract sales decreased $31 million (32 percent) to $65 million in 2009 from $96 million in 2008, reflecting weaker demand for our products resulting from weakened economic and geo-political conditions, the reduction in the size of our Singapore sales location and sell-out of a project in Phuket, Thailand.

Segment financial results of a $26 million loss in 2009 declined by $39 million from $13 million of income in 2008, and primarily reflected an unfavorable variance from the $23 million of impairments and restructuring costs recorded in 2009, $14 million of lower revenues from the sale of vacation ownership products net of expenses and $2 million of lower resort management and other services revenues net of expenses.

Revenues from the sale of vacation ownership products net of expenses, decreased to a $4 million loss in 2009 from $10 million of income in 2008, resulting from lower contract sales and a 16 percentage point increase in marketing and sales expenses, as a percentage of related revenues, associated with the downturn in the global economy. Resort management and other services revenues net of expenses decreased to a loss of $1 million in 2009 from income of $1 million in 2008 driven mainly by a $2 million reserve recorded against an account receivable from a joint venture arrangement.

Segment financial results (as adjusted) decreased by $16 million to a loss of $3 million in 2009 from $13 million of income in 2008.

Corporate and Other

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues[1]	$ —	$ —	$—	$ 59	$ 3
Expenses[1]	$ 69	$ 76	$165	$115	$138

(1) Revenues and expenses reflect the impact of adopting the new Consolidation Standard beginning in 2010.

Corporate and Other captures information not specifically identifiable to an individual segment including gains on securitization of notes receivable and accretion of retained interests (prior to the adoption of the new Consolidation Standard), expenses in support of our financing operations, non-capitalizable development expenses supporting overall company development, company-wide general and administrative costs, interest expense and an impairment charge relating to internally developed software in 2009.

First Half of 2011 Compared to First Half of 2010

Total expenses declined by $7 million to $69 million in the first half of 2011 from $76 million in the first half of 2010. The $7 million improvement was driven by $6 million of lower interest expense due to the repayment of the bonds related to the securitized notes receivable and $3 million of lower other expenses primarily consisting of the favorable true-up of the 2010 bonus accrual as a result of final payouts in the 2011 first quarter, partially offset by $2 million of higher general and administrative costs related mainly to merit compensation increases.

2010 Compared to 2009

The $59 million decrease in revenues to $0 million in 2010 from $59 million in 2009 reflected the elimination of the accretion of retained interest and gain on notes receivable securitized as a result of the new Consolidation Standard in 2010.

Total expenses increased $50 million to $165 million in 2010 from $115 million in 2009. The $50 million increase primarily reflected $56 million of increased interest expense driven mainly by the consolidation of $1,121 million of debt associated with previously securitized notes receivable on the first day of fiscal 2010 and higher system and other technology costs. These higher expenses were partially offset by a favorable variance of $7 million due to an impairment charge related to internally developed software in 2009, and $6 million of lower general and administrative expenses resulting from cost savings initiatives begun in 2008.

2009 Compared to 2008

The $56 million increase in revenues to $59 million in 2009 from $3 million in 2008 mainly reflected $21 million of higher note receivable securitization gains on higher volumes sold and $35 million of higher retained interest accretion.

Total expenses decreased by $23 million to $115 million in 2009 from $138 million in 2008. The $23 million decrease reflected $10 million of lower financing costs due to the elimination of incentives to drive financing propensity and the impact of our cost savings initiatives, $12 million of lower general and administrative expenses related to the impact of the restructuring efforts and ongoing cost savings initiatives begun in 2008, and $6 million of lower development related overhead expenses due to an overall reduction in development efforts in response to economic conditions. These increases were offset by an unfavorable variance of $7 million related to impairment of internally developed software in 2009.

New Accounting Standards

See Footnote No. 1, "Summary of Significant Accounting Policies," of the Notes to our interim Combined Financial Statements and Footnote No. 1, "Summary of Significant Accounting Policies," of the Notes to our annual Combined Financial Statements for information related to our adoption of new accounting standards in the first half of 2011, 2010, 2009 and 2008 and for information on our anticipated adoption of recently issued accounting standards.

Liquidity and Capital Resources

Cash Flow Provided to Marriott International

In the first half of 2011, we generated $152 million of cash flows from operating activities, compared to $205 million in the first half of 2010. In fiscal year 2010, we generated $383 million of cash flows from operating activities, compared to $177 million in 2009. Our cash flow has allowed us to reduce Marriott International's net parent investment by $23 million and $22 million in the first halves of 2011 and 2010, respectively, and by $253 million and $90 million in 2010 and 2009, respectively.

We anticipate generating net cash for the full 2011 fiscal year and also expect that the two secured revolving credit facilities we plan to enter into prior to the spin-off, described below, will provide us with more than sufficient liquidity to meet our seasonal working capital needs going forward.

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	June 17, 2011	June 18, 2010	2010	2009	2008
Cash provided by (used in) operating activities	$ 152	$ 205	$ 383	$177	$(392)
Net transfers from (to) parent	$ (23)	$ (22)	$(253)	$ (90)	$ 606

Until the spin-off is consummated, Marriott International will continue to provide cash management and other treasury services to us. As part of these services, we sweep the majority of our domestic cash balances to Marriott International on a daily basis, and we receive funding from Marriott International for any domestic cash needs we may have. As a result, our unrestricted cash and cash equivalents balances presented on our Combined Balance Sheets consist primarily of cash held at international locations for international cash needs.

As discussed above, while we have generally generated excess cash flows for Marriott International, 2008 was an exception given the effect that unusually weak economic conditions had on our business. At that time, we were primarily selling a weeks-based vacation ownership product that required a level of spending that was higher than the level anticipated under our points-based program. This spending was required to support growth at all resorts where we were currently selling such inventory. We also had incentive programs in place to drive increased consumer financing propensity. As the economy and financing markets weakened in 2008, Marriott International chose not to securitize our notes receivable given the materially less favorable terms then available in the market. Our ability to quickly scale back real estate inventory spending was also limited by our existing construction commitments. In response to these market conditions, we have taken a number of steps to reduce operating expenses and overhead, better align real estate inventory spending with sales pace and reduce financing propensity.

Separation from Marriott International, Our Future Cash Flows and Our New Credit Facilities

We believe that the cash we generate from operating activities, the Revolving Corporate Credit Facility and the Warehouse Credit Facility that we expect to enter into prior to the spin-off, and our ability to raise capital through securitizations, will be adequate to meet our short-term and long-term liquidity requirements, finance our long-term growth plans, meet debt service and fulfill other cash requirements.

We will continue to generate cash flows from operating activities, including cash flows from (1) our sale of vacation ownership products, (2) resort management fees, (3) annual and transaction based fees we receive from owners and (4) interest income on, and proceeds from future securitizations of, notes receivable. Further, we will

continue to implement measures to effectively manage cash flow by concentrating on lower cost marketing channels, managing financing propensity to achieve a desired mix of cash sales and financed sales of vacation ownership products, and better aligning real estate inventory investment with sales pace.

We have sufficient real estate inventory to meet demand for our vacation ownership products for the next several years. At the end of the first half of 2011, we had over $1.3 billion of inventory on hand, comprised of $579 million of finished goods, $240 million of work-in-process, and $524 million of land and infrastructure. As a result, we expect our real estate inventory spending to be modest over the next several years. We anticipate our real estate inventory spending (as discussed below) will be less than cost of sales for the next several years. We also expect to evaluate opportunities for bulk sales of excess luxury inventory and disposition of undeveloped land in order to generate incremental cash and reduce related carrying costs. See Footnote No. 1, “Summary of Significant Accounting Policies—Capitalization of Costs,” of the Notes to our annual Combined Financial Statements for details regarding the various costs capitalized during the preconstruction and construction phases.

Changes we have made to our vacation ownership product offerings also allow us to more efficiently utilize our real estate inventory. Following the launch of the MVCD program in 2010, three of our four business segments sell a points-based product offering, which permits us to sell vacation ownership products at most of our sales locations, including those where little or no weeks-based inventory remains available for sale. Because we no longer need specific resort-based inventory at each sales location, we expect to have fewer resorts under construction at any given time and expect to better leverage successful sales locations at completed resorts. We expect that this will allow us to maintain long-term sales locations and minimizes the need to develop and staff on-site sales locations at smaller projects in the future. We believe these points-based programs better position us to align our construction of real estate inventory with the pace of sales of vacation ownership products by slowing down or accelerating construction, as demand across our portfolio and market conditions dictate.

In connection with the spin-off, we intend to enter into two new revolving credit facilities: (1) a secured Revolving Corporate Credit Facility with a borrowing capacity of $200 million that will provide support for our business, including ongoing liquidity and letters of credit, and (2) a secured Warehouse Credit Facility with a borrowing capacity of $300 million that will provide financing for the receivables we originate in connection with our sale of vacation ownership products. We also plan to continue to periodically securitize notes receivable that we originate in connection with our sale of vacation ownership products. However, to limit our reliance on the financial markets, we intend to increase or decrease financing propensity, as necessary, to align with our business strategies and cash flow needs.

At the time of the spin-off, we expect that the only significant debt on our Balance Sheet will consist of non-recourse debt related to past securitizations of our notes receivable and amounts drawn on the Warehouse Credit Facility pending completion of future securitizations. Our Balance Sheet will also include the preferred stock issued by our subsidiary, MVW US Holdings.

We have excess undeveloped land and excess built Luxury inventory. Given our strategies to match completed inventory with our sales pace and to pursue future “asset light” development opportunities, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. Under this plan, management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. If we are able to dispose of this excess land and built Luxury inventory, we will eliminate the associated carrying costs.

See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in the third quarter 2011 as a result of our plans.

Cash from Operating Activities

In the first half of 2011, we generated $152 million of cash flows from operating activities, compared to $205 million in the first half of 2010. In 2010, we generated $383 million of cash flow from operating activities compared to $177 million in 2009 and an outflow of $392 million in 2008. Our primary sources of funds from operations are (1) cash sales and downpayments on financed sales, (2) proceeds from notes receivable securitizations, including cash received from our residual interests in the securitizations and related servicing fees (only prior to implementation of the new Consolidation Standard on the first day of 2010—see further discussion below), (3) cash from our financing operations, including principal and interest payments received on outstanding notes receivables and (4) net cash generated from our rental and resort management and other services operations. Outflows include spending for the development of new resorts and new phases of existing resorts as well as funding our working capital needs.

We minimize working capital needs through cash management, strict credit-granting policies, and aggressive collection efforts, and expect to continue these practices after the spin-off. We also expect to have borrowing capacity under our two new revolving credit facilities should we have additional cash needs.

We have greater working capital cash needs in the first half of each year, given the timing of annual maintenance fees on unsold inventory we pay to property owners' associations and certain annual compensation related outflows. In addition, our cash from operations varies due to the timing of our owners' repayment of notes receivable, the closing of sales contracts for vacation ownership products, the timing of note receivable securitizations, and cash outlays for real estate inventory development.

In addition to net income (loss) attributable to Marriott Vacations Worldwide and changes in working capital, the following operating activities are key drivers of our cash from operations:

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	**June 17, 2011**	**June 18, 2010**	**2010**	**2009**	**2008**
Notes receivable collections in excess of (less than) new mortgages	$ 51	$ 59	$ 91	$(145)	$(525)
Financially reportable sales (greater than) less than closed sales	(4)	15	62	24	125
Real estate inventory spending less than (in excess of) cost of sales	61	60	20	(4)	(315)
Securitization collections (net of repurchases)	—	—	—	349	283

See further discussion on significant changes in cash flow components below.

Notes receivable collections in excess of (less than new mortgages)

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	**June 17, 2011**	**June 18, 2010**	**2010**	**2009**	**2008**
Notes receivable collections (non-securitized notes)	$ 44	$ 55	$ 114	$ 153	$ 222
Notes receivable collections (securitized notes)	110	116	231	—	$ —
New notes receivable	(103)	(112)	(254)	(298)	(747)
Notes receivable collections in excess of (less than) new mortgages	$ 51	$ 59	$ 91	$(145)	$(525)

We include reportable financed sales in cash from operations when cash payments are received. Notes receivable collections includes principal from non-securitized notes receivable for all periods reported and, beginning in 2010, it also includes principal from securitized notes receivable due to the consolidation of our

previously securitized notes with the adoption of the new Consolidation Standard. Collections declined for all periods reported due to the declining notes receivable balance. New notes receivable declined for all periods reported due to lower vacation ownership sales volumes and lower financing propensities.

Financially reportable sales (greater than) less than closed sales

Financially reportable sales (greater than) less than closed sales reflects the difference between revenue recorded from the sale of vacation ownership products (a non-cash item) and cash received at the time the contract is closed (a cash item).

This item resulted in a cash outflow of $4 million in the first half of 2011 compared to a cash inflow of $15 million in the first half of 2010. The first half of 2011 was negatively impacted by the timing of closings on contract sales, while the first half of 2010 was favorably impacted by the notes receivable reserve adjustments, which reduced revenue in 2010, due to higher delinquency and default activity.

While this item resulted in a cash inflow for each of 2010, 2009 and 2008, individual years are impacted by the timing of revenue recognition (which is affected by percentage-of-completion accounting, downpayment requirements, notes receivable reserves, and other matters discussed above) as well as the timing of contract closings. The increase in 2010 compared to 2009 reflects lower revenues associated with $49 million of higher notes receivable reserve activity and $13 million of unfavorable revenue reportability, both of which are discussed further above, partially offset by lower contract closings in 2010. The decrease in 2009 compared to 2008 reflects higher revenues associated with $12 million of lower notes receivable reserve activity and $14 million of favorable revenue reportability, as well as approximately $75 million related to lower contract closings in 2009. The decline in contract closings was driven by an unusually high volume of closed contract sales in 2008 resulting from 2007 contracts that did not close until 2008.

Real estate inventory spending less than (in excess of) cost of sales

As the economy weakened in late 2008, we scaled back real estate inventory development efforts and better aligned spending with our projected sales pace. However, given existing construction commitments, it took time for these efforts to show positive results.

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	**June 17, 2011**	**June 18, 2010**	**2010**	**2009**	**2008**
Real estate inventory spending	$ (50)	$ (58)	$(214)	$(309)	$(743)
Real estate inventory costs	111	118	234	305	428
Real estate inventory spending less than (in excess of) cost of sales	$ 61	$ 60	$ 20	$ (4)	$(315)

We measure our real estate inventory capital efficiency by comparing the cash outflow for real estate inventory spending (a cash item) to the amount of real estate inventory costs charged to expense in our Combined Statements of Operations related to sales of vacation ownership products (a non-cash item).

Given the significant level of completed real estate inventory on hand, as well as the capital efficiency resulting from our planned launch of the MVCD program, our spending for real estate inventory decreased significantly over the last few years. While we were successful in better aligning inventory spending with sales pace in the first halves of 2011 and 2010, as well as for fiscal years 2010 and 2009, fiscal 2008 reflected a much higher level of spending based upon the growth projections at that time (prior to the economy weakening in late 2008). Given current inventory levels and the launch of the MVCD program, we expect our spending in the near term to be modest and, on a longer term basis, to remain in line with our projected sales pace. In addition, our 2010 real estate inventory spending included a $102 million payment for delivery of a turnkey project under a purchase agreement signed in 2006.

New Consolidation Standard

As a result of the adoption of the new Consolidation Standard on the first day of 2010, we no longer account for note receivable securitizations as sales. Accordingly, we did not recognize gains or losses on the 2010 notes receivable securitization nor do we expect to recognize gains or losses on future notes receivable securitizations. Additionally, we no longer record accretion due to the elimination of retained interests.

As part of our adoption of the new standard, we classify the following 2010 activities as "Financing Activities" in our Combined Statements of Cash Flows:

- Repayment on bonds payable associated with notes receivable securitizations, including note repurchases, as "repayment of debt related to securitizations"; and
- Proceeds on securitization of notes receivable as "Issuance of debt related to securitizations."

Also, as a result of the Consolidation Standard, we no longer have any cash flow activity related to retained interests or servicing assets.

Operating Cash Flow from Securitizations in 2009 and 2008

In March 2009, we completed a private placement of approximately $205 million of floating-rate Vacation Ownership Loan Backed Notes with a bank-administered commercial paper conduit. We contributed approximately $284 million of notes receivable originated in connection with the sale of vacation ownership products to a newly formed special purpose entity (the "2009-1 Trust"). The 2009-1 Trust simultaneously issued approximately $205 million of the 2009-1 Trust's notes. In connection with the private placement of notes receivable, we received proceeds of approximately $181 million, net of costs, and retained a $94 million interest in the special purpose entity, which included $81 million of notes we effectively owned after the transfer and $13 million related to the servicing assets and retained interest. We measured all retained interests at fair market value on the date of the transfer. We recorded the notes that we effectively owned after the transfer as notes receivable. In connection with this note sale, we recorded a $1 million loss, which we included in the "Financing" revenue line item in our Combined Statements of Operations.

In October 2009, we securitized a pool of approximately $380 million in vacation ownership notes receivables to a newly formed special purpose entity (the "2009-2 Trust"). Simultaneous with the securitization, investors purchased $317 million of 4.809 percent Vacation Ownership Loan Backed Notes from the 2009-2 Trust in a private placement. As part of this transaction, we paid off the notes that the 2009-1 Trust issued in March 2009 and reacquired approximately $234 million of vacation ownership notes receivable that were released from the 2009-1 Trust. We included approximately $218 million of these reacquired loans in October 2009 securitization. As consideration for our securitization of the vacation ownership notes receivable, we received cash proceeds of approximately $168 million and a subordinated retained interest in the 2009-2 Trust, through which we expect to realize the remaining value of the notes receivable over time. These cash proceeds are net of approximately $145 million paid to the commercial paper conduit to unwind the March 2009 transaction. In connection with this October 2009 note securitization, we recorded a $37 million gain, which we included in the "Financing" revenue line item in our Combined Statements of Operations.

In June 2008, we securitized to a newly formed special purpose entity (the "2008-1 Trust") $300 million of notes receivables. Simultaneously, the 2008-1 Trust issued $246 million of the 2008-1 Trust's notes. In connection with the securitization of notes receivable, we received net proceeds of $237 million. We retained interests with a fair value on the day of sale of $93 million. We recorded note sale gains totaling $16 million in 2008, which was net of a $12 million charge related to hedge ineffectiveness both of which we included in the "Financing" revenue line item in our Combined Statements of Operations.

Before the adoption of the new Consolidation Standard on the first day of fiscal year 2010, we had retained interests of $267 million at year-end 2009. Our servicing assets and retained interests, which we measured at year-end 2009 using Level 3 inputs in the fair value measurement hierarchy, accounted for 35 percent of the total

fair value of our financial assets at year-end 2009 that we were required to measure at fair value using the then applicable fair value measurement guidance. We treated the retained interests, including servicing assets, as trading securities under the provisions for accounting for certain investments in debt and equity securities, and accordingly, we recorded realized and unrealized gains or losses related to these assets in the "Financing" revenue line in our Combined Statements of Operations. See Footnote No. 1, "Summary of Significant Accounting Policies," of the Notes to our annual Combined Financial Statements for additional information on retained interests eliminated as part of the adoption of the new Consolidation Standard on the first day of 2010.

See Footnote No. 11, "Debt," of the Notes to our annual Combined Financial Statements for additional information on the failure of some securitized notes receivable pools to perform within established parameters and the resulting redirection of cash flows. In 2010, seven securitized notes receivable pools reached performance triggers in different months throughout the year as a result of increased defaults. As of year-end 2010, of the seven pools out of compliance during 2010, loan performance had improved sufficiently in six pools to cure the performance triggers, leaving one pool out of compliance. Approximately $2 million of cash flows in the first half of 2011, $6 million of cash flows in 2010 and $17 million of cash flows in 2009 were redirected as a result of reaching the performance triggers for those years. None of our pools experienced performance triggers in 2008, so no cash flow was redirected during that year.

For additional information on our note securitizations, including a discussion of the cash flows on securitized notes, see Footnote No. 3, "Asset Securitizations," of the Notes to our annual Combined Financial Statements. See also Footnote No. 1, "Summary of Significant Accounting Policies," and Footnote No. 15, "Variable Interest Entities," of the Notes to our annual Combined Financial Statements for the impact of adoption of the new Consolidation Standard.

Cash from Investing Activities

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	**June 17, 2011**	**June 18, 2010**	**2010**	**2009**	**2008**
Capital expenditures for property and equipment	$ (8)	$ (13)	$ (24)	$ (28)	$ (89)
Dispositions	1	—	46	1	—
Acquisition of equity method investee	—	—	—	—	(42)
Other	—	—	(1)	—	2
Net cash (used in) provided by investing activities	$ (7)	$ (13)	$ 21	$ (27)	$(129)

Capital expenditures for property and equipment

Capital expenditures for property and equipment relates to spending for technology development, buildings and equipment used at sales locations, and ancillary offerings at resorts such as food and beverage locations.

In the first half of 2011, capital expenditures for property and equipment of $8 million included $5 million for technology spending, all of which related to systems enhancements supporting the MVCD program, with the remaining spending of $3 million primarily for ancillary assets supporting normal business operations.

In the first half of 2010, capital expenditures for property and equipment of $13 million included $9 million for technology spending mainly to facilitate the launch of the MVCD program in 2010, with the remaining spending of $4 million to support normal business operations (*e.g.*, sales locations and ancillary assets).

In 2010, capital expenditures for property and equipment of $24 million included $16 million for technology spending, of which $14 million was to facilitate and support the launch of the MVCD program in 2010, and roughly $8 million of spending to support normal business operations (*e.g.*, sales locations and ancillary assets).

In 2009, capital expenditures for property and equipment of $28 million included $10 million for technology spending, of which $3 million was to facilitate the launch of the MVCD program in 2010, $9 million for sales locations, and the remaining spending primarily on other ancillary assets.

In 2008, capital expenditures for property and equipment of $89 million included $26 million for the purchase of an operating hotel we originally acquired for conversion into vacation ownership products for our Asia Pacific segment, $25 million for sales locations, $23 million on technology spending, and the remaining spending primarily for other ancillary assets.

Dispositions

Dispositions of property and assets generated cash proceeds of $1 million in the first half of 2011, $46 million in 2010, $1 million in 2009 and $0 in 2008. The $1 million disposition in the first half of 2011 related to the sale of a land parcel held in our Luxury segment. In 2010, we sold an operating hotel we originally acquired for conversion into vacation ownership products for our Asia Pacific segment for cash proceeds of $42 million and recorded a net gain of $21 million.

Acquisitions

In 2008 we incurred $42 million to acquire the remaining interest in a joint venture in our Luxury segment.

Cash from Financing Activities

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	**June 17, 2011**	**June 18, 2010**	**2010**	**2009**	**2008**
Issuance of debt related to securitizations	$ —	$ —	$ 218	$ —	$—
Repayment of debt related to securitizations	(121)	(134)	(323)	—	—
Issuance of third party debt	—	—	—	—	41
Repayment of third party debt	(2)	(40)	(52)	(28)	(89)
Note advances	—	—	—	(32)	(52)
Note collections	—	—	—	6	14
Net transfers (to) from parent	(23)	(22)	(253)	(90)	606
Net cash provided by (used in) financing activities	$ (146)	$ (196)	$(410)	$(144)	$520

Issuance / repayments of debt related to securitizations

As a result of the adoption of the new Consolidation Standard on the first day of 2010, we reflected proceeds on securitization of notes receivable (shown as “Issuance of debt related to securitizations” above) and repayment on those bonds payable, including note repurchases (shown as “Repayment of debt related to securitizations” above) are reflected in “Cash from Financing Activities” beginning in 2010.

In October 2010, we exercised our option for the Term 2002 transaction to repurchase all outstanding collateral, payoff and redeem all outstanding bonds, and terminate the associated trust, which resulted in cash outflows of approximately $25 million.

In November 2010, we securitized a pool of approximately $229 million in mortgage notes to a newly formed special purpose entity (the “2010-1 Trust”), including $17 million repurchased from the Term 2002 transaction. Simultaneously with the securitization, investors purchased approximately $218 million in Vacation Ownership Loan Backed Notes from the 2010-1 Trust in a private placement in two classes: Class A Notes totaling approximately $195 million with an interest rate of 3.54 percent and Class B Notes totaling approximately $23 million with an interest rate of 4.52 percent. As consideration for our securitization of the notes receivable, we received cash proceeds of approximately $215 million, net of costs, and a subordinated retained interest in the 2010-1 Trust. Under the new Consolidation Standard, we accounted for this transaction as a sale in 2010 and we did not record a gain or loss.

We repaid $52 million, $28 million and $89 million in 2010, 2009 and 2008, respectively, related to borrowings that we used to finance the acquisitions of land and vacation ownership products in accordance with contractual terms. Third party borrowings in 2008 mainly included $24 million to finance the purchase of built units for our Asia Pacific segment and $16 million related to a construction loan issued by a consolidated joint venture.

Note advances and collections relate to monies advanced to and collected from an equity method investment. Please see Footnote No. 18, "Significant Investments," of the Notes to our annual Combined Financial Statements for more information.

The change in our net parent investment is the net transfers to and from Marriott International and is the sum of our operating, investing and financing activity, excluding net parent investment. Please see cash management described in Footnote No. 19, "Related Party Transactions," of the Notes to our annual Combined Financial Statements.

Contractual Obligations and Off-Balance Sheet Arrangements

The following table summarizes our contractual obligations as of the end of 2010:

		Payments Due by Period			
($ in millions)	Total	Less Than 1 Year	1–3 Years	3–5 Years	After 5 Years
Contractual Obligations					
Debt[1]	$1,164	$ 173	$ 328	$ 300	$ 363
Operating leases	98	23	31	8	36
Purchases obligations	11	8	2	1	—
Other long-term obligations	74	17	5		52
Total contractual obligations	$1,347	$ 221	$ 366	$ 309	$ 451

(1) Includes principal as well as interest payments

The preceding table does not reflect unrecognized tax benefits as of year-end 2010 of $333 million. As a large taxpayer, we are under continual audit by the IRS and other taxing authorities. Although we do not anticipate that those audits will have a significant impact on our unrecognized tax benefit balance during the next 52 weeks, it remains possible that our liability for unrecognized tax benefits could change over that time period. See Footnote No. 2, "Income Taxes," of the Notes to our annual Combined Financial Statements for additional information.

We have guarantees to certain lenders in connection with the provision of third-party financing for our vacation ownership sales and generally have a stated maximum amount of funding and a term of three to ten years. The terms of the guarantees require us to fund if the purchaser fails to pay under the terms of the note payable. We are then entitled to repossess the property and retain proceeds from reselling it. Our commitments under these guarantees diminish as principal payments are made by the purchase to the third-party lender and our performance is guaranteed by Marriott International. Our current exposure under such guarantees as of year-end 2010 in the Asia Pacific and Luxury segments is $24 million and $3 million, respectively, and the underlying debt to third-party lenders will mature between 2011 and 2020.

Additionally, related to an equity method investment, we have provided a project completion guarantee in favor of a lender as to which we have a remaining funding liability of $16 million. See Footnote No. 18, "Significant Investments," of the Notes to our annual Combined Financial Statements.

For additional information on these guarantees and the circumstances under which they were entered into, see the “Guarantees” caption within Footnote No. 10, “Contingencies and Commitments,” of the Notes to our annual Combined Financial Statements.

In the normal course of the management business, we enter into purchase commitments to manage the daily operating needs of resorts we manage for property owners’ associations. Since we are reimbursed from the cash flows of the resorts, these obligations have minimal impact on our net income and cash flow.

Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. Management considers an accounting estimate to be critical if: (1) it requires assumptions to be made that were uncertain at the time the estimate was made; and (2) changes in the estimate, or different estimates that could have been selected, could have a material effect on our combined results of operations or financial condition.

While we believe that our estimates, assumptions, and judgments are reasonable, they are based on information presently available. Actual results may differ significantly. Additionally, changes in our assumptions, estimates or assessments as a result of unforeseen events or otherwise could have a material impact on our financial position or results of operations.

Please see Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our Combined Financial Statements for further information on accounting policies that we believe to be critical, including our policies on:

Revenue recognition for vacation ownership, including how we determine revenue recognition using the percentage-of-completion method of accounting;

Marriott Rewards customer loyalty program, Marriott International’s customer loyalty program that we historically participated in by offering points as incentives to vacation ownership purchasers, including how we determine the fair value of our redemption obligation to Marriott International;

Inventories, including how we evaluate the fair value of our vacation ownership inventory;

Valuation of property and equipment, including when we record impairment losses;

Loan loss reserves for vacation ownership notes receivable, including information on how we estimate reserves for losses;

Valuation of investments in ventures, including information on how we evaluate the fair value of investments in ventures and when we record impairment losses on investments in ventures;

Legal contingencies, including information on how we account for legal contingencies;

Income taxes, including information on how we determine our current year amounts payable or refundable, as well as our estimate of deferred tax assets and liabilities;

Retained interests, including how we estimated the fair value of retained interest prior to the adoption of the new Consolidation Standard on the first day of 2010.

Please see Footnote 19, “Related Party Transactions,” and Footnote No. 18, “Significant Investments,” of the Notes to our annual Combined Financial Statements for further information on transactions with related parties.

Other Matters

Inflation

Inflation has been moderate in recent years and has not had a significant impact on our businesses.

Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk from changes in interest rates, currency exchange rates, and debt prices. We manage our exposure to these risks by monitoring available financing alternatives, through pricing policies that may take into account currency exchange rates, and historically through Marriott International entering into derivative arrangements on our behalf. We will continue to evaluate our exposure to fluctuations in interest rates and currency rates and how to manage such exposure in the future when we are separated from Marriott International.

We intend to enter into a Warehouse Credit Facility under which we will have the ability to sell to the lenders fixed-rate notes receivable we generate through the sales of vacation ownership products, which will provide variable rate financing to us. We plan to manage the interest rate risk of this facility by entering into derivatives such as swaps or caps, as are traditionally utilized in warehouse funding arrangements. We intend to securitize notes receivable in the asset backed securities market at least annually. We expect to secure fixed rate funding to match our fixed rate notes receivable. However, if we have floating rate debt in the future, we plan to hedge the interest rate risk using derivative instruments. Changes in interest rates may impact the fair value of our fixed rate long-term debt which at the date of spin will be only the non-recourse debt securitized by our notes receivable.

Marriott International has historically used derivative instruments, including cash flow hedges, net investment in non-U.S. operations hedges, and other derivative instruments, as part of its overall strategy to manage our exposure to market risks associated with fluctuations in interest rates and currency exchange rates, including those that resulted from our operations. As a matter of policy, Marriott International only entered into transactions that they believed would be highly effective at offsetting the underlying risk, and they did not use derivatives for trading or speculative purposes.

Please see Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our annual Combined Financial Statements for additional information associated with derivative instruments.

The following table sets forth the scheduled maturities and the total fair value as of the end of 2010 for our financial instruments that are impacted by market risks:

		Maturities by Period							
($ in millions)	Average Interest Rate	2011	2012	2013	2014	2015	Thereafter	Total Carrying Amount	Total Fair Thereafter
Assets—Maturities represents expected principal receipts, fair values represent assets.									
Notes receivable—non-securitized	11.8%	$ 55	$ 28	$ 24	$ 20	$ 19	$ 79	$ 225	$ 231
Notes receivable—securitized	13.1%	$ 118	$ 123	$ 130	$ 131	$ 126	$ 401	$ 1,029	$ 1,219
Fixed-rate notes receivable	9.0%	$ —	$ 20	$ —	$ —	$ —	$ —	$ 20	$ 20
Liabilities—Maturities represents expected principal payments, fair values represent liabilities.									
Non-recourse debt associated with securitized timeshare segment notes receivable	4.96%	$(126)	$(131)	$(138)	$(139)	$(134)	$ (349)	$(1,017)	$ (1,047)
Other debt	8.35%	$ (2)	$ —	$ —	$ —	$ —	$ (3)	$ (5)	$ (5)

MANAGEMENT

Our Executive Officers

The following table provides certain information as of August 31, 2011, about our executive officers, including employment history and any directorships held in public companies following the spin-off. The titles shown below are those that we expect our executive officers will have immediately following the spin-off. Each executive officer is expected to serve from the date of his or her appointment until the earlier of his or her resignation or the appointment of his or her successor.

Name and Title	Age	Business Experience
Stephen P. Weisz President and Chief Executive Officer	60	Stephen P. Weisz has served as our President since 1996. Mr. Weisz joined Marriott International in 1972. Over his 39-year career with Marriott International, he has held a number of leadership positions in the Lodging division, including Regional Vice President of the Mid-Atlantic Region, Senior Vice President of Rooms Operations, and Vice President of the Revenue Management Group. Mr. Weisz became Senior Vice President of Sales and Marketing for Marriott Hotels, Resorts & Suites in 1992 and Executive Vice President-Lodging Brands in 1994 before being named to lead our company in 1996. He currently serves as a Trustee of the American Resort Development Association and is on the Board of Trustees of Children's Miracle Network.
John E. Geller, Jr. Executive Vice President and Chief Financial Officer	44	John E. Geller, Jr. has served as our Executive Vice President and Chief Financial Officer since 2009. Mr. Geller joined Marriott International in 2005 as Senior Vice President and Chief Audit Executive and Information Security Officer. In 2008, he led finance and accounting for Marriott International's North American Lodging Operation's West region as Chief Financial Officer. Mr. Geller began his professional career at Arthur Andersen, where he was promoted to audit partner in its real estate and hospitality practice in 2000. During 2002 and 2003, he was an audit partner with Ernst & Young in its real estate and hospitality practice. Mr. Geller served as Chief Financial Officer at AutoStar Realty in 2004. Mr. Geller is a C.P.A.
Robert A. Miller Executive Vice President and Chief Operating Officer— International	65	Robert A. Miller has served as our Executive Vice President and Chief Operating Officer since 2007. Mr. Miller joined Marriott International in 1984 when it acquired American Resorts, Inc., which he co-founded in 1978 and where he served as President and Chief Operating Officer. Prior to assuming his current responsibilities he served as our Executive Vice President and General Manager from 1984 to 1988 and as our President from 1988 to 1996. Mr. Miller has overseen our Asia Pacific segment since 2006 and our Europe segment since 2009. Prior to founding American Resorts, Mr. Miller served as Chief Financial Officer of Fleetwing Corporation, a petroleum products distribution company, and on the tax and audit staff of Arthur Young & Company. He is a past Chairman of the American Resort Development Association and currently serves as a member of its Executive Committee and Board of Directors and as Chairman of the its International Foundation. He is a member of the Urban Land Institute and serves on the Board of Directors of Apartment Investment and Management Company, a real estate investment trust that engages in the acquisition, ownership, management, and redevelopment of apartment properties.

Name and Title	Age	Business Experience
R. Lee Cunningham Executive Vice President and Chief Operating Officer—North America and Caribbean	52	R. Lee Cunningham has served as our Executive Vice President—Chief Operating Officer since 2007. Mr. Cunningham joined Marriott International in 1982 and held various front office assignments at Marriott hotels in Atlanta, Scottsdale, Miami, Kansas City, and Washington, D.C. In 1990, he became one of Marriott International's first revenue management-focused associates and held roles at property, regional and corporate levels. Mr. Cunningham joined our company in 1997 as Vice President of Revenue Management and Owner Service Operations.
Brian E. Miller Executive Vice President— Sales, Marketing and Service Operations	48	Brian E. Miller has served as our Senior Vice President, Sales and Marketing and Service Operations since 2007. Mr. Miller joined our company in 1990 as National Director of Marketing Operations and has more than 25 years of vacation ownership marketing and sales expertise. In 1994, he was promoted to Vice President of Marketing. From 1995 to 2000, he served as Regional Vice President of Sales and Marketing for the Europe and Middle East region based in London. He left our company briefly, but returned in 2001 to assume the role of Senior Vice President, Sales and Marketing.
James H Hunter, IV Executive Vice President and General Counsel	49	James H Hunter, IV has served as our Senior Vice President and General Counsel since 2006. Mr. Hunter joined Marriott International in 1994 as Corporate Counsel and was promoted to Senior Counsel in 1996 and Assistant General Counsel in 1998. While at Marriott International, he held several leadership positions supporting development of Marriott's lodging brands in all regions worldwide. Prior to joining Marriott International, Mr. Hunter was an associate at the law firm of Davis, Graham & Stubbs in Washington, D.C.
Lizabeth Kane-Hanan Executive Vice President and Chief Growth and Inventory Officer	45	Lizabeth Kane-Hanan has served as our Senior Vice President, Resort Development and Planning, Inventory and Revenue Management and Product Innovation since 2009. Ms. Kane-Hanan joined our company in 2000, and has nearly 25 years of hospitality industry experience. Before joining Marriott International, she spent 14 years in public accounting and advisory firms, including Arthur Andersen and Horwath Hospitality, where she specialized in real estate strategic planning, acquisitions and development. At our company, she has held several leadership positions of increasing responsibility.
Theodorus J. Schavemaker Senior Vice President— Customer Experience and Resort Operations	45	Theodorus J. Schavemaker has served as our Senior Vice President, Customer Experience and Resort Operations since 2007. Mr. Schavemaker joined Marriott International in 1988 at the Marco Island Marriott as a restaurant supervisor. From 1990 to 1999, he worked in several Marriott hotels in Germany serving in both food and beverage and rooms operations roles. From 1999 to 2001, Mr. Schavemaker served as a project manager in Lodging Finance while working at Marriott International headquarters in Bethesda, Maryland. In late 2001, he joined our company as Regional Vice President, Customer Experience for resorts in Europe and Asia. He was named Vice President, Customer Experience in 2005 and assumed responsibility for day-to-day operations of our resorts worldwide.

Name and Title	Age	Business Experience
Dwight D. Smith Senior Vice President and Chief Information Officer	51	Dwight D. Smith has served as our Senior Vice President and Chief Information Officer since 2006. Mr. Smith joined Marriott International in 1988 as Senior Manager and then Director of Information Resources for Roy Rogers Restaurants. He worked from 1982 to 1988 at Andersen Consulting as Staff Consultant and then Consulting Manager in the advanced technology group. Mr. Smith moved to our corporate headquarters in 1990.
Michael E. Yonker Senior Vice President and Chief Human Resources Officer	52	Michael E. Yonker has served as our Chief Human Resources Officer since 2010. Mr. Yonker joined Marriott International in 1983 as Assistant Controller at the Lincolnshire Marriott Resort in Chicago. While at Marriott International, he held a number of positions with increasing responsibility in both the finance and human resources areas. From 1996 to 1998, he was the Area Director of Human Resources, supporting the mid-central region at Sodexho Marriott. He returned to Marriott International in 1998 as Vice President, Human Resources supporting the Midwest Region and was named our Vice President, Human Resources in 2007 supporting global operations.

Our Board of Directors

The following table provides certain information as of August 31, 2011 about the persons who we expect will serve on our Board following the spin-off. The table contains each person's biography as well as the qualifications and experience each person would bring to our Board. As of the date of the distribution, we expect that our Board will consist of seven members, four of whom will meet applicable regulatory and exchange listing independence requirements.

Name and Title	Age	Business Experience and Director Qualifications
William J. Shaw Chairman 	65	William J. Shaw served as Vice Chairman of Marriott International from May 2009 to March 2011. He previously served as President and Chief Operating Officer of Marriott International from 1997 until May 2009. He joined Marriott International in 1974 and was named Corporate Controller in 1979 and a Corporate Vice President in 1982. In 1986, Mr. Shaw was named Senior Vice President-Finance and Treasurer of Marriott International. He became Chief Financial Officer and Executive Vice President of Marriott International in 1988. In 1992, he was named President of the Marriott Service Group. He also serves on the Board of Trustees of three funds in the American Family of Mutual Funds, the Board of Directors of the United Negro College Fund and the Board of Trustees of the University of Notre Dame. Mr. Shaw served as a Director of Marriott International from March 1997 through February 11, 2011. Mr. Shaw will bring to the Board his extensive management experience with Marriott International, his prominent status in the hospitality industry and a wealth of knowledge in dealing with financial and accounting matters as a result of his prior service as Marriott International's Chief Financial Officer.

Name and Title	Age	Business Experience and Director Qualifications
Raymond L. Gellein, Jr. Director	64	Mr. Gellein has served as non-executive Chairman of the Board of Strategic Hotel and Resorts, Inc., a REIT with a portfolio of luxury hotels, since August 2010, and he has served on the company's board since August 2009. He served as President of the Global Development Group of Starwood Hotels and Resorts Worldwide, Inc. from July 2006 through March 2008, and as Chairman and Chief Executive Officer of Starwood Vacation Ownership, Inc. from October 1999 to July 2006. Mr. Gellein also serves as a member of the board of trustees of the American Resort Development Association. Based on his current role with Strategic Hotel and Resorts and his past roles at Starwood, Mr. Gellein will bring to the Board his vast leadership experience in the hospitality and lodging industries with a particular expertise in the vacation ownership sector. As a past Chairman and current trustee of the American Resort Development Association, he also has extensive knowledge of the legislative and regulatory issues related to the vacation ownership business.

Deborah Marriott Harrison Director	54	Deborah Marriott Harrison has served as Senior Vice President of Government Affairs for Marriott International since June 2007. From May 2006 to June 2007, she served as Vice President of Government Affairs for Marriott International. As the daughter of Marriott International's Chairman and Chief Executive Officer and granddaughter of Marriott International's founders, she has extensive knowledge of Marriott International, its history, its culture and its mission. She has held several positions within Marriott since 1975, including accounting positions at Marriott headquarters and operations positions at the Key Bridge and Dallas Marriott hotels. She has been actively involved in serving the community through participation on various committees and boards, including the Mayo Clinic Leadership Council for the District of Columbia and the boards of the Bullis School, the D.C. College Access Program, and the J. Willard and Alice S. Marriott Foundation. Ms. Harrison has also served on the boards of several mental health organizations, including The National Institute of Mental Health Advisory Board, Depression and Related Affective Disorders Association, and the Center for the Advancement of Children's Mental Health in association with Columbia University. She is a graduate of Brigham Young University. Given her extensive involvement in governmental affairs, Ms. Harrison will provide very valuable counsel to the Board and senior management of the company, which operates in a heavily regulated industry at both the federal and state level. In addition, as the company continues to uphold the legacy of the Marriott name, it expects to benefit from her deep understanding of the founding principles and culture of Marriott International.

Name and Title	Age	Business Experience and Director Qualifications
Thomas J. Hutchison, III Director 	70	Since October 2008, Mr. Hutchison has served as Chairman of Legacy Hotel Advisors, LLC and Legacy Healthcare Advisors, LLC, industry consulting firms for which he is the principal founder. From January 2000 through 2007, he served in various executive positions at CNL Financial Group, Inc., including as Chief Executive Officer of the public REITs, CNL Hotels & Resorts and CNL Retirement. Mr. Hutchison is also a director of Hersha Hospitality Trust, a publicly traded REIT. He also serves on the board of ClubCorp, Inc. and the U.S. Chamber of Commerce. Mr. Hutchison will bring to the Board his over 40 years of senior leadership experience in the lodging, hospitality, travel, and real estate development and finance industries.
Melquiades R. Martinez Director 	64	Mr. Martinez has served as a regional Chairman of JPMorgan Chase & Co., an investment and financial services company, since July 2010. Prior to that, he was a partner in the law firm DLA Piper, LLC from September 2009. Mr. Martinez served as the U.S. Senator from Florida from January 2005 through September 2009. He also served as Chairman of the Republican Party from November 2006 through October 2007, as Secretary of the U.S. Department of Housing and Urban Development from 2001 to 2004, and as Mayor of Orange County, Florida from January 2001 to January 2004. In addition, Mr. Martinez is a director of Progress Energy, Inc., a publicly traded company, and serves on the boards of Habitat International, the Central Florida Commission on Homelessness and the Urban Land Institute. Mr. Martinez will provide our Board with the benefit of his vast experience in the public and private sector and his in-depth knowledge of and relationships with the Florida community, where our headquarters are located. The Board will also benefit from his legal experience and knowledge of the legislative and regulatory processes.
William W. McCarten Director 	62	Mr. McCarten has served as non-executive Chairman of the Board of DiamondRock Hospitality Company, a lodging REIT, since September 2008. Prior to that he was Chief Executive Officer of DiamondRock from its inception in 2004. From 1979 through 2004, Mr. McCarten worked at Marriott International and its affiliated entities, where he held a number of executive positions, including President of the Services Group and President and Chief Executive Officer of HMSHost Corporation, a publicly traded company. Mr. McCarten is also a director of Cracker Barrel Old Country Store, Inc., a publicly traded company. Mr. McCarten will provide the Board with the benefit of his extensive experience in the hospitality industry and capital markets, including his service as chief executive officer of two publicly traded companies. He is a former certified public accountant who has strong familiarity with accounting and financial reporting matters.

Name and Title	Age	Business Experience and Director Qualifications
Stephen P. Weisz Director	60	See "Management—Our Executive Officers" for Mr. Weisz's biographical information. Mr. Weisz will bring to the Board the extensive lodging and vacation ownership industry expertise he has developed during his 39-year career with Marriott International, as well as corporate leadership experience from his service as our President since 1996 and his position as Trustee of the American Resort Development Association

Structure of the Board of Directors

Upon completion of the spin-off, our Board will be divided into three classes of directors that will be of equal size to the extent possible. The directors designated as Class I directors will have terms expiring at the first annual meeting of shareholders following the spin-off, the directors designated as Class II directors will have terms expiring at the second annual meeting of shareholders following the spin-off, and the directors designated as Class III directors will have terms expiring at the third annual meeting of shareholders following the spin-off. Beginning with the first annual meeting of shareholders following the spin-off, directors for each class will be elected at the annual meeting of shareholders held in the year in which the term for that class expires and thereafter will serve for a term of three years. We expect that the Class I directors will include Raymond L. Gellein, Jr. and Thomas J. Hutchison, the Class II directors will include William W. McCarten and William J. Shaw, and the Class III directors will include Deborah M. Harrison, Melquiades R. Martinez and Stephen P. Weisz.

Governance Principles

Our Board expects to adopt Governance Principles that meet or exceed the rules of the NYSE. The full text of the Governance Principles will be posted on our website at www.marriottvacationsworldwide.com and will be available in print to any shareholder that requests it. We expect that our Governance Principles will establish the limit on the number of public company board memberships for our directors at three, including Marriott Vacations Worldwide, for directors who are chief executive officers of public companies and five for other directors.

Committees of Our Board

Following the spin-off, the standing committees of our Board will include an Audit Committee, a Compensation Policy Committee, and a Nominating and Corporate Governance Committee, each as further described below. Following our listing on the NYSE and in accordance with the transition provisions of the rules of the NYSE applicable to companies listing their securities in conjunction with a spin-off transaction, each of these committees will, by the date required by the rules of the NYSE, be composed exclusively of directors who are independent. Other committees may also be established by our Board from time to time.

Audit Committee. We expect our Board will select the directors who will serve as members of the Audit Committee, all of whom will be independent and at least one of whom will be a financial expert within the meaning of NYSE rules. The Audit Committee's responsibilities will include, among other things:

- Appointing, retaining, overseeing, and determining the compensation and services of our independent auditor.
- Pre-approving the terms of all audit services, and any permissible non-audit services, to be provided by our independent auditor.
- Overseeing the independent auditor's qualifications and independence, including considering whether any circumstance, including the performance of any permissible non-audit services, would impair the independence of our independent registered public accounting firm.

- Overseeing the accounting, reporting, and financial practices of Marriott Vacations Worldwide and its subsidiaries, including the integrity of our financial statements.
- Overseeing our internal control environment and compliance with legal and regulatory requirements.
- Overseeing the performance of our internal audit function and independent auditor.

The responsibilities of our Audit Committee, which we anticipate will be substantially similar to the responsibilities of Marriott International's Audit Committee, will be more fully described in our Audit Committee charter. We will post the Audit Committee charter on our website at www.marriottvacationsworldwide.com, and we will provide it in print to any shareholder that requests it. By the date required by the transition provisions of the rules of the NYSE all members of the Audit Committee will be independent and financially literate. Further, at least one of the members of the Audit Committee will possess accounting or related financial management expertise within the meaning of the rules of the NYSE and qualify as an "audit committee financial expert" as defined under the applicable SEC rules.

Compensation Policy Committee. We expect our Board will select the directors who will serve as members of the Compensation Policy Committee, all of whom will be independent. The Compensation Policy Committee's responsibilities will include, among other things:

- Establishing the principles related to the compensation programs of Marriott Vacations Worldwide.
- Reviewing and recommending to the board policies and procedures relating to senior officers' compensation and employee benefit plans.
- Setting the annual compensation for the Chief Executive Officer, including salary, bonus and incentive and equity compensation, subject to approval by the board.
- Approving executive officer and senior management salary adjustments, bonus payments and stock awards.
- Reviewing and recommending to the board the annual compensation of non-employee directors' compensation.
- Evaluating any incentives or risks arising from or related to our compensation programs and plans and assessing whether the incentives and risks are appropriate.

The responsibilities of the Compensation Policy Committee, which we anticipate will be substantially similar to the responsibilities of Marriott International's Compensation Policy Committee, will be more fully described in our Compensation Policy Committee charter. We will post the Compensation Policy Committee charter on our website at www.marriottvacationsworldwide.com, and we will provide it in print to any shareholder that requests it. Each member of the Compensation Policy Committee will be a non-employee director, and we expect that there will be no Compensation Policy Committee interlocks involving any of the projected members of the Compensation Policy Committee.

Nominating and Corporate Governance Committee. We expect our Board will select the directors who will serve as members of the Nominating and Corporate Governance Committee, all of whom will be independent. The Nominating and Corporate Governance Committee's responsibilities will include, among other things:

- Making recommendations to the board on corporate governance matters and updates to our Governance Principles.
- Reviewing qualifications of candidates for board membership.
- Advising the board on a range of matters affecting the board and its committees, including making recommendations about the qualifications of director candidates, selection of committee chairs, committee assignments and related matters affecting the functioning of the board.
- Reviewing our conflict of interest and related party transactions policies, and approving certain related party transactions as provided for in those policies.
- Resolving conflict of interest questions involving our directors and senior executive officers.

The responsibilities of the Nominating and Corporate Governance Committee, which we anticipate will be substantially similar to the responsibilities of Marriott International's Nominating and Corporate Governance Committee, will be more fully described in our Nominating and Corporate Governance Committee charter. We will post the Nominating and Corporate Governance Committee charter on our website at www.marriottvacationsworldwide.com, and we will provide it in print to any shareholder that requests it.

Director Independence

We expect that our Board, upon recommendation of our Nominating and Corporate Governance Committee, will formally determine the independence of our directors following the spin-off. We expect that our Board will determine that the following directors, who are anticipated to be elected to our Board, are independent: Raymond L. Gellein, Jr., Thomas J. Hutchison, III, Melquiades R. Martinez, and William W. McCarten.

Marriott International's Board considered which of the persons whom we anticipate will be elected to our Board are independent under the rules of the NYSE, and recommended that our Board find the following directors are independent: Raymond L. Gellein, Thomas J. Hutchinson III, Melquiades R. Martinez and William W. McCarten. As part of this determination, Marriott International's Board considered the facts that Mr. Martinez is a regional Chairman of JPMorgan Chase & Co. and JPMorgan Chase Bank is the lead bank in the syndicate of banks that we expect will provide our Revolving Corporate Credit Facility.

We expect that our Board will determine the independence of directors annually based on a review by the directors and the Nominating and Corporate Governance Committee. In determining whether a director is independent, we expect that the Board will determine whether each director meets the objective standards for independence set forth in the rules of the NYSE.

Meetings of Independent Directors

We expect that we will require that the independent directors meet without management present at least twice a year. The Chairman of the Nominating and Corporate Governance Committee will preside at the meetings of the independent directors.

Risk Oversight

Our Board will be responsible for overseeing our processes for assessing and managing risk. We expect that the Board will consider our risk profile when reviewing our annual business plan and incorporate risk assessment into its decisions. In performing its oversight responsibilities, we expect that our Board will receive an annual risk assessment report from the Chief Financial Officer and discuss the most significant risks facing us.

We expect that our Board will delegate certain risk oversight functions to the Audit Committee. In accordance with NYSE requirements and as set forth in its charter, we expect that the Audit Committee periodically will review and discuss our business and financial risk management and risk assessment policies and procedures with senior management, the Company's independent auditor and the Chief Audit Executive. We expect that the Audit Committee will incorporate its risk assessment function into its regular reports to the Board.

In addition, we expect that the Compensation Policy Committee will review a risk assessment to determine whether the amount and components of compensation for our employees and the design of compensation programs may create incentives for excessive risk-taking by our employees.

Codes of Conduct

We expect that our Board will adopt a code of conduct similar to Marriott's Code of Ethics that will apply to all associates, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer, and to each member of the Board.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Our executive officers for whom compensation information is presented in the Summary Compensation Table below (the "Named Executive Officers" or "NEOs") are:

Stephen P. Weisz	President and Chief Executive Officer
John E. Geller, Jr.	Executive Vice President and Chief Financial Officer
Robert A. Miller[1]	Executive Vice President and Chief Operating Officer—International
R. Lee Cunningham[2]	Executive Vice President and Chief Operating Officer—North America and Caribbean
Brian E. Miller[1]	Executive Vice President—Sales, Marketing and Service Operations
James H Hunter, IV[1]	Executive Vice President and General Counsel

(1) Until the distribution date, Mr. Robert Miller serves as President, Marriott Leisure and Executive Vice President and Chief Operating Officer—International, Mr. Brian Miller serves as Senior Vice President—Sales, Marketing and Service Operations, and Mr. James Hunter serves as Senior Vice President and General Counsel.

(2) We are providing voluntary disclosure for Mr. Cunningham, Executive Vice President and Chief Operating Officer—North America and Caribbean, because of the significant contributions of that line of business to the financial results of Marriott Vacations Worldwide in 2010. For purposes of the Compensation Discussion and Analysis and other disclosures in this information statement, and unless otherwise noted, references to the Named Executive Officers or NEOs include Mr. Cunningham even though he should not be considered a named executive officer of Marriott Vacations Worldwide under the SEC's rules.

Prior to the spin-off, our business was owned by Marriott International and the NEOs were Marriott International employees. Therefore, our historical compensation strategy has been determined primarily by Marriott International's senior management ("Marriott Management") and the Compensation Policy Committee of Marriott International's board of directors (the "Marriott Compensation Policy Committee"), and the compensation elements and processes discussed in this Compensation Discussion and Analysis reflect Marriott International programs and processes. Following the spin-off, we will form our own Board compensation committee that will be responsible for approving and overseeing our executive compensation programs, which may differ from the compensation programs in place for 2010.

Philosophy

The following compensation principles approved by the Marriott Compensation Policy Committee formed the basis of our compensation philosophy prior to the spin-off. These policies reflect Marriott International's belief that strong and consistent leadership is the key to long-term success in the hospitality industry. Therefore, in designing and implementing the compensation program that applied to the NEOs, Marriott International emphasized the following three principles.

- Officers should be paid in a manner that contributes to long-term shareholder value. Therefore, equity compensation was a significant component of total pay opportunity for the NEOs.
- Compensation should be designed to motivate the NEOs to perform their duties in ways that would help achieve short- and long-term objectives. This was achieved by offering a mix of cash and non-cash elements of pay.
- The compensation program had to be competitive in order to attract key talent from within and outside of our industry and retain key talent at costs consistent with market practice.

Role of Marriott Management, Marriott Compensation Policy Committee and the Compensation Consultant

For 2010, the Marriott Compensation Policy Committee and Marriott Management determined the compensation of the NEOs. Marriott International's Chairman and Chief Executive Officer, J.W. Marriott, Jr., and President and Chief Operating Officer, Arne M. Sorenson, made recommendations to the Marriott Compensation Policy Committee with respect to Mr. Weisz's compensation and, with input from Marriott International's Human Resources Department, Mr. Weisz and, in the case of Mr. Hunter, Marriott International's General Counsel, determined the compensation of the NEOs other than Mr. Weisz. The Marriott Compensation Policy Committee reviewed Mr. Weisz's total compensation package and approved each NEO's stock awards.

In designing and implementing compensation programs applicable to the NEOs, Marriott Management considered the advice and recommendations of the Marriott Compensation Policy Committee's independent compensation consultant, Pearl Meyer & Partners (the "Compensation Consultant") (see the discussion of the Compensation Consultant below).

2010 Compensation

Marriott Management did not set rigid, categorical guidelines or formulae to determine the elements and levels of compensation for the NEOs. Rather, they considered subjective factors such as leadership ability, individual performance, retention needs and future potential as part of Marriott International's management development and succession planning process. For Mr. Weisz's compensation, Marriott Management primarily considered market data (as described below) and the compensation of other division presidents. With respect to the other NEOs, although market data was a factor in establishing compensation levels generally for positions/titles company-wide, their compensation primarily was determined on the basis of internal pay equity considerations.

Base Salary

Individual base salaries for the NEOs were reviewed annually to determine whether base salary levels were commensurate with the officers' responsibilities (and, in the case of Mr. Weisz, the competitive market). For 2010, each of the NEOs received a 2.5% salary increase, effective three months after the usual effective date of mid-March (or, in the case of Mr. Weisz, the first day of the fiscal year). This increase was made in consideration of the continued uncertainty of the economy at that time and its impact on the hospitality industry and the fact that the NEOs did not receive regular salary increases in 2009 (other than Mr. Geller who received a salary increase in 2009 in connection with his promotion to Executive Vice President and Chief Financial Officer of our company). This increase was consistent with the increase for all eligible Marriott International management associates and with observed salary increases in the marketplace.

Annual Bonuses

For 2010, the NEOs participated in a management bonus plan ("Bonus Plan") which focused on financial, operational and human capital objectives. The Bonus Plan was designed to provide the NEOs with appropriate compensation incentives to achieve identified annual corporate, divisional and individual performance objectives. The potential awards under the Bonus Plan for 2010 are reported in dollars in the Grants of Plan-Based Awards for Fiscal Year 2010 table, and the actual award amounts earned under the Bonus Plan for 2010 are reported in dollars in the Summary Compensation Table following this Compensation Discussion and Analysis.

The respective weightings of the relevant performance measures and the aggregate target and actual payments for 2010 under the Bonus Plan are displayed in the table below. As reflected in the table, target awards ranged from 60% of salary to 40% of salary. The differences in the target award percentages were determined

primarily by considering internal factors, including pay equity with other officers, differences in responsibilities, significant promotions and future potential. The maximum awards ranged from 150% and 162.5% of the target award.

Name		Marriott Vacations Worldwide Operating Profit	Marriott Earnings Per Share	Individual Achievement	Marriott Vacations Worldwide Operating Profit Process	Customer Satisfaction (1)	Associate Engagement (2)	Owner & Franchise Relations	Total
Stephen P. Weisz	Weight of Total Award (%)	50	10	20	—	20	—	—	100
	Target Award as % of Salary	30	6	12	—	12	—	—	60
	Actual Payout as % of Salary	45	9	15	—	10.15	—	—	79.15
John E. Geller, Jr.	Weight of Total Award (%)	40	—	20	20	10	10	—	100
	Target Award as % of Salary	20	—	10	10	5	5	—	50
	Actual Payout as % of Salary	30	—	15	11.31	3.90	7.5	—	67.71
Robert A. Miller	Weight of Total Award (%)	40	—	20	20	10	10	—	100
	Target Award as % of Salary	20	—	10	10	5	5	—	50
	Actual Payout as % of Salary	30	—	13	15	2.97	7.5	—	68.47
R. Lee Cunningham	Weight of Total Award (%)	40	—	20	20	10	10	—	100
	Target Award as % of Salary	16	—	8	8	4	4	—	40
	Actual Payout as % of Salary	26	—	13	13	3.92	6.5	—	62.42
Brian E. Miller	Weight of Total Award (%)	40	—	20	20	10	10	—	100
	Target Award as % of Salary	16	—	8	8	4	4	—	40
	Actual Payout as % of Salary	26	—	11	8.24	3.12	6.5	—	54.86
James H Hunter, IV(3)	Weight of Total Award (%)	—	50	30	—	5	10	5	100
	Target Award as % of Salary	—	20	12	—	2	4	2	40
	Actual Payout as % of Salary	—	32.5	19.5	—	1.58	4	2	59.58

(1) Customer Satisfaction means, with respect to all of the NEOs other than Mr. Hunter, Marriott Vacations Worldwide Customer Satisfaction, and with respect to Mr. Hunter, Marriott Guest Satisfaction.
(2) Associate Engagement means, with respect to all of the NEOs other than Mr. Hunter, Marriott Vacations Worldwide Associate Engagement, and with respect to Mr. Hunter, Professional Services Associate Engagement.
(3) Mr. Hunter's bonus structure is different from the bonus structure for the other NEOs because Mr. Hunter reported to Marriott International's General Counsel and was compensated in accordance with programs that applied to Marriott International's legal department.

The Bonus Plan rewarded executives for achievement of pre-established financial objectives, including Marriott Vacations Worldwide's Operating Income performance and, for Mr. Weisz and Mr. Hunter, Marriott International's EPS performance. These performance measures were selected because they were important indicators of division profitability and, for Mr. Weisz as a corporate executive and Mr. Hunter, Marriott International profitability. The specific performance level percentages for the Marriott Vacations Worldwide Operating Income objective were set by Marriott Management with input from Mr. Weisz, and Mr. Weisz had discretion to adjust payouts for the other NEOs under the Marriott Vacations Worldwide Operating Income component after the financial results were determined. The specific performance level percentages for the Marriott EPS objective were set by the Marriott Compensation Policy Committee in consultation with the Compensation Consultant based on competitive market data as well as the Marriott Compensation Policy Committee's subjective judgment.

For all NEOs other than Mr. Hunter, Marriott Vacations Worldwide Operating Income was the most heavily weighted performance criteria. For the purpose of the Bonus Plan, Marriott Vacations Worldwide Operating Income was determined from Marriott International's financial statements, which were prepared under U.S. GAAP. Although the calculation of Marriott Vacations Worldwide Operating Income could be modified during the target-setting process for items that were not expected to have a direct impact on the business in the future, no such modifications were made for 2010. The Marriott Vacations Worldwide Operating Income target was set at $96,131,000, a level Marriott Management believed to be achievable but not certain to be met. For 2010, NEOs were eligible to receive the Marriott Vacations Worldwide Operating Income portion of the bonus based the following achievement levels:

Marriott Vacations Worldwide Operating Profit Achievement vs. Target	Bonus Award	Payout as % of Target
Below 85% or 90%(1)	No Bonus	0%
100%	Target Bonus	100%
125% and Above	Maximum Bonus	150 to 162.5%

(1) Mr. Weisz would not have received any bonus for this component if Marriott Vacations Worldwide Operating Income was below 85% of the target performance level, and the other NEOs would not have received any bonus for this component if Marriott Vacations Worldwide Operating Income was below 90% of the target performance level.

For Mr. Weisz and Mr. Hunter, an additional financial performance measure was Marriott EPS, calculated in accordance with GAAP, subject to any adjustments specified in the target-setting process (although no such adjustments were made for 2010). The Marriott EPS target for 2010 was set at $0.80, which the Marriott Compensation Policy Committee believed to be achievable but not certain to be met. For 2010, Mr. Weisz and Mr. Hunter were eligible to receive the Marriott EPS portion of the bonus based on the following achievement levels:

Marriott EPS Achievement vs. Target	Component Bonus Award	Payout as % of Target
Below 89%	No Bonus	0%
89%	Threshold Bonus	25%
100%	Target Bonus	100%
107% and Above	Maximum Bonus	150 to 162.5%

For both Marriott EPS and Marriott Vacations Worldwide Operating Income, if the achievement fell between two of the stated performance achievement levels (including for Marriott Vacations Worldwide Operating Income between 90% and 100% of target or, in the case of Mr. Weisz, between 85% and 100% of target), the payment for that portion of the bonus would have been interpolated between the corresponding bonus levels. For 2010, Marriott EPS as reported under GAAP was $1.21, which was 152% of the target achievement level and which exceeded the maximum achievement level, and Marriott Vacations Worldwide Operating Income was $120,744,000, which was 125.6% of the target achievement level and which exceeded the maximum achievement level. Consequently, for 2010, the NEOs received maximum payouts under these portions of the Bonus Plan.

In addition to the financial performance measures, the Bonus Plan for NEOs also included performance measures based on individual performance as well as measures of operational performance. These performance measures were evaluated subjectively and, like the Marriott EPS target and Marriott Vacations Worldwide Operating Income target, were intended to establish high standards, consistent with Marriott International's quality goals, which were achievable but not certain to be met. Marriott International believed that the following individual and operational performance measures were critical to achieving success within the hospitality and service industry. Payouts under these performance measures could have been zero, at target or maximum award levels or, in most cases, interpolated between zero, target and maximum.

- Individual Achievement: A different set of management objectives was established for each of the NEOs that was aligned to his unique responsibilities and role within Marriott Vacations Worldwide. The management objectives generally were difficult to accomplish and were among the core duties of the positions. Examples of the types of management objectives were:
  - Transition the North America vacation ownership business to a points-based product;
  - Maintain superior associate satisfaction levels; and
  - Continue development of a global Marriott International and Marriott Vacations Worldwide organizational blueprint that positions Marriott Vacations Worldwide and Marriott International for future growth.

  Payouts relating to management objectives were determined by the Marriott Compensation Policy Committee for Mr. Weisz, based upon the recommendation of Marriott International's Chairman and Chief Executive Officer and President and Chief Operating Officer. Payouts for the other NEOs were determined by Marriott International's Chairman and Chief Executive Officer based upon Mr. Weisz's recommendation or, in the case of Mr. Hunter, the recommendation of Marriott International's General Counsel. These assessments were developed through a rigorous and largely subjective assessment of

each NEO's qualitative performance across the management objectives for the year. Maximum or above target payouts typically occurred if the NEO's overall performance was viewed as superior. For 2010, each NEO achieved key individual objectives, including operational objectives such as the brand initiatives identified above.

- Operating Income Process: Assessment of Operating Income Process was based on achievement of Operating Income against budget for the NEO's area of responsibility, thus reflecting intra-segment contributions to the Marriott Vacations Worldwide segment at Marriott International. Achievement of 125% of the target resulted in a maximum component bonus payout; achievement of 100% of the target resulted in a target component bonus payout; and achievement of less than 90% of the target resulted in no component bonus payout. The annual goals were established, based upon the Marriott Vacations Worldwide internal budget, so as to be difficult to accomplish and not certain to be met. For 2010, performance results ranged from being between target and maximum to performance that corresponded with payouts at maximum.
- Customer/Guest Satisfaction: Assessment of Marriott Vacations Worldwide Customer Satisfaction for the NEOs other than Mr. Hunter was based on the results of Marriott Vacations Worldwide customer and guest satisfaction surveys developed by Marriott International. Different surveys are used for different aspects of Marriott Vacations Worldwide's business, such as Resort Operations Satisfaction, Sales and Marketing Satisfaction and Owner Services Satisfaction. These surveys address topics such as overall satisfaction, quality of service, and cleanliness of properties. Numerical ratings are assigned with the objective of assessing customers' and guests' overall satisfaction compared to the goal that is established at the beginning of each year. NEOs are evaluated based on survey responses for the business operations that they support: Messrs. Weisz, Geller, Cunningham and Robert Miller were evaluated based on consolidated results under the Resort Operations Satisfaction, Sales and Marketing Satisfaction and Owner Services Satisfaction surveys, weighted based on the number of respondents for each survey, and in the case of Messrs. Cunningham and Miller based only on responses for the geographic regions they support, while Mr. Brian Miller was evaluated based on results of the Sales and Marketing Satisfaction and Owner Services Satisfaction surveys. Achievement of 102% of the target resulted in a maximum component bonus payout; achievement of 100% of the target resulted in a target component bonus payout; and achievement of 95% of the target or less resulted in no payout under this component of the Bonus Plan. For 2010, the target was set at a level above the prior year's target and the prior year's actual survey result. Although 2010 survey results reported increased customer satisfaction, that increase was nevertheless below target, resulting in each of the NEOs receiving a payout on this bonus criteria that was between threshold and target, as reflected in the chart above. With respect to Mr. Hunter, assessment of Marriott Guest Satisfaction was based on the company-wide satisfaction survey results of Marriott International guests for the year compared to pre-established goals, which is based on a compilation of survey results from numerous satisfaction surveys across Marriott International's businesses. Achievement of 100.1% of the target resulted in a maximum component bonus payout; achievement of 99% of the target resulted in a target component bonus payout; and achievement of 97% of the target or less resulted in no payout under this component of the Bonus Plan. For 2010, survey results used to determine Mr. Hunter's bonus payout likewise reflected performance that corresponded with a payout between threshold and target.
- Marriott Vacations Worldwide Associate/Professional Services Associate Engagement: Assessment of Marriott Vacations Worldwide Associate Engagement for the NEOs other than Mr. Hunter was based on Marriott Vacations Worldwide's engagement assessment compared to the Hewitt benchmarks of "Consumer Services" and "Best Employer," adjusted for geographic differentials. For Mr. Hunter, assessment of Professional Services Associate Engagement was based on Marriott International's engagement assessment compared to the Hewitt benchmarks of "Professional Services" and "Best Employer," adjusted for geographic differentials. For 2010, performance results ranged from being between target and maximum to performance that corresponded with payouts at maximum.

- Owner/Franchisee Satisfaction: Assessment of Marriott Owner/Franchisee Satisfaction for Mr. Hunter was based on the satisfaction survey results. Marriott International retained a third party to survey the owners and franchisees of Marriott International's North American hotels on various aspects of their relationship with Marriott International. An overall relationship score of "unsatisfied" resulted in no component payout; a relationship score of "satisfied" resulted in a target component payout; and a relationship score of "very satisfied" resulted in a maximum component bonus payout. For 2010, the survey results reflected that owners were "satisfied." Consequently, for 2010, Mr. Hunter received a target payout for this bonus component.

Sales Incentive

Reflecting the significance of customer relations and sales functions to our business and industry practice, Mr. Brian Miller also has been compensated through a sales incentive arrangement ("Incentive Plan") under which he was compensated based on our achievement of pre-established cash flow goals. The amount of the sales incentive was established based upon Marriott International's assessment of competitive pay practices in the timeshare industry and marketing and sales functions.

Payouts under the Incentive Plan could have been zero, at target or maximum award levels or interpolated between zero, target and maximum. We report the potential payments under the Incentive Plan for 2010 in the Grants of Plan-Based Awards for Fiscal Year 2010 table, and we include the actual amount paid to Mr. Brian Miller under the Incentive Plan for 2010 in the "non-equity incentive plan compensation" column in the Summary Compensation Table following this Compensation Discussion and Analysis. The cash flow measures used for determining payouts under the Incentive Plan related to timeshare sales volume (representing 40% of the Incentive Plan amount), timeshare cost (representing 50% of the Incentive Plan amount) and Marketing & Sales corporate overhead (representing 10% of the Incentive Plan amount).

Stock Awards

Annual Stock Awards

Marriott International granted equity compensation awards to the NEOs under the Marriott International, Inc. Stock and Cash Incentive Plan (the "Marriott Stock Plan") on an annual basis. With four-year vesting conditions and the opportunity for long-term capital appreciation, the annual stock awards helped Marriott International achieve its objectives of attracting and retaining key executive talent, linking NEO pay to long-term Marriott International performance and aligning the interests of NEOs with those of Marriott International's shareholders.

The NEOs' stock awards for 2010 were granted on February 16, 2010, in the form of restricted stock units ("RSUs") and stock-settled stock appreciation rights ("SARs"). For 2010, the NEOs were permitted to express a preference for receiving their equity awards as all RSUs, all stock-settled SARs or an equal mix (based on grant date fair value) of RSUs and SARs. Similar to options, stock-settled SARs deliver the appreciation in company stock over a period of time from the grant date until they are exercised. RSUs are a promise to deliver shares of company stock at stated future vesting dates. We believe that giving the officers this choice of awards has provided significant reward potential and flexibility to meet the officers' individual financial planning profiles and needs, thus enhancing the retention and competitive compensation elements of Marriott International's compensation programs.

Annual stock award values were set, in the case of Mr. Weisz, by reference to the 50th percentile of the external market data, and in the case of the other NEOs, based primarily on internal pay equity and position within Marriott International. For the NEOs other than Mr. Weisz, Marriott International used market data generally to determine stock award ranges for position levels company-wide and Mr. Weisz, and the Marriott

Human Resources Department recommended individual award amounts within these ranges. The annual stock award values for 2010 were as follows:

Name	2010 Stock Award Values
Stephen P. Weisz	$ 750,117
John E. Geller, Jr.	$ 325,068
Robert A. Miller	$ 250,035
R. Lee Cunningham	$ 225,142
Brian E. Miller	$ 215,056
James H Hunter, IV	$ 250,057

The actual award values for 2010 are also reported in the Grants of Plan-Based Awards for Fiscal Year 2010 Table below.

Equity Compensation Policies

Marriott International typically grants annual stock awards in February each year on the second business day following the release of its prior fiscal year annual earnings. This timing was designed to avoid the possibility that Marriott International could grant stock awards prior to the release of material, non-public information that could result in an increase or decrease in its stock price.

Marriott International adopted stock ownership guidelines applicable to each NEO in order to promote the long-term alignment of management with Marriott International shareholders. The guidelines required NEOs to own Marriott International stock with total value equal to a multiple of between one to two times (depending upon the executive's position) his individual salary grade midpoint within five years of becoming subject to the guidelines. Furthermore, consistent with the purposes of the stock ownership guidelines, Marriott International prohibits all associates from engaging in short sale transactions or entering into any other hedging or derivative transaction related to Marriott International stock or securities. In addition, as indicated in the discussion of Grants of Plan-Based Awards for Fiscal Year 2010 below, RSUs were not subject to accelerated vesting upon retirement. As a result, NEOs have a continuing stake in share price performance beyond the end of their employment.

Other Compensation

Perquisites

Marriott International offered limited perquisites that made up a very small portion of total compensation for NEOs. The value of these benefits was included in the executives' wages for tax purposes, and Marriott International did not provide tax gross-ups to the executives with respect to these benefits.

Other Benefits

NEOs also could participate in the same Marriott International plans and programs offered to all eligible Marriott International employees. Some of these benefits were paid for by the executives, such as 401(k) plan elective deferrals, vision coverage, long- and short-term disability, group life and accidental death and dismemberment insurance, and health care and dependent care spending accounts. Other benefits were paid for or subsidized by Marriott International, such as the 401(k) company match, certain group medical and dental benefits, $50,000 free life insurance, business travel accident insurance and tuition reimbursement.

Nonqualified Deferred Compensation Plan

In addition to a tax-qualified 401(k) plan, Marriott International offered the NEOs and other senior management the opportunity to supplement their retirement and other tax-deferred savings under the Marriott International, Inc. Executive Deferred Compensation Plan ("Marriott EDC"). The Marriott Compensation Policy

Committee believed that offering this plan to executives was critical to achieve the objectives of attracting and retaining talent, particularly because Marriott International did not offer a defined benefit pension plan.

Under the Marriott EDC, the NEOs could defer payment and income taxation of a portion of their salary, bonus and commissions. The plan also provided participants the opportunity for long-term capital appreciation by crediting their accounts with notional earnings (at a fixed annual rate of return of 5.5% for 2010), which is explained in the discussion of Nonqualified Deferred Compensation for Fiscal Year 2010 below.

Marriott International also could make an annual discretionary matching contribution to the NEOs' Marriott EDC accounts. The basic match was designed to make up for the approximate amount of matching contributions that would have been made under the Marriott International tax-qualified section 401(k) plan but for the application of certain nondiscrimination testing and annual compensation limitations under the Internal Revenue Code. For 2010, the basic match for each NEO was 75% of the first 2% of eligible compensation (up to $245,000) deferred by the NEO under the Marriott EDC. The Marriott International board had discretion to adjust the actual match allocation based on fiscal year financial results.

Marriott International also could make an additional discretionary contribution to the NEOs' Marriott EDC accounts based on subjective factors such as individual performance, key contributions and retention needs. There were no additional discretionary contributions for the NEOs in 2010.

Change in Control

Marriott International provided limited "double trigger" change in control arrangements to Messrs. Weisz, Geller and Robert Miller under the Marriott Stock Plan and the Marriott EDC. The Marriott Compensation Policy Committee believed that, with these carefully structured benefits, Marriott International's executives including Messrs. Weisz, Geller and Robert Miller would be better able to perform their duties with respect to any potential proposed corporate transaction without the influence of or distraction by concerns about how their personal employment or financial status would be affected. In addition, the Marriott Compensation Policy Committee believed that shareholder interests were protected and enhanced by providing greater certainty regarding executive pay obligations in the context of planning and negotiating any potential corporate transactions. The spin-off of Marriott Vacations Worldwide from Marriott International does not constitute a change in control under these arrangements.

Under these arrangements, in the event that Mr. Weisz, Mr. Geller or Mr. Robert Miller was terminated by Marriott International other than for the executive's misconduct or the executive resigned for good reason (as defined under the Marriott Stock Plan) during the period beginning three months before and ending 12 months following a change in control (as defined under the Marriott Stock Plan) of Marriott International, he would have immediately vested in all unvested equity awards and Marriott EDC balances. In those circumstances, all options and SARs would have been exercisable until the earlier of the original expiration date of the awards or twelve months (or if he were an approved retiree, five years) following the termination of employment, and all other stock awards would have been immediately distributed following the later of the executive's termination of employment or the change in control event. In addition, any cash incentive payments under the Bonus Plan would have been made immediately based on the target performance level, pro-rated based on the days worked during the year until the executive's date of termination in connection with or following a change in control.

Marriott International did not provide for tax gross-ups on these benefits, but instead limited the benefits to avoid adverse tax consequences to Marriott International. Specifically, each of these benefits was subject to a cut-back, so that the benefit would not have been provided to the extent it would have resulted in the loss of a tax deduction by Marriott International or imposition of excise taxes under the "golden parachute" excess parachute payment provisions of the Internal Revenue Code. The discussion of Payments Upon Termination or Change in Control below includes a table that reflects the year-end intrinsic value of unvested stock awards, unvested Marriott EDC accounts and cash incentive payments under the Bonus Plan that Messrs. Weisz, Geller and Robert Miller would have received due to an involuntary termination of employment in connection with a change in control.

Clawbacks

The Marriott Stock Plan included a clawback provision that applied to all equity awards issued to all of the NEOs. Under the Marriott Stock Plan, Marriott International had the authority to limit or eliminate the ability of any executive to exercise options and SARs or to receive a distribution of Marriott International stock under RSUs or other stock awards if the executive engaged in criminal or tortious conduct that was injurious to Marriott International or engaged in competition with Marriott International.

Compensation Consultant

As noted above, for 2010 the Marriott Compensation Policy Committee selected and retained the Compensation Consultant to assist the Marriott Compensation Policy Committee in establishing and implementing executive and director compensation strategy. The Compensation Consultant reported to and was instructed in its duties by the Marriott Compensation Policy Committee and carried out its responsibilities in coordination with Marriott International's Human Resources Department. Other than providing executive compensation survey data to Marriott International as described below, the Compensation Consultant performed no other services for Marriott International.

Marriott Vacations Worldwide has engaged Exequity to advise it on developing director and executive compensation programs. Following the spin-off, Exequity will report to our compensation committee and serve as the compensation committee's independent compensation consultant.

Market Data

In assessing external market pay practices for purposes of determining the compensation of Marriott International executives, including Mr. Weisz, Marriott International for 2010 utilized several broad, revenue-based surveys as well as a custom survey of companies specifically selected by the Marriott Compensation Policy Committee. The Marriott Compensation Policy Committee believed, based on the advice of the Compensation Consultant, that the companies participating in the revenue-based and custom surveys represented the broad pool of executive talent for which Marriott International competed.

In general, the revenue-based surveys used as a market reference included companies with median annual revenues ranging from $10 billion to $20 billion. For 2010, the surveys were the *CHiPS Executive & Senior Management Survey*, the *Hewitt Total Compensation Measurement: Executive Survey*, the *Towers Perrin CDB Executive Database*, and the *Fred Cook Survey of Long-Term Incentives*. Individual companies in the revenue-based surveys were not considered in connection with compensation decisions for the NEOs.

The custom survey consisted of consumer product and service companies selected by the Marriott Compensation Policy Committee on the basis of their similarity to Marriott International on a number of financial metrics and based on their shared emphasis on customer service and brand image. The metrics used for selecting the custom survey companies for 2010 included annual revenue, annual net income, total assets, market capitalization, enterprise value and number of employees. Other factors considered were performance measures such as revenue growth, net income growth, EPS growth, return on equity and total shareholder return. The Marriott Compensation Policy Committee did not apply specific weights to these factors. For 2010, the companies in the custom survey included:

American Express	General Mills	McDonalds	Wyndham
AMR	H.J. Heinz	Nordstrom	Yum! Brands
Colgate-Palmolive	J.C. Penney	Starwood Hotels & Resorts	
Darden Restaurants	Kellogg	Target	
FedEx	Kimberly-Clark	Walt Disney	

This list of custom survey companies remained unchanged from 2009 except that Anheuser-Busch was removed because it is no longer publicly traded and ceased to provide relevant survey information.

Following the spin-off, it is expected that Exequity will work with our compensation committee to develop a new custom survey group.

Tax Considerations

Internal Revenue Code Section 162(m) limits a public company's federal income tax deduction for compensation in excess of one million dollars paid to its Chief Executive Officer and the next three highest-paid executive officers (except for the Chief Financial Officer). However, performance-based compensation can be excluded from the limitation so long as it meets certain requirements. For 2010, none of the NEOs was within the group of Marriott International executive officers that was subject to the Section 162(m) limitations. Following the spin-off, we intend to consider the application of the Section 162(m) limits. However, we may determine that the value of preserving the ability to structure compensation programs to meet a variety of corporate objectives, such as equity dilution management, workforce planning, customer satisfaction and other non-financial business requirements, justifies the cost of potentially being unable to deduct a portion of the executives' compensation.

Risk Considerations

The Marriott Compensation Policy Committee reviewed a risk assessment to determine whether the amount and components of compensation for Marriott International employees, including Marriott Vacations Worldwide employees, and the design of compensation programs might create incentives for excessive risk-taking by Marriott International employees. The Marriott Compensation Policy Committee concluded that Marriott International's compensation programs encouraged its employees, including executives and officers, to remain focused on a balance of short- and long-term operational and financial goals, and thereby reduced the potential for actions that involved an excessive level of risk.

Employment Agreements

Marriott Vacations Worldwide does not have any employment agreements with the NEOs, except for a letter agreement with Mr. Geller, which is described under "Executive Compensation Tables—Potential Payments Upon Termination or Change in Control." We currently do not anticipate entering into any new employment agreements or other employment arrangements with the NEOs following the spin-off.

Executive Compensation Tables and Discussion

Historical Compensation of Executive Officers Prior to the Spin-Off

The following tables contain compensation information for our Chief Executive Officer and certain other executive officers who, based on compensation with Marriott International prior to the spin-off, were the most highly compensated executive officers for 2010 (the "NEOs"). For information on the current and past positions held by each named executive, see "Management—Our Executive Officers." All references in the following tables to stock options, SARs, RSUs and other equity awards relate to awards granted by Marriott International in regard to Marriott International's common stock. For information on the treatment of equity awards in the spin-off, see "The Spin-Off—Treatment of Share-Based Awards."

The amounts and forms of compensation reported below do not necessarily reflect the compensation these persons will receive following the spin-off, which could be higher or lower, because historical compensation was determined by Marriott Management and future compensation levels will be determined based on the compensation policies, programs and procedures to be established by our compensation committee.

Summary Compensation Table

The following Summary Compensation Table shows the compensation we paid in fiscal years 2008, 2009 and 2010 to our Chief Executive Officer, our Chief Financial Officer, and our other four most highly compensated executive officers as of December 31, 2010.

Name and Principal Position	Fiscal Year	Salary ($)[1]	Stock Awards ($)[2]	Option/ SAR Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[4]	All Other Compensation ($)[5]	Total ($)
Stephen P. Weisz	2010	551,144	375,053	375,064	436,231	11,737	12,580	1,761,809
President and Chief Executive Officer	2009	541,000	225,030	0	0	159	11,025	777,214
	2008	551,404	612,618	612,548	135,921	0	55,127	1,967,618
John E. Geller, Jr.	2010	329,375	325,068	0	222,987	1,055	12,499	890,984
Executive Vice President and Chief Financial	2009	325,000	0	0	162,500	207	169,104	656,811
Officer	2008	306,865	500,046	0	95,559	0	114,651	1,017,121
Robert A. Miller	2010	447,043	250,035	0	306,090	53,593	8,905	1,065,666
Executive Vice President and Chief Operating	2009	441,105	0	0	0	41,892	11,025	494,022
Officer—International	2008	446,325	250,059	250,006	170,474	0	41,005	1,157,869
R. Lee Cunningham	2010	292,637	112,602	112,540	182,664	4,229	9,580	714,252
Executive Vice President and Chief Operating	2009	288,750	0	0	42,591	44	11,025	342,410
Officer—North America and Caribbean	2008	291,659	100,064	300,314	76,852	0	19,827	788,716
Brian E. Miller	2010	566,033	215,056	0	585,026	3,834	12,232	1,382,181
Executive Vice President—Sales, Marketing	2009	538,125	0	0	130,801	68	11,025	680,019
and Service Operations	2008	565,144	337,625	112,530	197,484	0	32,821	1,245,604
James H Hunter, IV	2010	284,888	250,057	0	169,736	493	10,330	715,504
Executive Vice President and General	2009	265,000	0	0	66,250	3	11,025	342,278
Counsel	2008	265,176	0	500,161	79,261	0	10,350	854,948

(1) This column reports all amounts earned as salary during the fiscal year, whether paid or deferred under other employee benefit plans. Mr. Brian Miller's salary includes a fixed incentive component that is payable in accordance with regular payroll practices. For 2010, Mr. Brian Miller should have

received a fixed incentive of $279,335 but due to administrative error he instead received $300,000. His 2011 fixed incentive will be adjusted accordingly to recover the overpayment.

(2) The value reported for Stock Awards and Option/SAR awards is the aggregate grant date fair value of the awards granted in the fiscal year as determined in accordance with accounting guidance for share-based payments, although we recognize the value of the awards for financial reporting purposes over the service period of the awards. The assumptions for making the valuation determinations are set forth in Footnote No. 14, "Share-Based Compensation," of the Notes to our annual Combined Financial Statements included in this information statement. For additional information on these awards, see the Grants of Plan-Based Awards for Fiscal Year 2010 table, below. For 2008, the values reported for the NEOs reflect their 2008 equity awards as well as their 2009 equity awards, which, together with other eligible Marriott International associates, the NEOs received in 2008 for retention purposes.

(3) This column reports all amounts earned under the Bonus Plan during the fiscal year, whether paid or deferred under other employee benefit plans. Amounts earned under the Bonus Plan during a fiscal year were paid in the first quarter of the following fiscal year. For Mr. Brian Miller, this column also reports amounts earned under the Incentive Plan, which for 2010 was $184,625.

(4) The values reported equal the excess of the return on amounts credited to accounts in the Marriott EDC at the annually designated rate of return over 120% of the applicable federal long-term rate, as discussed below under "Nonqualified Deferred Compensation for Fiscal Year 2010."

(5) All Other Compensation for 2010 consists of company contributions to Marriott International's qualified 401(k) plan and the Marriott EDC. The values in this column do not include perquisites and personal benefits that were less than $10,000 in aggregate for each NEO for the fiscal year. For 2008 and 2009, Mr. Geller received compensation in the amounts of $77,553 and $158,079, respectively, for relocation to California for a position with Marriott International, and subsequently to our company's headquarters in Orlando, Florida in connection with his promotion to Executive Vice President and Chief Financial Officer of our company.

Grants of Plan-Based Awards for Fiscal Year 2010

The following table shows the plan-based awards granted to the NEOs in 2010.

				Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(2)			All Other Stock Awards: (Number of Shares of Stock or Units) (#)	All Other Option/SAR Awards: (Number of Securities Underlying Options/ SARs) (#)	Exercise or Base Price ($/sh)	Closing Price on Grant Date ($/sh)(3)	Grant Date Fair Value of Stock/ Option/ SAR Awards ($)(4)
Name	Award Type	Grant Date(1)	Approval Date(1)	Threshold ($)	Target ($)	Maximum ($)					
S. Weisz	Bonus Plan			66,137	330,686	496,030	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	13,896	—	—	—	375,053
	SAR	2/16/10	2/3/10	—	—	—	—	36,340	26.99	27.12	375,064
J. Geller	Bonus Plan			—	164,688	247,031	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	12,044	—	—	—	325,068
R. Miller	Bonus Plan			—	223,522	335,282	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	9,264	—	—	—	250,035
L. Cunningham	Bonus Plan			—	117,055	190,214	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	4,172	—	—	—	112,602
	SAR	2/16/10	2/3/10	—	—	—	—	10,904	26.99	27.12	112,540
B. Miller	Bonus Plan			—	340,424	553,188	—	—	—	—	—
	Incentive Plan			—	197,761	282,515	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	7,968	—	—	—	215,056
J. Hunter	Bonus Plan			28,489	113,955	185,177	—	—	—	—	—
	SAR	2/16/10	2/3/10	—	—	—	—	24,228	26.99	27.12	250,057

(1) "Grant Date" applies to equity awards reported in the All Other Stock Awards and All Other Option/SAR Awards columns. The Marriott International board approved the annual stock awards at its February 3, 2010 meeting. Pursuant to Marriott International's equity compensation grant procedures described in the Compensation Discussion and Analysis, the grant date of these awards was February 16, 2010, the second trading day following the release of Marriott International's 2009 earnings.

(2) The amounts reported in these columns include potential payouts corresponding to the achievement of the target and maximum performance objectives under the Bonus Plan and Incentive Plan. For Mr. Weisz and Mr. Hunter, the amounts reported also include potential payouts corresponding to the achievement of the threshold performance objective under their respective components of the Bonus Plan.

(3) This column represents the final closing price of Marriott International's common stock on the NYSE on the date of grant. However, pursuant to Marriott International's equity compensation grant procedures, the awards were granted with an exercise or base price equal to the average of the high and low stock price of Marriott International's common stock on the NYSE on the date of grant.

(4) The value reported for Stock Awards and Option/SAR awards is the aggregate grant date fair value of the awards granted in 2010 as determined in accordance with accounting standards for share-based payments, although we recognize the value of the awards for financial reporting purposes over the service period of the awards. The assumptions for making the valuation determinations are set forth in Footnote No. 14, "Share-Based Compensation," of the Notes to our annual Combined Financial Statements included in this information statement.

The Grants of Plan-Based Awards table reports the potential dollar value of cash incentive awards under the Bonus Plan and/or Incentive Plan at their target and maximum achievement levels (and, for Mr. Weisz and Mr. Hunter, threshold

achievement level), and the number and grant date fair value of RSUs and SARs granted under the Marriott Stock Plan to each NEO during the 2010 fiscal year. For cash incentives, this table reports the range of potential amounts that could have been earned by the executive under the Bonus Plan and/or Incentive Plan for 2010, whereas the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table reports the actual value earned by the executive for 2010.

Annual SAR and RSU grants under the Marriott Stock Plan typically vested 25% on each of the first four anniversaries of their grant date, contingent on continued employment. Even when vested, an executive could lose the right to exercise or receive a distribution of any outstanding stock awards if the executive terminated employment due to serious misconduct as defined in the Marriott Stock Plan, or if it is determined that the executive had engaged in competition or had engaged in criminal conduct or other behavior that was actually or potentially harmful. RSU award vesting is not accelerated upon retirement. These awards do not accrue or pay cash dividends and do not bear voting rights until they vest (in the case of RSUs) or are exercised (in the case of SARs) and shares are issued to the grantee.

Outstanding Equity Awards at 2010 Fiscal Year-End

The following table shows information about outstanding options, SARs and RSUs on Marriott International common stock as of December 31, 2010, Marriott Vacations Worldwide's fiscal year-end. The Intrinsic Value and Market Value are based on the closing price of Marriott International's common stock on the NYSE on December 31, 2010, the last trading day of the fiscal year, which was $41.54. For information on the treatment of equity awards in the spin-off, see "The Spin-Off—Treatment of Share-Based Awards."

			Option/SAR Awards						Stock Awards	
Name	Grant Date	Award Type	Number of Securities Underlying Unexercised Options/SARs Exercisable/ Unexercisable (#)		Option/ SAR Exercise Price ($)	Option/SAR Expiration Date	Option/SAR Intrinsic Value ($) Exercisable/ Unexercisable		Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
S. Weisz	2/6/03	Options	50,450	—	15.11	2/6/2013	1,333,646	—	—	—
	2/5/04	Options	62,600	—	22.81	2/5/2014	1,172,498	—	—	—
	2/10/05	Options	24,600	—	32.16	2/10/2015	230,748	—	—	—
	2/19/08	SARs	10,698	10,698(1)	35.54	2/19/2018	64,188	64,188	—	—
	8/7/08	SARs	8,131	24,393(1)	27.46	8/7/2018	114,484	343,453	—	—
	2/16/10	SARs	—	36,340(1)	26.99	2/16/2020	—	528,747	—	—
		RSUs	—	—	—	—	—	—	34,877(2)	1,448,791
J. Geller		RSUs	—	—	—	—	—	—	25,632(3)	1,064,753
R. Miller	2/13/06	SARs	8,584	—	34.47	2/13/2016	60,732	—	—	—
	8/7/08	SARs	6,023	18,069(1)	27.46	8/7/2018	84,804	254,412	—	—
		RSUs	—	—	—	—	—	—	13,930(4)	578,652
L. Cunningham	2/6/03	Options	13,500	—	15.11	2/6/2013	356,873	—	—	—
	2/19/08	SARs	7,790	7,790(1)	35.54	2/19/2018	46,740	46,740	—	—
	8/7/08	SARs	2,410	7,230(1)	27.46	8/7/2018	33,933	101,798	—	—
	2/16/10	SARs	—	10,904(1)	26.99	2/16/2020	—	158,653	—	—
		RSUs	—	—	—	—	—	—	9,745(5)	404,807
B. Miller	8/7/08	SARs	2,711	8,133(1)	27.46	8/7/2018	38,171	114,513	—	—
		RSUs	—	—	—	—	—	—	15,000(6)	623,100
J. Hunter	11/6/97	Options	2,864	—	15.52	11/6/2012	74,526	—	—	—
	11/6/97	Options	2,864	—	15.27	11/6/2012	75,242	—	—	—
	11/5/98	Options	16,080	—	14.11	11/5/2013	441,084	—	—	—
	11/4/99	Options	11,000	—	16.58	11/4/2014	274,580	—	—	—
	2/12/07	SARs	2,994	998(1)	49.03	2/12/2017	—	—	—	—
	2/19/08	SARs	9,730	9,730(1)	35.54	2/19/2018	58,380	58,380	—	—
	8/7/08	SARs	6,023	18,069(1)	27.46	8/7/2018	84,804	254,412	—	—
	2/16/10	SARs	—	24,228(1)	26.99	2/16/2020	—	352,517	—	—
		RSUs	—	—	—	—	—	—	3,443(7)	143,022

(1) SARs are exercisable in 25% annual increments beginning one year from the grant date.
(2) 212 RSUs vest on January 2, 2011; 11,287 RSUs vest on February 15, 2011; 4,875 RSUs vest on May 15, 2011; 8,482 RSUs vest on February 15, 2012; 6,547 RSUs vest on February 15, 2013; and 3,474 RSUs vest on February 15, 2014.
(3) 9,132 RSUs vest on February 15, 2011; 1,209 RSUs vest on November 15, 2011; 6,239 RSUs vest on February 15, 2012; 1,209 RSUs vest on November 15, 2012; 4,832 RSUs vest on February 15, 2013; and 3,011 RSUs vest on February 15, 2014.
(4) 5,223 RSUs vest on February 15, 2011; 4,075 RSUs vest on February 15, 2012; 2,316 RSUs vest on February 15, 2013; and 2,316 RSUs vest on February 15, 2014.
(5) 49 RSUs vest on January 2, 2011; 2,745 RSUs vest on February 15, 2011; 1,000 RSUs vest on August 15, 2011; 1,954 RSUs vest on February 15, 2012; 1,000 RSUs vest on August 15, 2012; 1,954 RSUs vest on February 15, 2013; and 1,043 RSUs vest on February 15, 2014.
(6) 5,391 RSUs vest on February 15, 2011; 4,600 RSUs vest on February 15, 2012; 3,017 RSUs vest on February 15, 2013; and 1,992 RSUs vest on February 15, 2014.
(7) 60 RSUs vest on January 2, 2011; 1,883 RSUs vest on February 15, 2011; and 1,500 RSUs vest on February 15, 2012.

Option Exercises and Stock Vested During Fiscal Year 2010

The following table shows information about option and SAR exercises and vesting of RSUs during fiscal year 2010. All references in the following table relate to Marriott International common stock.

	Option/SAR Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)[1]	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)[2]
S. Weisz	25,000	577,250	17,330	505,206
J. Geller	—	—	8,600	246,175
R. Miller	54,400	840,887	3,725	100,538
L. Cunningham	33,022	680,371	3,950	113,161
B. Miller	—	—	4,543	122,616
J. Hunter	38,932	894,526	2,711	73,229

(1) The value realized upon exercise is based on the current trading price at the time of exercise.
(2) The value realized upon vesting is based on the average of the high and low stock price on the vesting date.

Nonqualified Deferred Compensation for Fiscal Year 2010

The following table discloses contributions, earnings, distributions and balances under the Marriott EDC for the 2010 fiscal year.

Name	Executive Contributions in Last FY ($)[1]	Company Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)[2]	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last FYE ($)[3]
S. Weisz	11,023	—	74,732	—	1,442,762
J. Geller	20,016	—	6,565	—	133,356
R. Miller	—	—	341,727	—	6,572,692
L. Cunningham	12,241	—	26,888	—	521,025
B. Miller	22,676	—	24,262	—	475,970
J. Hunter	5,810	—	3,084	—	62,214

(1) The amounts in this column consist of elective deferrals by the NEOs of salary for the 2010 fiscal year under the Marriott EDC. All of these amounts are attributable to 2010 salary that is reported in the Summary Compensation Table.
(2) The amounts in this column reflect aggregate notional earnings during 2010 of each NEO's account in the Marriott EDC. Such earnings are reported in the Summary Compensation Table only to the extent that they were credited at a rate of interest in excess of 120% of the applicable federal long-term rate. The following table indicates the portion of each executive's aggregate earnings during 2010 that is reported in the Summary Compensation Table.

Name	Amounts Included in the Summary Compensation Table for 2010 ($)
S. Weisz	11,737
J. Geller	1,055
R. Miller	53,593
L. Cunningham	4,229
B. Miller	3,834
J. Hunter	493

(3) This column includes amounts in each NEO's total Marriott EDC account balance as of the last day of the 2010 fiscal year.

Under the Marriott EDC, participants were eligible to defer the receipt of up to 80% of their salary, bonus and/or commissions. Such amounts were immediately vested. In addition, the NEOs could have received a discretionary match which, for years commencing with 2009, was vested when made. A discretionary match made for any year prior to 2009 vested 25% per year for each year that the executive remained employed by Marriott International following the date the company match was allocated to the executive's plan account, or if sooner, in full upon approved retirement, death or disability. For 2010, no discretionary match was offered. In addition, no additional discretionary company contribution was made for 2010.

For 2010, Marriott International credited participant plan accounts with a rate of return determined by Marriott International. The rate of return was set at 5.5% for 2010, determined largely based on Marriott International's estimated long-term cost of borrowing. To the extent that this rate exceeds 120% of the applicable federal long-term rate, the excess is reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table.

Executives could have received a distribution of the vested portion of their Marriott EDC accounts upon termination of employment (including retirement or disability) or, in the case of deferrals by the executive (and related earnings), upon a specified future date while still employed (an "in-service distribution"), as elected by the executive. Each year's deferrals could have had a separate distribution election. Distributions payable upon termination of employment could have been elected as (i) a lump sum cash payment; (ii) a series of annual cash installments payable over a designated term not to exceed twenty years; or (iii) five annual cash payments beginning on the sixth January following termination of employment. In-service distributions could have been elected by the executive as a single lump sum cash payment or annual cash payments over a term of one to five years, in either case beginning not earlier than the third calendar year following the calendar year of the deferral. However, in the case of amounts of $10,000 or less, or when no election regarding the form of distribution was made, the distribution would have been made in a lump sum. If the executive was a "specified employee" for purposes of Section 409A of the Internal Revenue Code, any distribution payable on account of termination of employment would not have occurred until after six months following termination of employment. During 2010, Messrs. Weisz, Geller and Robert Miller were specified employees. The spin-off of Marriott Vacations Worldwide from Marriott International does not by itself trigger a distribution upon termination of employment under the EDC.

Potential Payments Upon Termination or Change in Control

The following information relates to arrangements maintained by Marriott International applicable to the NEOs as of December 31, 2010, and benefits that would have been paid or payable had a change in control occurred and/or a NEO terminated employment with Marriott International as of such date.

Upon retirement or permanent disability (as defined in the pertinent plan), a NEO could continue to vest in and receive distributions under outstanding stock awards (with the exception of certain supplemental RSU awards granted after 2005) for the remainder of their vesting period; could exercise options and SARs for up to five years in accordance with the awards' original terms; and could immediately vest in the unvested portion of his Marriott EDC account. However, annual stock awards granted after 2005 provided that if the executive retired within one year after the grant date, the executive forfeited a portion of the stock award proportional to the number of days remaining within that one-year period. For these purposes, retirement meant a termination of employment with retirement approval of the Marriott Compensation Policy Committee by an executive who had attained age 55 with 10 years of service, or, for the Marriott EDC and for Marriott Stock Plan annual stock awards granted before 2006, had attained 20 years of service. In all cases, however, the Marriott Compensation Policy Committee or its designee had the authority to revoke approved retiree status if an executive terminated employment for serious misconduct or was subsequently found to have engaged in competition or engaged in criminal conduct or other behavior that was actually or potentially harmful to Marriott International. A NEO who died as an employee or approved retiree immediately vested in his Marriott EDC account, options/SARs and

other stock awards. These provisions were developed based on an analysis of external market data. As of December 31, 2010, Messrs. Weisz and Robert Miller met the age and service conditions for retirement eligibility.

Under the Marriott Stock Plan, in the event of certain transactions involving a capital restructuring, reorganization or liquidation of Marriott International or similar event as defined in the plan, Marriott International or its successor in its discretion could have provided substitute equity awards under the Marriott Stock Plan or, if in the event no similar equity awards were available, an equivalent value as determined at that time would have been credited to each NEO's account in the Marriott EDC, provided that such action did not enlarge or diminish the value and rights under the awards. If Marriott International or its successor did not substitute equity awards or credit the Marriott EDC accounts, Marriott International or its successor would have provided for the awards to be exercised, distributed, canceled or exchanged for value. The intrinsic values of the vested and unvested options/SARs and unvested stock awards as of the last day of the fiscal year are indicated for each NEO in the Outstanding Equity Awards at 2010 Fiscal Year-End table.

In addition, in the event that Mr. Weisz's, Mr. Geller's or Mr. Robert Miller's employment was terminated by Marriott International other than for the executive's misconduct or the executive resigned for good reason (as defined under the Marriott Stock Plan) beginning three months before and ending twelve months following a change in control of Marriott International, he would have become fully vested in all unvested equity awards under the Marriott Stock Plan and unvested balances in the Marriott EDC. In those circumstances, all options and SARs would have been exercisable until the earlier of the original expiration date of the awards or 12 months (or five years if he were an approved retiree) following the termination of employment, and all other stock awards would have been immediately distributed following the later of the termination of employment or the change in control event. In addition, any cash incentive payments under the Bonus Plan would have been made immediately based on the target performance level, pro-rated based on the days worked during the year until the NEO's termination of employment. The spin-off of Marriott Vacations Worldwide from Marriott International does not constitute a change in control under these arrangements.

Under a November 4, 2008 letter agreement, if during the first five years of Mr. Geller's employment with our company, (a) Mr. Geller's position ceases to be with Marriott International as a result of Marriott's disposition of or similar transaction involving our company, (b) a comparable position is not available within Marriott International, and (c) Mr. Geller's employment is involuntarily terminated other than for cause ("Other Qualifying Termination"), Mr. Geller would be entitled to receive from Marriott International a lump sum cash payment equal to his annual salary and his target bonus (50% of eligible earnings) under the Bonus Plan; provided, however, that the total payment could not have exceeded $490,000. The letter agreement also provided that during the first two years of Mr. Geller's employment with our company, Mr. Geller's compensation would be consistent with other Marriott International executives in similar roles.

The table below reflects the intrinsic value of unvested stock awards, unvested Marriott EDC accounts and incentive payments under the Bonus Plan and Incentive Plan that each NEO would have received upon retirement, disability, death, or involuntary termination of employment in connection with a change in control as of December 31, 2010 (based on Marriott International's fiscal year-end closing stock price of $41.54).

Name	Plan	Retirement ($)	Disability ($)	Death ($)	Change in Control and Involuntary Termination ($)
S. Weisz	Marriott EDC	64,706	64,706	64,706	64,706
	Marriott Stock Plan	2,040,257	2,385,179	2,385,179	2,385,179
	Target Annual Bonus	—	330,686	330,686	330,686
J. Geller	Marriott EDC	—	23,795	23,795	23,795
	Marriott Stock Plan	—	1,064,753	1,064,753	1,064,753
	Target Annual Bonus	—	164,688	164,688	164,688
R. Miller	Marriott EDC	42,926	42,926	42,926	42,926
	Marriott Stock Plan	783,511	833,064	833,064	833,064
	Target Annual Bonus	—	223,522	223,522	223,522
L. Cunningham	Marriott EDC	—	16,067	16,067	—
	Marriott Stock Plan	—	711,999	711,999	—
	Target Annual Bonus	—	117,055	117,055	—
B. Miller	Marriott EDC	—	37,484	37,484	—
	Marriott Stock Plan	—	737,613	737,613	—
	Target Annual Bonus	—	340,424	340,424	—
	Target Annual Incentive	—	197,761	197,761	—
J. Hunter	Marriott EDC	—	—	—	—
	Marriott Stock Plan	—	808,331	808,331	—
	Target Annual Bonus	—	113,955	113,955	—

The value of the payment that Mr. Geller would have received under the letter agreement upon an Other Qualifying Termination as of December 31, 2010 would have been $490,000.

The benefits reported in the table and narrative above are in addition to benefits available prior to the occurrence of any termination of employment, including benefits available under then-exercisable SARs and options and vested Marriott EDC balances, and benefits available generally to salaried employees such as benefits under Marriott International's 401(k) plan, group medical and dental plans, life and accidental death insurance plans, disability programs, health and dependent care spending accounts, and accrued paid time off.

Director Compensation

Following the spin-off, director compensation will be determined by our Board with the assistance of its compensation committee. We anticipate that such compensation will consist of an annual retainer, an annual equity award, annual fees for serving as a committee chair and other types of compensation as determined by the Board from time to time.

The only Marriott International director in 2010 who is expected to be a non-employee director of Marriott Vacations Worldwide is William J. Shaw. However, because Mr. Shaw did not receive compensation for his services as a Marriott International director, no director compensation for 2010 is disclosed in this information statement.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with Marriott International Related to the Spin-Off

This section of the information statement summarizes our material agreements with Marriott International that will govern the ongoing relationships between the two companies after the spin-off and are intended, among other things, to provide for an orderly transition to our status as an independent, publicly owned company. We and Marriott International intend to enter into agreements under which we will each provide to the other certain services and rights following the spin-off, and we and Marriott International will indemnify each other against certain liabilities arising from our respective businesses. After the spin-off, we may enter into additional or modified agreements, arrangements or transactions with Marriott International, which will be negotiated at arm's length. Following the spin-off, we and Marriott International will operate independently, and neither will have any ownership interest in the other.

The following summary of the terms of the material agreements we expect to enter into with Marriott International is qualified in its entirety by reference to the full text of the applicable agreements.

Separation and Distribution Agreement

We intend to enter into a Separation and Distribution Agreement with Marriott International before our common stock is distributed to Marriott International shareholders. That agreement will set forth the principal actions to be taken in connection with our separation from Marriott International, including the internal reorganization. It will also set forth other agreements that govern certain aspects of our relationship with Marriott International following the spin-off.

Transfer of Assets and Assumption of Liabilities. The Separation and Distribution Agreement will identify certain assets to be transferred and liabilities to be assumed in advance of our separation from Marriott International so that each company retains the assets of, and the liabilities associated with, its respective businesses. The Separation and Distribution Agreement will require the parties to cooperate with each other to complete these transfers or assumptions of assets and liabilities. If any transfer of assets or assumption of liabilities is not consummated as of the distribution, then, until the transfer or assumption can be completed, each party will take such actions as are reasonably requested by the other party in order to place such party in the same position as if such asset or liability had been transferred or assumed.

Settlement of Certain Obligations. The Separation and Distribution Agreement will also provide for the settlement or extinguishment of certain liabilities and other obligations in existence as of the distribution date between us and Marriott International. Effective on the distribution date, all agreements, arrangements, commitments and understandings between us and our subsidiaries, on the one hand, and Marriott International and its other subsidiaries, on the other hand, will terminate, except certain agreements and arrangements that are intended to survive the distribution.

Representations and Warranties. In general, neither we nor Marriott International will make any representations or warranties about any assets transferred or liabilities assumed; any third-party or governmental consents, waivers or approvals that may be required in connection with such transfers or assumptions; the value of or absence of encumbrances on any assets transferred; the absence of any defenses, rights of setoff or counterclaims relating to any claim of either party; or the legal sufficiency of any conveyance documents. Except as expressly set forth in the Separation and Distribution Agreement or in any ancillary agreement, all assets will be transferred on an "as is," "where is" basis.

The Distribution. The Separation and Distribution Agreement will govern the rights and obligations of the parties regarding the proposed distribution. Prior to the distribution, we will increase the number of our issued and outstanding shares to the number of shares of our common stock distributable in the distribution. Marriott International will cause its agent to distribute all such shares to Marriott International shareholders who hold Marriott International shares as of the record date.

Conditions. The Separation and Distribution Agreement will provide that the distribution is subject to several conditions that must be satisfied or waived by the Marriott International board of directors in its sole discretion. For further information on these conditions, see "The Spin-Off—Conditions to the Spin-Off." Marriott International may, in its sole discretion, determine the record date, the distribution date and the terms of the distribution and may at any time prior to the completion of the distribution decide to abandon or modify the distribution.

Termination. The Separation and Distribution Agreement will provide that it may be terminated by Marriott International at any time prior to the distribution date. Following the distribution, the Separation and Distribution Agreement can only be amended by a written agreement signed by us and Marriott International.

Release of Claims. We and Marriott International will agree to broad releases under which we will each release the other and its wholly owned subsidiaries and affiliates, successors and assigns and their respective shareholders, directors, officers, members, agents and employees (in their respective capacities as such) from any claims against any of them that arise out of or relate to events or actions occurring or failing to occur or any conditions existing at or prior to the distribution. These releases will be subject to certain exceptions set forth in the Separation and Distribution Agreement.

Working Capital Adjustment. Prior to the distribution, we and Marriott International will agree on a target working capital amount for our company. The target working capital amount will reflect the portion of the costs incurred by Marriott International relating to the spin-off that we have agreed to pay. Following the distribution, we will prepare, and agree with Marriott International on, an unaudited combined balance sheet of Marriott Vacations Worldwide and our subsidiaries as of the effective date of the distribution. If the amount of working capital as of the effective date is higher than the target working capital amount, we will pay the difference to Marriott International; if it is less than the target working capital amount, Marriott International will pay the difference to us.

Indemnification. We on one hand, and Marriott International on the other, will agree to indemnify each other against certain liabilities in connection with the spin-off and our respective businesses.

The amount of any party's indemnification obligations will be subject to reduction by any insurance proceeds or other amounts from a third party received by the party being indemnified. The Separation and Distribution Agreement will also specify procedures with respect to claims subject to indemnification and related matters.

Access to Information. The Separation and Distribution Agreement will provide that each party will provide information reasonably requested by the other party in connection with any reporting, disclosure, filing or other requirements imposed on the requesting party by a governmental authority; for use in any judicial, regulatory, administrative, tax, insurance or other proceeding or to satisfy audit, accounting or other similar requirements; to comply with its obligations under the Separation and Distribution Agreement; or for certain other purposes.

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

We intend to enter into two separate License Agreements, one for the use of Marriott marks and intellectual property, and one for the use of Ritz-Carlton marks and intellectual property. The License Agreements will grant us the exclusive right, for their respective terms, to use certain Marriott and Ritz-Carlton marks and intellectual property in our vacation ownership business, the exclusive right to use the Grand Residences by Marriott marks and intellectual property in our residential real estate business and the non-exclusive right to use certain Ritz-Carlton marks and intellectual property in our residential real estate development business. A default by us under one License Agreement will constitute a default by us under the other License Agreement. In conjunction with the License Agreement, we and Marriott International will also enter into a Noncompetition Agreement, which we describe below under "—Noncompetition Agreement."

Marriott License Agreement

Marriott International and certain of its affiliates, as licensors, will enter into the Marriott License Agreement with us and certain of our subsidiaries, as licensees.

Grant of License. Marriott International will grant us the exclusive right to use the name "Marriott" used as a part of "Marriott Vacation Club," "Grand Residences by Marriott" and other uses Marriott International may approve; certain related Marriott logos and other specified related names and marks in our vacation ownership and residential real estate development businesses (collectively, the "Marriott Marks") where we currently operate. Marriott International will agree that we can use the Marriott Marks in new locations around the world where we expand our businesses (except where the licensed marks may conflict with prior third-party rights or cannot otherwise be acquired). This license will also cover related intellectual property including trade names, domain names, trade secrets, customer lists, brand standards, other know-how, copyrights and patents (collectively with the Marriott Marks, the "Marriott IP"). We may not use the Marriott IP in connection with managing or franchising hotels or other lodging accommodation products offered for transient rentals (including condominium hotels), except for transient rentals of inventory we hold for development and sale as interests in our vacation ownership programs or as residences, or inventory that we control because our owners have elected various usage options permitted under our vacation ownership programs, pending cure or foreclosure.

Term. The initial term of the Marriott License Agreement will expire on December 31, 2090. We may extend the initial term by two additional terms of 30 years each if we meet specified sales thresholds and are not in breach of the agreement at the time of renewal. After the term (as it may be extended) ends, we may continue to use the Marriott Marks on a non-exclusive basis for a "tail period" of 30 years in connection with products and projects that were using the Marriott Marks, or were approved for development, when the term ended.

Vacation Ownership Products. We may use the Marriott Marks in connection with products and properties that are part of our vacation ownership business as of the date of the spin-off or that become part of our vacation ownership business in the future if they satisfy certain requirements, in each case as long as they continue to meet applicable brand standards. We may also use certain Marriott Marks in connection with a limited number of accommodations on cruise ships approved by Marriott International for inclusion in our vacation ownership business.

Use of Marriott Name in Our Corporate Names. As long as the Marriott License Agreement is in effect, we may use "Marriott" as part of the name "Marriott Vacations Worldwide Corporation" and in the names of our existing subsidiaries as of the spin-off. At Marriott International's request during the term of the agreement, we will stop using "Marriott" in these names if (1) the aggregate number of units of accommodation in our vacation ownership business, or "vacation ownership units," that we operate under the Marriott Marks and Ritz-Carlton Marks (as defined below) falls below one-half of the total number of the units of accommodation in our vacation ownership business or (2) after the fifth anniversary of the distribution date, if we acquire, merge or combine, or have previously done so, with the vacation ownership business of certain specified major lodging companies, and we use the brand of such business on the acquired vacation ownership business.

Royalty Fees. We will pay the following royalty fees to Marriott International quarterly in arrears:

A vacation ownership business royalty fee equal to: a fixed fee of $12.5 million per quarter or $50 million per year, plus two percent of the gross sales price paid to us or our affiliates for initial developer sales of interests in vacation ownership units, plus one percent of the gross sales price paid to us or our affiliates for resales of interests in vacation ownership units, in each case that are identified with or use the Marriott Marks. The fixed fee will be increased every five years by 50 percent of an inflation rate index, compounded annually.

A residential real estate development business royalty fee equal to: two percent of the gross sales price paid to us or our affiliates for initial developer sales of units of accommodation in our residential real estate business,

or “residential units,” plus one percent of the gross sales price paid to us or our affiliates for resales of residential units, in each case that are identified with or use the Marriott Marks.

The Marriott License Agreement contains customary requirements obligating us to keep records of and report transactions subject to royalty fees, and grants Marriott International customary inspection, review and audit rights.

Marriott Brand Standards. We must comply with Marriott brand standards applicable to our business. Marriott International has inspection and approval rights to monitor our compliance with these standards. Marriott brand standards include construction and design brand standards; graphic standards for use of the Marriott Marks and Marriott IP; sales, service and operating standards; and quality assurance and customer satisfaction requirements.

Matters Relating to Our Operations.

Exchange Program. We may operate vacation ownership exchange programs, which may include hotels and other lodging products. We may use certain of the Marriott Marks as part of an approved exchange program name; however, we will discontinue such use at Marriott International’s request if (1) the aggregate number of vacation ownership units under the Marriott Marks and Ritz-Carlton Marks in the exchange program falls below one-half of the total number of our vacation ownership units in the program or (2) after the fifth anniversary of the distribution date, we permit units operated under the brands of certain of our competitors to participate in the exchange program.

Conduct of Our Business. We may not use the Marriott Marks in a way that endorses, or suggests affiliation with, any other brand, product or service, with exceptions permitted under the Marriott License Agreement. We may not allow our owners to use their usage rights or points (or other benefits) at luxury or upscale hotels other than those operated or franchised by Marriott International, except through general exchange programs or tour operator arrangements or as otherwise permitted by the Marriott License Agreement. We may not list, promote, rent or sell any developer-owned or controlled Marriott branded inventory through any distribution channels of any branded hotel company other than Marriott International.

Customer Information. We must comply with Marriott International’s customer data privacy and security standards and protocols. The Marriott License Agreement requires us to use customer or potential customer names and other personal information received from Marriott International before or after the spin-off only for the authorized business we conduct using the Marriott Marks or the Ritz-Carlton Marks.

Development and Future Events.

Development Rights and Restrictions. We must obtain Marriott International’s consent to develop or operate any additional vacation ownership units or residential units under the Marriott Marks. Marriott International may reject a proposed project only if: (1) it does not meet Marriott International’s construction and design standards or Marriott International reasonably believes that the location is not appropriate for the project, (2) Marriott International reasonably believes the project will breach or is reasonably likely to breach contractual or legal restrictions applicable to Marriott International and its affiliates, or (3) any proposed co-investor does not meet Marriott International’s requirements as set forth in the Marriott License Agreement. If we disagree with Marriott International’s rejection of a proposed project because the location is not appropriate for the project, we may refer the matter for expert resolution. The expert will decide if Marriott International’s rejection was reasonable, given the market positioning and brand standards of the Marriott hotel brand that would be most appropriate for the proposed location.

If we propose to co-locate additional vacation ownership units or residential units with a hotel, we must use commercially reasonable efforts to secure for Marriott International a right of first negotiation to manage or franchise the hotel and we must also meet other requirements set forth in the License Agreement. If a third-party developer of a proposed Marriott hotel project wants to include a vacation ownership component or product in

the hotel project, Marriott International must introduce the developer to us. If we decline to participate or cannot agree on mutually acceptable terms with the developer and Marriott International within 60 business days, Marriott International may proceed with the vacation ownership component of the project without our involvement, but may not use the Marriott Marks, the Marriott Rewards customer loyalty program or other branded elements of Marriott International's operations in connection with the vacation ownership component.

Our Use of Brands Other Than Marriott or Ritz-Carlton. Subject to our compliance with the non-affiliation requirements described above, we may use brands other than Marriott or Ritz-Carlton in our business. However, we may not operate Marriott or Ritz-Carlton vacation ownership resorts in operation as of the distribution date under another brand unless: (1) we deflag the resort because a property owners' association we do not control fails to comply with or terminates or elects not to renew the resort operating agreement with us, or (2) we reasonably determine (and Marriott International reasonably agrees) that the resort no longer adequately represents the then-current applicable brand positioning. We may not use any of the Marriott Marks or other Marriott or Ritz-Carlton branded customer-facing sales assets or facilities (such as phone numbers, websites, domain names, etc.), the Marriott Rewards customer loyalty program or other branded elements of Marriott International's operations, or any Marriott or Ritz-Carlton intellectual property to promote, market or sell any product or service that is not part of our Marriott or Ritz-Carlton businesses.

Services. Marriott International will continue to provide us with certain services for the term of the Marriott License Agreement relating to our vacation ownership and residential business, substantially consistent with such services at the date of the spin-off. Service areas include reservations, ecommerce, sales and marketing, data access, operations support, systems and information resources. The charge for these services will be intended to allow Marriott International to recover all of its direct and indirect costs incurred in providing those services, generally consistent with past practice.

Breach and Default; Remedies. If we breach our obligations under the Marriott License Agreement, Marriott International may be entitled to (depending on the nature of the breach): seek injunctive relief and/or monetary damages; cease providing marketing, transient reservations services and other services to us; terminate our development rights; terminate our rights to use the Marriott Marks at specific locations that are not in compliance with Marriott brand standards; or terminate the Marriott License Agreement.

Other Matters.

Registration of Marriott Marks. Marriott International has registered certain of the Marriott Marks for vacation ownership services and residential services in all jurisdictions in which we currently operate vacation ownership resorts and residential projects under the Marriott Marks. However, Marriott International does not have affirmative trademark rights in the Marriott Marks in relation to every aspect of our business in every country around the world, and we therefore may not be able to use one or more of the Marriott Marks to expand various aspects of our business into one or more new countries.

Restrictions on Assignment; Change in Control. Unless we obtain Marriott International's prior written consent, we may not: assign, delegate or, except as expressly permitted under the Marriott License Agreement, sublicense any of our rights or obligations under the Marriott License Agreement; sell, transfer or dispose of all or substantially all of the assets relating to our Marriott or Ritz-Carlton vacation ownership businesses; merge or consolidate with any other entity unless we are the surviving entity; and a Change in Control may not occur (as defined in the Marriott License Agreement).

Indemnification. Subject to certain exceptions, we will indemnify, defend and hold harmless Marriott International and its affiliates from and against any claim or liability arising out of: the development, marketing and sales, operation or servicing of our resorts; our sublicensee activities; claims that Marriott International is a developer, declarant, sponsor or broker of our resorts; design or construction defect claims; any misuse of the Marriott Marks by us or on our behalf; and services we provide to our owners.

Ritz-Carlton License Agreement

Marriott International's subsidiary, Ritz-Carlton, will enter into the Ritz-Carlton License Agreement with us and our subsidiaries as licensees. Ritz-Carlton and its subsidiaries will also be subject to the Noncompetition Agreement described below in "—Noncompetition Agreement."

Except as described below, the terms of the Ritz-Carlton License Agreement are substantially identical to the terms of the Marriott License Agreement, with "Ritz-Carlton" substituted for "Marriott" in the summary above.

Grant of License. Ritz-Carlton will grant us the exclusive right to use the name "Ritz-Carlton" (solely as a part of "Ritz-Carlton Club," "Ritz-Carlton Destination Club," and other uses Ritz-Carlton may approve), certain Ritz-Carlton logos and specified related names and marks (the "Ritz-Carlton Vacation Ownership Marks") in our vacation ownership business and the non-exclusive right to use certain Ritz-Carlton Marks (solely as a part of "Ritz-Carlton Residences" and other uses Ritz-Carlton may approve) (together with the Ritz-Carlton Vacation Ownership Marks, the "Ritz-Carlton Marks") in our residential real estate development business anywhere in the "Territory" described below. This license will also cover related intellectual property including trade secrets, customer lists, brand standards, other know-how, copyrights and patents (collectively with the Ritz-Carlton Marks, the "Ritz-Carlton IP"). The Territory includes the world except for Spain and Portugal and their respective territories and possessions, the United Kingdom and some of its territories and possessions, continental France and other exceptions due to prior third-party registration or use.

Term. The initial term will expire on December 31, 2090. Subject to limitations necessary to comply with the Third-Party Ritz License described below, we may extend this initial term by two additional terms of 30 years each if we meet certain sales thresholds and are not in breach of the agreement at the time of renewal.

Third-Party Ritz License. Ritz-Carlton owns and has registered certain of the Ritz-Carlton Marks for vacation ownership and residential services in the United States, Canada and Chile. Ritz-Carlton licenses from a third party (the "Third-Party Ritz License") the word "Ritz," as used in "Ritz-Carlton," for hotel, vacation ownership, residential and certain related services in the "International Territory," which consists of the Territory other than the United States, Canada, Chile, Brazil and Taiwan. Our activities in the International Territory must comply with the terms of the Third-Party Ritz License. The Ritz-Carlton License Agreement will expire with respect to the International Territory if the Third-Party Ritz License expires or terminates and Ritz-Carlton loses the ability to license the Ritz-Carlton Marks to us in the International Territory. If this happens, we may elect to terminate the Ritz-Carlton License Agreement for the rest of the Territory.

Royalty Fee. The royalty fees are identical to the royalty fees under the Marriott License Agreement, except that there is no fixed fee component of the vacation ownership business royalty fee.

In addition, we must reimburse Marriott International for all royalty fees due under the Third-Party Ritz License in connection with our development, use, lease and/or sale of vacation ownership units and residential units in the International Territory. Marriott International may not amend the Third-Party Ritz License without our prior written consent if the amendment would (1) increase these royalty fees, unless Marriott International agrees to pay such increase or (2) adversely affect our rights under the Ritz-Carlton License Agreement.

Resort Operations by Ritz-Carlton. Except as provided in the Ritz-Carlton License Agreement, Ritz-Carlton must be the sole provider of all on-site management operations at each of our existing and future Ritz-Carlton branded vacation ownership and residential real estate properties.

Development Rights and Restrictions. In addition to the development rights and restrictions described above under the Marriott License Agreement, Ritz-Carlton may reject proposed Ritz-Carlton branded vacation ownership units if Ritz-Carlton will not be able to provide or arrange for services that comply with Ritz-Carlton brand standards at the proposed project. If Ritz-Carlton rejects a proposed Ritz-Carlton vacation ownership

project because the location is not appropriate, we do not have the right to refer the matter for expert resolution. For proposed Ritz-Carlton residential projects, Ritz-Carlton has the right to approve or reject any project in its sole or absolute discretion except for a limited number of residential units co-located with approved Ritz-Carlton vacation ownership units.

Ritz-Carlton also has the right to approve any Ritz-Carlton vacation ownership unit that we propose to co-locate with a hotel other than a Ritz-Carlton branded hotel operated or licensed by Ritz-Carlton or its affiliates. This approval may not be unreasonably withheld.

Marriott International's Reserved Rights Regarding Residential Development. Marriott International and its affiliates may develop, sell, market, operate and finance Ritz-Carlton and Marriott residential units (other than under the Grand Residences by Marriott name), either for their own account, or under license to third parties.

Noncompetition Agreement

We and Marriott intend to enter into a Noncompetition Agreement binding us and our subsidiaries and certain affiliates.

Restrictions on Marriott International's Activities. Marriott International and its subsidiaries will agree not to engage, directly or indirectly, in the vacation ownership business (or license their trademarks or tradenames to others to engage in the vacation ownership business) anywhere in the world, until the earlier of the termination of the Marriott License Agreement or the tenth anniversary of the distribution date, subject to specific exceptions. The term "vacation ownership business" as used in this section generally means developing, selling, marketing, operating and financing vacation ownership, destination club or other forms of products that provide an ownership interest or right to use certain overnight accommodations and facilities on a periodic, reoccurring basis; managing the resorts, amenities (such as country clubs, spas, golf courses, restaurants, etc.) and ancillary businesses (such as travel insurance) associated with such products; managing member services related to such products; developing, selling, marketing and operating exchange programs related to such products; and managing rental programs related to such products. An exception to these restrictions will permit Ritz-Carlton to operate our Ritz-Carlton vacation ownership resorts and residences.

Restrictions on Our Activities. We and our subsidiaries will agree not to engage, directly or indirectly, in the hotel business (or license our trademarks or tradenames to others to engage in the hotel business) anywhere in the world, until the earlier of the termination of the Marriott License Agreement or the tenth anniversary of the distribution date, subject to specific exceptions. The term "hotel business" as used in this section includes the management, operation or franchising of hotels, resorts or other transient or extended stay lodging facilities, including condominium hotels, but does not include the activities included in the term "vacation ownership business."

Exceptions for Marriott International. Marriott International may develop, sell, market, own, manage or franchise residential units and related facilities that may be included in a rental program for a hotel or resort property, or operated as a serviced apartment for transient or extended stay customers. The Noncompetition Agreement also permits Marriott International to engage in certain other activities described in the Marriott License Agreement.

If Marriott International or its affiliates acquire a hotel or a hotel chain that includes an existing branded or unbranded vacation ownership business (provided that the number of hotel rooms acquired is greater than the number of vacation ownership units acquired), we and Marriott International will use commercially reasonable efforts to negotiate the terms of an exchange relationship or an affiliation between such acquired vacation ownership business and our business, and/or our management or purchase of all or part of such vacation ownership business. If we cannot agree on any of these options, Marriott International may operate the acquired vacation ownership business on a stand-alone basis, but may not use any of the Marriott Marks, the Marriott Rewards customer loyalty program or other branded elements of Marriott International's operations with the acquired vacation ownership business.

Exceptions for Us. We may engage in any activity specifically authorized under either of the License Agreements. We are also expressly permitted to operate hotels as a Marriott International franchisee under a franchise agreement with Marriott International (if we meet the requirements for a Marriott International franchisee).

If we or our affiliates acquire a vacation ownership business that includes an existing branded or unbranded hotel management or franchising business (provided that the number of vacation ownership units acquired is greater than the number of hotel rooms acquired or under management or franchise arrangements), then we and Marriott International will use commercially reasonable efforts to negotiate a relationship under which the acquired hotels will affiliate with Marriott International's lodging business, and/or the management or purchase by Marriott International of such acquired hotel business. If we cannot agree on any of these options, we may operate the acquired hotel management and franchising business, but may not use any of the Marriott Marks in connection with the acquired hotel business.

We may also manage or franchise hotels pending conversion into vacation ownership or residential units, subject to certain limitations.

Additional Exceptions. Despite the provisions in the Marriott License Agreement and Noncompetition Agreement restricting Marriott International and its affiliates from offering, operating and promoting products and services that may fall within the scope of the vacation ownership business, Marriott International may offer, operate and promote such products and services (including use under the Marriott Marks and Ritz-Carlton Marks) to the extent that that they are substantially similar to those provided in the future by other international hotel operators or franchisors as part of their hotel business (and not as a separate line of business).

Similarly, despite the provisions in the Noncompetition Agreement restricting us from offering, operating and promoting products and services that may fall within the scope of the hotel business, we and our affiliates may offer, operate and promote such products and services to the extent that that such products and services are substantially similar to those provided in the future by other large upscale or luxury vacation ownership business developers/operators as part of their vacation ownership business (and not as a separate line of business). However, we may not (1) operate or franchise properties that are primarily operated as hotels (*i.e.*, dedicated rooms for transient rental), (2) call or refer to any of our properties as "hotels," "inns" or similar terms, or (3) engage in activities that would breach any territorial restrictions or other contractual obligations of Marriott International. To the extent that we use this provision to dedicate some rooms for transient rentals, Marriott International may require us to enter into a franchise agreement for these rooms and pay Marriott International franchise fees.

If Marriott International's or our exercise of these rights has a material adverse effect on our respective businesses, we and Marriott International will discuss alternative arrangements. If we and Marriott International are unable to agree on another arrangement, either of us may refer the matter for expert resolution. However, the only available remedy will be a prospective reduction (in the case of harm to us) or increase (in the case of harm to Marriott International) in the royalty fees payable under the License Agreements.

Early Termination of Noncompetition Agreement. The Noncompetition Agreement will terminate if the Marriott License Agreement is terminated for any reason.

Marriott Rewards Affiliation Agreement

Marriott International's customer loyalty program, Marriott Rewards, has over 34 million members and 12 participating brands. Under the program, members earn points based on their stays and spending at participating Marriott International hotels, resorts and vacation ownership resorts. These points can be redeemed for free stays at participating Marriott brand hotels, resorts and vacation ownership resorts; car rentals; airline miles; or other rewards. We offer Marriott Rewards Points to our owners or potential owners as sales, tour and financing

incentives; in exchange for vacation ownership usage rights; for customer referrals; and to resolve customer service issues. In 2008, 2009 and 2010, we paid $100 million, $104 million and $106 million, respectively, for the purchase and redemption of Marriott Rewards Points and to participate in the Marriott Rewards customer loyalty program.

We and certain of our subsidiaries intend to enter into a Marriott Rewards Affiliation Agreement (the "Marriott Rewards Agreement") with Marriott International and its subsidiary Marriott Rewards, LLC under which we will continue to purchase Marriott Rewards Points.

Use of Marriott Rewards Points. The Marriott Rewards Agreement will permit us to continue to use Marriott Rewards Points for the purposes described above as long as we continue to market the receipt and use of Marriott Rewards Points as an ancillary benefit of purchasing or using our products or of membership in our programs. We may also request that Marriott Rewards, LLC approve new types of uses for Marriott Rewards Points.

Term. The Marriott Rewards Agreement will be coterminous with the Marriott License Agreement. If the term of the Marriott License Agreement expires, the term of the Marriott Rewards Agreement will continue for the "tail" period under the Marriott License Agreement.

Costs and Payments.

Cost and Payment for Newly Purchased Points. Prior to the spin-off, we generally paid for Marriott Rewards Points when the holder of the points redeemed them, and we will continue to do so through December 30, 2011. Beginning December 31, 2011, we will pay for newly purchased Marriott Rewards Points when they are issued to our customers and potential customers (although for the first 7 years after the spin-off we will have the right in any year to defer payment for Marriott Rewards Points issued for exchanges in our fourth calendar quarter until 120 days after the end of such quarter). Our cost per Marriott Rewards Point for points issued to our owners and potential owners for exchanges, sales incentives and referrals will be based on the rate per point charged to a Marriott-branded hotel owner for hotel stays, plus a premium (the "MVC Premium") to adjust for our customers' anticipated future nonuse of Marriott Rewards Points ("breakage") and their anticipated Marriott Rewards Points redemption behavior; in each case based on our customers' historical breakage and redemption patterns. To the extent the rate per point charged to a Marriott-branded hotel owner increases or decreases, our rate will be adjusted accordingly. In addition, every 3 years after the spin-off, the MVC Premium will be adjusted to reflect any change in our customers' breakage and redemption patterns since the time of the last adjustment. We do not expect that this new pricing mechanism for the purchase of Marriott Rewards Points will result in a material increase in the price per point that we pay, compared to the pricing mechanism in place prior to December 31, 2010, described below.

The cost per Marriott Rewards Point for points issued in all other circumstances will equal the cost per point charged to participating Marriott brand hotels for uses other than hotel stays.

Currently, Marriott Rewards Points issued to our owners and potential owners constitute approximately 15 percent of all Marriott Rewards Points issued in any calendar year. If this percentage increases to 25 percent or more in any calendar year, and the percentage increase materially increases the cost of the Marriott Rewards customer loyalty program, we and Marriott International will negotiate in good faith to adjust the price we pay for newly issued Marriott Rewards Points to offset the cost increase.

Cost and Payment for Unredeemed Points Issued to Our Owners Before the Spin-Off. After the spin-off, we will generally pay for unredeemed Marriott Rewards Points issued to our owners prior to the distribution date as and when those points are redeemed, at the actual cost of redemption plus 5 percent for hotel stays, and at average actual cost for all other redemptions. We will make all payments in arrears on a period (or monthly) basis. Within 60 days after the fourth anniversary of the distribution date, we will repay in full any then-remaining balance for such Marriott Rewards Points, taking into account the anticipated timing of future redemptions and anticipated future nonuse (or "breakage") of such points, calculated using the average redemption cost paid during the fourth year.

The Marriott Rewards Agreement requires that Marriott Rewards, LLC comply with customary recordkeeping and reporting obligations regarding the usage of Marriott Rewards Points issued to our owners.

Payment for Our Inventory Use Through Marriott Rewards Point Redemption. Marriott Rewards, LLC will pay us for use of our inventory through Marriott Rewards Points redemptions consistent with past practice, at a rate intended to approximate the average rate paid by wholesalers who purchase a similar volume and type of villa accommodations, adjusted annually.

Inventory Rentals. We will continue to offer Marriott Rewards Points for eligible Marriott Rewards member rentals of our participating properties, and pay Marriott Rewards, LLC on the same basis as Marriott branded full service hotels pay for spending by Marriott Rewards customer loyalty program members.

Inventory Availability for Marriott Rewards Point Redemption. Marriott Rewards customer loyalty program participants can use their Marriott Rewards Points to pay for our eligible products and services consistent with past practices.

Certain Limitations. We may only use Marriott Rewards Points in connection with the Marriott branded vacation ownership business, and not in connection with any vacation ownership business sold or operated under any other name or brand, or for any hotels, other lodging facilities, or other products or services. We may not utilize or affiliate with any third-party hotel, destination club, or other lodging or travel loyalty program other than the Marriott Rewards customer loyalty program in connection with Marriott branded vacation ownership products, other than any loyalty program that a third-party vacation ownership exchange company provides.

Compliance with Program; Program Changes; Discontinuation of Program. Marriott Rewards, LLC can change the Marriott Rewards customer loyalty program at any time, subject only to any express obligations or limitations set forth in the Marriott Rewards Agreement. In addition, Marriott International may discontinue the program at any time.

Tax Sharing and Indemnification Agreement

Until the distribution occurs, we will be included in Marriott International's U.S. federal consolidated income tax group, and our tax liability thus will be included in the consolidated U.S. federal income tax liability of Marriott International and its subsidiaries. We also will be included with Marriott International or certain Marriott International subsidiaries in consolidated, combined or unitary income tax groups for state, local or foreign tax purposes until the distribution occurs.

We will enter into a Tax Sharing and Indemnification Agreement with Marriott International under which we will allocate between Marriott International and ourselves responsibility for federal, state, local and foreign income and other taxes relating to taxable periods before and after the spin-off and provide for computing and apportioning tax liabilities and tax benefits between the parties. Marriott International has generally agreed to be responsible for our taxes in respect of our assets and operations for periods ending on or prior to the distribution and, except in certain circumstances, any tax liabilities and transfer taxes incurred with respect to any restructuring transactions undertaken in connection with the spin-off. In the Tax Sharing and Indemnification Agreement, we also will represent that certain materials relating to us submitted to the IRS in connection with the ruling request are complete and accurate in all material respects, and we will agree that, among other things, we may not (1) take or fail to take any action that would cause such materials (or representations included therein) to be untrue or cause the distribution to lose its tax-free status under Section 355 of the Code and (2) during the two-year period following the spin-off, except in certain specified transactions, sell, issue or redeem our equity securities (or those of certain of our subsidiaries) or liquidate, merge or consolidate with another person or sell or dispose of a substantial portion of our assets (or those of certain of our subsidiaries). During that two-year period, we may take certain actions prohibited by the covenants if we obtain Marriott International's approval or we provide Marriott International with an IRS ruling or an unqualified opinion of tax counsel to the effect that these

actions will not affect the tax-free nature of the distribution, in each case acceptable to Marriott International. Regardless of the receipt of any such IRS ruling or opinion, we must indemnify Marriott International for certain taxes and related losses resulting from (1) any non-compliance with the covenants above, (2) certain acquisitions of our equity securities or assets or those of certain of our subsidiaries, and (3) any breach by us or any member of our group of certain representations in the documents submitted to the IRS in connection with the ruling request and the documents relating to the spin-off between us and Marriott International.

The Tax Sharing and Indemnification Agreement will further provide that, if any part of the spin-off fails to qualify for the tax treatment stated in the IRS ruling (for reasons other than those for which we have agreed to indemnify Marriott International against under one or more of the spin-off tax indemnification provisions), taxes related to the distribution imposed upon or incurred by Marriott International as a result of such failure are to be allocated between Marriott International and us based on the relative fair market values of Marriott International and us, and each will indemnify and hold harmless the other from and against the taxes so allocated. In the event that the spin-off fails to qualify for the tax treatment stated in the IRS ruling and the liability for taxes as a result of such failure is allocated among Marriott International and us, the liability allocated to either Marriott International or us could exceed each of our respective net asset values at that time.

In connection with the distribution and as part of the internal reorganization, Marriott International and certain of its subsidiaries will contribute the companies that conduct the North American luxury vacation ownership and related residential businesses to MVW US Holdings and Marriott International will sell the preferred stock of MVW US Holdings. As a result of these transactions, Marriott International is expected to recognize significant built-in losses in properties used in the vacation ownership and related residential businesses that are owned by the transferred companies, which losses should be available to Marriott International's U.S. federal consolidated group. If Marriott International's U.S. federal consolidated group is unable to deduct these losses for U.S. federal income tax purposes, and, instead, the tax basis of the properties that is attributable to the built-in losses is available to our U.S. federal consolidated group, we have agreed to indemnify Marriott International for certain lost tax benefits that Marriott International otherwise would have recognized if Marriott International's U.S. federal consolidated group was able to deduct such losses. In certain circumstances, the timing of any indemnification payments with respect to these lost tax benefits will be based in part on the disposition of the properties that have the built-in losses. Other restructuring transactions, including an internal spin-off, will be undertaken in connection with the distribution as part of the internal reorganization. If we take actions (or fail to take actions) that cause these restructuring transactions to fail to qualify for their intended tax treatment, we may be required to indemnify Marriott International for any resulting taxes.

In addition, the Tax Sharing and Indemnification Agreement will provide for cooperation and information sharing with respect to tax matters.

Employee Benefits and Other Employment Matters Allocation Agreement

We intend to enter into an Employee Benefits and Other Employment Matters Allocation Agreement with Marriott International (the "Employee Benefits Allocation Agreement") that will set forth our agreement with Marriott International on the allocation of employees to Marriott Vacations Worldwide and obligations and responsibilities regarding compensation, benefits and labor matters. Under the Employee Benefits Allocation Agreement, effective as of the effective date of the spin-off (the "Effective Date"), Marriott Vacations Worldwide and Marriott International will allocate all employees of Marriott International and its affiliates immediately before the Effective Date to either Marriott Vacations Worldwide or to Marriott International based upon whether each employee's employment duties before the Effective Date relate to the Marriott Vacations Worldwide business or the business of Marriott International and upon various other factors as applicable.

Specific provisions of the Employee Benefits Allocation Agreement include the following:

Retirement Savings Plan. Marriott International will retain the Marriott International, Inc. Employees' Profit Sharing, Retirement and Savings Plan and Trust (the "Marriott Retirement Savings Plan") as of the Effective Date, and Marriott Vacations Worldwide will establish a separate plan under Section 401(k) of the Code. Plan accounts of Marriott Vacations Worldwide employees in the Marriott Retirement Savings Plan will be subject to plan rules, including the ability of Marriott Vacations Worldwide employees to roll over their account to the new Marriott Vacations Worldwide plan, leave the account in the Marriott Retirement Savings Plan or take distributions from the Marriott Retirement Savings Plan.

Executive Deferred Compensation Plan. Marriott International will retain the Marriott International, Inc. Executive Deferred Compensation Plan (the "Marriott Deferred Compensation Plan") and the liabilities and obligations under that plan to all participants as of the Effective Date. Marriott Vacations Worldwide employees who participate in the Marriott Deferred Compensation Plan will no longer defer income to the plan after the Effective Date. Distributions to Marriott Vacations Worldwide employees with accounts under the Marriott Deferred Compensation Plan will be made in accordance with plan terms. When distributions under the Marriott Deferred Compensation Plan are made to participants who are current or former employees of Marriott Vacations Worldwide, Marriott International will invoice Marriott Vacations Worldwide for the amount of the distribution and Marriott Vacations Worldwide will be obligated to reimburse Marriott International for those amounts.

Stock Plans. Marriott International will continue the Marriott International, Inc. Stock and Cash Incentive Plan (the "Marriott International Stock Plan"). Marriott Vacations Worldwide will establish the Marriott Vacations Worldwide Corporation Stock and Cash Incentive Plan (the "Marriott Vacations Stock Plan"). As described more fully below, under the Employee Benefits Allocation Agreement, holders of outstanding awards under the Marriott International Stock Plan will as part of the distribution (1) receive awards of Marriott Vacations Worldwide common stock, stock options and/or stock appreciation rights under the Marriott Vacations Stock Plan, and (2) in the case of stock options and stock appreciations rights, also have their existing Marriott International awards substituted with new Marriott International awards under the Marriott International Stock Plan. Marriott Vacations Worldwide awards will have terms and conditions substantially similar to those that are applicable under the Marriott International Stock Plan.

- Restricted Stock and Restricted Stock Units. Each employee who holds an award of Marriott International restricted stock or restricted stock units as of the day immediately preceding the Effective Date will receive an award of Marriott Vacations Worldwide restricted stock or restricted stock units equal to the number of shares of Marriott International common stock under his or her existing award multiplied by the distribution ratio of one share of Marriott Vacations Worldwide common stock for every [ ] shares of Marriott International common stock.
- Stock Options and Stock Appreciation Rights. On the Effective Date, each employee who holds a Marriott International stock option or stock appreciation right will receive each of the following, which together are designed to preserve the intrinsic value of the stock option or stock appreciation right immediately before the distribution:
  - A substitute Marriott International stock option or stock appreciation right, with the exercise price adjusted to reflect the relative value of (i) Marriott International common stock at the close of trading on the first day of regular-way trading in Marriott International common stock following the distribution to (ii) Marriott International common stock at the close of trading on the last full day of trading Marriott International common stock before the Effective Date; and
  - A new Marriott Vacations Worldwide stock option or stock appreciation right for the number of shares that corresponds to the Marriott International stock option or stock appreciation right multiplied by the distribution ratio. The stock option or stock appreciation right exercise price will reflect the relative value of (i) Marriott Vacations Worldwide common stock at the close of trading on the first day of regular-way trading in Marriott Vacations Worldwide common stock

following the distribution to (ii) Marriott International common stock at the close of trading on the last full day of trading Marriott International common stock before the Effective Date.

Medical and other Welfare Benefit Plans. Marriott International will continue to maintain the Marriott International, Inc. Medical Plan, Dental Plan, Vision Plan, and other welfare plans. Employees of Marriott Vacations Worldwide as of the Effective Date who were participants in the Marriott International, Inc. Medical Plan, Dental Plan and Vision Plan immediately before the Effective Date will be allowed to continue to participate in those plans until the end of 2011. As of the Effective Date, Marriott Vacations Worldwide will establish other welfare plans and as of January 1, 2012, Marriott Vacations Worldwide will establish new medical, dental and vision plans for its employees going forward.

Transition Services Agreements

Prior to the spin-off, we intend to enter into Transition Services Agreements with Marriott International and/or certain of its subsidiaries, under which Marriott International or certain of its subsidiaries will provide us with certain services for a limited time to help ensure an orderly transition following the distribution.

The Transition Services Agreements will generally provide for a term of up to 24 months following the distribution. We may terminate any transition services upon prior notice to Marriott International, generally 120 days in advance of the service termination date.

The transition services will be provided substantially in the manner and at the level of service similar to that immediately prior to the distribution. The charge for these services will be intended to allow Marriott International to recover all of its direct and indirect costs incurred in providing those services, generally consistent with past practice.

The transition services include the following:

- Payroll services;
- Human resources services, including specified training, benefits, employee selection, employee survey, performance management, employee relocation and compensation services and software use;
- Information resources systems and services provided by or through Marriott International, including support, training, maintenance, data storage, and related services, relating to systems such as reservations, property management, payment and order processing, reporting, and others;
- Certain business services such as accounts payable processing and related services, purchase and travel card processing and administration, sales and use tax services, and fixed asset calculation services;
- Golf course consulting and support services;
- Global procurement cooperation services; and
- Certain other administrative and consulting services.

The Transition Services Agreements generally require us to indemnify Marriott International and its subsidiaries and affiliates from and against any losses or other liabilities or charges incurred by Marriott International or its subsidiaries or affiliates in connection with providing the transition services, unless caused by the fraud or willful misconduct of Marriott International or its subsidiaries or affiliates.

Each party will have the right to terminate the transition services agreements if the other party breaches any of its obligations under the agreement after notice and opportunity to cure.

Related Party Transactions

Policy and Procedures Governing Related Person Transactions

Our Board will adopt a written policy and procedures for the review, approval and ratification of the transactions we are party to that involve an aggregate amount that will or may be expected to exceed $120,000 in any year where any director, director nominee, executive officer, greater-than-5% beneficial owner or their respective immediate family members have or will have a direct or indirect material interest (other than solely as a result of being a director or a less-than-10% beneficial owner of another entity). We will post a copy of the policy on our website (www.marriottvacationsworldwide.com).

We anticipate that the policy will provide that the Nominating and Corporate Governance Committee will review certain transactions subject to the policy and determine whether or not to approve or ratify those transactions. In doing so, we expect the committee will take into account, among other things, whether the terms of the transaction are no less favorable to us than terms generally available to an unaffiliated third party under similar circumstances and the materiality of the related person's interest in the transaction.

Certain Relationships and Potential Conflicts of Interest

Following the spin-off, Marriott International will continue to employ one of the persons whom we expect will serve on our Board, Deborah Marriott Harrison, in the position of Senior Vice President, Government Affairs. Ms. Harrison is also the daughter of the chairman of the board of directors and chief executive officer of Marriott International. Ms. Harrison beneficially owned, as of August 31, 2011, approximately 6.7 percent of Marriott International's common stock. In 2010, Ms. Harrison received total compensation from Marriott International of $324,690 (which includes base salary, bonus, the value of stock-based awards and other compensation). Following the spin-off, she will receive our standard non-employee director compensation, as determined by our Board with the assistance of our Compensation Committee. We anticipate that such compensation will consist of an annual retainer, an annual equity award and other types of compensation as determined by the Board from time to time.

Ms. Harrison's relationship with Marriott International may give rise to, or create the appearance of, conflicts of interest when our Board faces decisions that could have different implications for Marriott International than for us. For example, conflicts of interest could arise if there are issues or disputes under the agreements we are entering into with Marriott International described above in "—Agreements with Marriott International Related to the Spin-Off." In addition, conflicts of interest could arise if we consider acquisitions and other corporate opportunities that may be appropriate for both Marriott International and us. As discussed above in "—Policy and Procedures Governing Related Party Transactions," our Board will adopt a written policy and procedures for the review, approval and ratification of related party transactions that will be designed to help ameliorate the risks associated with any such potential conflicts that may arise. We anticipate that the policy will provide that our Nominating and Corporate Governance Committee, which we do not expect will include Ms. Harrison, will review certain transactions subject to the policy and determine whether or not to approve or ratify those transactions.

Following the spin-off, we will employ Scott Weisz, who currently serves as Senior Director, Asset Management at Marriott International. Mr. Scott Weisz is the son of Stephen P. Weisz, who is currently an executive officer of Marriott International and will serve as our President and Chief Executive Officer after the spin-off. In 2010, Mr. Scott Weisz received total compensation from Marriott International of $155,101 (which includes base salary, bonus, the value of stock-based awards and other compensation). Marriott International has historically determined Mr. Scott Weisz's compensation based on reference to market compensation paid to individuals in similar positions at other companies and/or the compensation paid to non-family members in similar positions at Marriott International, and we expect to determine Mr. Scott Weisz's compensation in a similar manner.

DESCRIPTION OF MATERIAL INDEBTEDNESS AND OTHER FINANCING ARRANGEMENTS

We intend to enter into a secured Revolving Corporate Credit Facility with borrowing capacity of $200 million that will provide support for our business, including ongoing liquidity, letters of credit, surety bonds and guarantees. We have entered into a secured Warehouse Credit Facility with borrowing capacity of $300 million that will provide short-term financing for receivables we originate in connection with the sale of vacation ownership interests. We also expect that our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock prior to completion of the spin-off. After the spin-off, we plan to periodically securitize receivables we originate in connection with our sale of vacation ownership interests.

We describe the material terms of the two revolving credit facilities, our vacation ownership securitization program and the preferred stock below. These summaries are qualified in their entirety by the specific terms and provisions of the applicable documentation evidencing these arrangements.

Revolving Corporate Credit Facility

Our Revolving Corporate Credit Facility will provide support for our business, including ongoing liquidity and letters of credit. We have received commitment letters for this four-year $200 million revolving senior secured credit facility, which includes a letter of credit sub facility of $120 million, from a syndicate of banks led by JP Morgan Chase Bank. We expect that the Revolving Corporate Credit Facility will have the following material terms, which have been substantially negotiated, and will close before the distribution date.

Interest. Borrowings will generally bear interest at a floating rate at the eurodollar rate plus an applicable margin that varies from 2.75 percent to 4 percent depending on our credit rating. We will also owe unused facility and other fees under the facility.

Security and Guarantees. The Revolving Corporate Credit Facility will be guaranteed by Marriott Vacations Worldwide and by each of our direct and indirect, existing and future, domestic subsidiaries (excluding certain special purpose subsidiaries), and will be secured by a perfected first priority security interest in substantially all of our assets and the assets of the guarantors, subject to certain exceptions.

Covenants. The credit agreement will contain negative covenants customary for financings of this type, including covenants that place limitations on the incurrence of additional indebtedness; the creation of liens; the payment of dividends; sales of assets; mergers, consolidations, liquidations and dissolutions; capital expenditures; acquisitions, investments, loans and advancements; prepayments and modifications of subordinated debt and other material debt; transactions with affiliates; sale-leasebacks; changes in our fiscal year; hedging arrangements; negative pledges and clauses restricting subsidiary distributions; changes in lines of business; amendments to certain of our agreements with Marriott International. The credit agreement will also limit borrowings under the Revolving Corporate Credit Facility at any time to the amount of the borrowing base (as defined in the credit agreement) in effect at such time. The credit agreement will contain affirmative covenants and representations and warranties customary for financings of this type.

In addition, the credit agreement will contain financial covenants, including covenants requiring (a) minimum consolidated tangible net worth of not less than the sum of (i) 80 percent of the consolidated tangible net worth as set forth on an opening balance sheet plus (ii) 80 percent of any increase in consolidated tangible net worth attributable to the issuance of equity after the date of such opening balance sheet; (b) a maximum ratio of consolidated total debt to consolidated adjusted EBITDA of 6 to 1 through the end of the 2013 first fiscal quarter, which decreases to 5.25 to 1 through the end of the 2014 fiscal year and to 4.75 to 1 thereafter; and (c) a minimum consolidated interest coverage ratio of not less than 3 to 1.

Events of Default. The banks may declare any indebtedness outstanding under the Revolving Corporate Credit Facility due and payable, and cancel any remaining commitment under the Revolving Corporate Credit Facility, if an event of default occurs, including a failure to pay interest and principal or commitment fees when due; a material inaccuracy of a representation or warranty in the credit agreement at the time made; a bankruptcy

event; a failure to comply with the credit agreement covenants; the occurrence of an uncured or unwaived event of default under other loan agreements to which we may be a party including the Warehouse Credit Facility; certain ERISA events; material judgments; actual or asserted invalidity of any guarantee or security document or non-perfection of any security instrument; termination or invalidity of certain of our agreements with Marriott International including the License Agreements, Non Competition Agreement and Rewards Agreement; changes in the passive holding company status of any holding company guarantor; and a change in control.

Warehouse Credit Facility

On September 28, 2011, we closed on a $300 million Warehouse Credit Facility with a group of financial institutions led by Credit Suisse. The Warehouse Credit Facility allows for the securitization of vacation ownership notes receivable on a non-recourse basis, pursuant to the terms of the facility. The revolving period of the facility is one year. The receivables that we may securitize under the facility are similar in nature to the receivables that we have securitized in the past.

The advance rate under the Warehouse Credit Facility for vacation ownership notes receivables of obligors that are U.S. residents or citizens varies from 50 percent to 96 percent depending on the FICO score of the obligors under the vacation ownership notes receivables to be securitized and the minimum allowable FICO score is 600. The advance rate for vacation ownership notes receivables of obligors that are not U.S. residents or citizens is (1) 68 percent for receivables with an aggregate balance up to 25 percent of the aggregate balance of all receivables then eligible to be securitized under the facility, and (2) 40 percent for receivables with an aggregate balance that exceeds 25 percent of the aggregate balance of all receivables then eligible to be securitized under the facility, but is less than 40 percent of the aggregate balance of all receivables then eligible to be securitized under the facility. Borrowings under the facility bear interest at a rate of LIBOR plus 1.25 percent and are limited at any point in time to the advance rate on the aggregate amount of eligible notes receivable at such time. We will also owe unused facility and other fees under the facility. The banks may declare any indebtedness outstanding under the Warehouse Credit Facility due and payable if an event of default occurs, including, among other things, an event of default under the Revolving Corporate Credit Facility. As disclosed in Footnote No. 3 “Notes Receivable” of the Notes to our interim Consolidated Financial Statements, at June 17, 2011, notes receivable with a carrying amount of $92 million, or 33 percent of our non-securitized notes receivable, are eligible for securitization and meet the criteria for securitization under the Warehouse Credit Facility. All obligors on notes receivable that are eligible for securitization who are U.S. residents or citizens have FICO scores that meet or exceed the minimum scores required for securitization under the Warehouse Credit Facility and obligors on notes receivable that are eligible for securitization who are not U.S. residents or citizens meet or exceed the alternative requirements for securitization under the Warehouse Credit Facility.

Subject to the performance of the securitized vacation ownership notes, we will collect all of the excess cash flows generated by the receivables. Excess cash flows will be equal to the principal and interest earned from the receivables net of pro-rata principal payments to the participating banks resulting from overcollateralization requirements, interest paid to the participating banks, administration fees and amounts paid for loan defaults. We will not receive such excess cash flows if an agreed upon threshold has been exceeded related to delinquencies, net defaults or excess spread with respect to the vacation ownership notes receivable. As with past securitizations, we will continue to service the receivables in the Warehouse Credit Facility, subject to the non-occurrence of certain servicer defaults, which include our failure to satisfy the financial covenants under our Revolving Corporate Credit Facility.

On October 5, 2011, we made the first draw on the Warehouse Credit Facility. The carrying amount of notes receivable securitized was $154 million. The advance rate was 81%, which resulted in gross proceeds of $125 million. Net proceeds were $122 million due to the funding of a reserve account in the amount of $1 million, cash transaction costs of $2 million and costs of less than $1 million associated with entering into a derivative transaction to cap the interest rate. Estimated additional transaction costs we expect to incur are $1 million. The securitized notes receivable included $16 million of notes receivable that we repurchased in the fourth quarter of

2011 from two consolidated special purpose entities that we initially used to securitize the notes receivable in 2003. Proceeds from the draw on the Warehouse Credit Facility were transferred to Marriott International in settlement of certain intercompany account balances.

We may subsequently include the vacation ownership notes receivable securitized under the Warehouse Credit Facility in a new term securitization transaction under our vacation ownership loan securitization program and use the proceeds of the securitization to repay amounts we owe under the Warehouse Credit Facility in connection with such notes receivable. We describe our securitization program below under "—Vacation Ownership Loan Securitization Program."

Vacation Ownership Loan Securitization Program

As described in "Business—Our Sources of Revenue," we provide financing to purchasers of vacation ownership interests. We receive a significant portion of the funding for such financing from the securitization of the vacation ownership notes receivable and related assets.

We periodically securitize, without recourse, through special purpose entities, notes receivable delivered in connection with the sale of vacation ownership products. These securitizations provide funding for our activities and transfer the economic risks and substantially all the benefits of the loans to third parties.

In each of our post-2003 securitizations, which represent 97% of our outstanding securitized note balances, we sold vacation ownership notes receivable that we originated to a specific trust created for each securitization transaction, for which a major national bank serves as trustee, and in which we hold the beneficial interest. Each trust in turn issued one or more classes of debt securities with a transaction-specific maturity date and a class-specific interest rate. Each class of debt securities was rated by Standard & Poor's Ratings Services and most were also rated by Moody's Investors Services, Inc. Each trust sold the debt securities it issued to institutional buyers through a private placement transaction. The debt securities were issued pursuant to a transaction-specific indenture under which a major national bank serves as trustee, and are recourse only to the assets of the trust that issued them. We service the vacation ownership notes receivable held by each trust, and as servicer we are responsible for managing, administering and servicing the vacation ownership notes receivable, including collecting and posting all payments, responding to inquiries from obligors, accounting for collections, enforcing collections, arranging for and administering repossessions and foreclosures and working with obligors in connection with transfers of ownership of their vacation ownership interest.

We have retained a portion of the debt securities issued in these securitizations, including subordinated tranches, interest-only strips and/or subordinated interests in accrued interest and fees on the securitized receivables. In some cases, we have also overcollateralized the trust or established cash reserve accounts within the trust. In general, for each securitization, we only receive payments for or on our retained interests when principal and interest due on all senior classes of debt securities has been paid currently, the debt securities are not otherwise in default, any required cash reserves are fully funded, default and delinquency rates are below specified thresholds and, for debt securities that have been overcollateralized, the vacation ownership notes receivable balance exceeds the amount of outstanding debt securities by a specified amount. We generally have the right but not an obligation to redeem the debt securities in any particular securitization once the outstanding debt security balance is 10% or less of the initial balance.

We made representations and warranties with respect to each vacation ownership note receivable when we sold it to the applicable trust, and we are required to repurchase or substitute that receivable if our representations or warranties are discovered to have been untrue in any material respect when made. No such failure of a representation or warranty has occurred for any of our securitizations. In addition, we may at our option repurchase defaulted vacation ownership notes receivable representing up to a specified percentage, ranging from 15% to 20% depending upon the securitization transaction, of the initial vacation ownership receivable balance of the applicable securitization trust.

See Footnote No. 3, “Asset Securitizations,” of the Notes to our annual Combined Financial Statements for additional information on our securitizations.

Non-Securitized Notes Receivable

At June 17, 2011, we owned $183 million of non-securitized notes receivable that are not currently eligible for securitization under the Warehouse Credit Facility or our securitization program. These notes receivable consist primarily of (1) $88 million originated in our European and Asia Pacific segments, as we do not securitize notes receivable in those segments because of lower note volumes and less mature securitization markets in those regions, (2) $77 million originated in our North America and Luxury segments that do not meet certain eligibility criteria for securitization approximately two-thirds of which are unrelated to the creditworthiness of the respective obligors, and (3) $18 million that are not eligible for securitization until we receive the first payment. On the basis of our underwriting criteria and the historical performance of the notes receivable that we have originated, we believe that the credit quality of these non-securitized notes receivable is generally comparable to that of the notes receivable we have previously securitized or that are currently eligible for securitization. We evaluate all notes receivable for collectability as disclosed in the section entitled “Loan Loss Reserves” in Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our annual Combined Financial Statements.

MVW US Holdings Preferred Stock

We expect that prior to the spin-off, MVW US Holdings, our subsidiary will issue $40 million of its mandatorily redeemable Series A (non-voting) preferred stock to Marriott International as part of the internal reorganization, and Marriott International will sell all of this preferred stock to one or more third-party investors prior to completion of the spin-off. We expect the MVW US Holdings preferred stock will have an aggregate liquidation preference of $ million. The Series A preferred stock is expected to pay an annual cash dividend of approximately percent and will be mandatorily redeemable by MVW US Holdings upon the tenth anniversary of the date of issuance. We also expect the Series A preferred stock will be senior to all other classes or series of capital stock of MVW US Holdings with respect to dividends and with respect to liquidation or dissolution of MVW US Holdings. In addition, MVW US Holdings will be prohibited from issuing any capital stock ranking senior to the Series A preferred stock without the prior consent of the holders of a majority of the Series A preferred stock.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date of this information statement, Marriott International beneficially owns all of our outstanding common stock. After the spin-off, Marriott International will not own any of our common stock.

The following table shows the anticipated beneficial ownership of our common stock immediately following the spin-off by:

- each of our shareholders who we believe (based on the assumptions described below) will beneficially own more than 5% of Marriott Vacations Worldwide's outstanding common stock;
- each of the persons who we expect will serve on our Board following the spin-off;
- each executive officer named in the Summary Compensation Table; and
- all of our directors and executive officers as a group.

Except as otherwise noted below, we based the share amounts shown on each person's beneficial ownership of Marriott International common stock on August 31, 2011, and a distribution ratio of one share of our common stock for every ten shares of Marriott International common stock held by such person.

To the extent our directors and executive officers own Marriott International common stock at the record date of the spin-off, they will participate in the distribution on the same terms as other holders of Marriott International common stock.

Except as otherwise noted in the footnotes below, each person or entity identified in the tables below has sole voting and investment power for the securities owned by such person or entity.

Immediately following the spin-off, we estimate that shares of our common stock will be issued and outstanding, based on the number of shares of Marriott International common stock expected to be outstanding as of the record date. The actual number of shares of our common stock outstanding following the spin-off will be determined on , 2011, the record date.

Note on Various Marriott Family Holdings

SEC rules require reporting of beneficial ownership of certain shares by multiple parties, resulting in multiple counting of some shares. The aggregate total beneficial ownership of Deborah M. Harrison and each of the "Other 5% Beneficial Owners" shown below, except for T. Rowe Price Associates, Inc., is 23.92 percent of outstanding shares after removing the shares counted multiple times. These individuals and entities each disclaim beneficial ownership over shares owned by other members of the Marriott family and the entities named below except as specifically disclosed in the footnotes following the table below.

Stock Ownership of Certain Beneficial Owners

Name	Amount and Nature of Beneficial Ownership	Percent of Class(1)
Directors and Director Nominees:		
Raymond L. Gellein, Jr.	0	*
Deborah M. Harrison	2,249,577(2)(3)	6.7%
Thomas J. Hutchison III	200	*
Melquiades R. Martinez	0	*
William W. McCarten	1,966(4)	*
William J. Shaw	288,004(5)	*
Stephen P. Weisz	27,978(5)	*
Other Named Executive Officers:		
R. Lee Cunningham	3,804(5)	*
John E. Geller, Jr.	1,043	*
James H. Hunter, IV	7,979(5)	*
Brian E. Miller	597(5)	*
Robert A. Miller	5,072(5)	*
All Directors, Nominees and Executive Officers as a Group (16 persons, including the foregoing)	2,590,517(6)	7.6%
Other 5% Beneficial Owners:		
J.W. Marriott, Jr.	5,153,176(2)(7)(8)(9)	15.1%
John W. Marriott III	2,223,263(2)(10)(11)	6.6%
Richard E. Marriott	4,500,314(6)(12)	13.4%
Stephen G. Marriott	3,180,613(2)(13)	9.5%
David S. Marriott	2,211,673(2)(14)	6.6%
JWM Family Enterprises, Inc.	2,002,799(2)	6.0%
JWM Family Enterprises, L.P.	2,002,799(2)	6.0%
T. Rowe Price Associates, Inc.	4,722,195(15)	14.0%

* Less than 1 percent.

(1) Based on the number of shares outstanding (336,236,189) on August 31, 2011, plus the number of shares acquirable by the specified person(s) within 60 days of August 31, 2011, as described below.

(2) Includes the following 2,002,798 shares that Deborah M. Harrison, her father J.W. Marriott, Jr., her brothers John W. Marriott III, Stephen G. Marriott and David S. Marriott, and JWM Family Enterprises, Inc. and JWM Family Enterprises, L.P. each report as beneficially owned: (a) 919,999 shares owned by Thomas Point Ventures, L.P., and (b) 1,082,799 shares owned by JWM Family Enterprises, L.P. JWM Family Enterprises, Inc., a corporation in which J.W. Marriott, Jr. and each of his children is a director, is the sole general partner of JWM Family Enterprises, L.P., a limited partnership, which in turn is the sole general partner of Thomas Point Ventures, L.P., also a limited partnership. The address for the corporation and both limited partnerships is 6106 MacArthur Boulevard, Suite 110, Bethesda, Maryland 20816.

(3) Includes the following 246,776 shares that Deborah M. Harrison reports as beneficially owned in addition to the shares referred to in footnote (2): (a) 45,897 shares directly held; (b) 69,586 shares held by a trust for the benefit of Deborah M. Harrison, for which J.W. Marriott, Jr.'s spouse and an unrelated person serve as co-trustees (included in footnote 9(d) below); (c) 80,767 shares held by two trusts for the benefit of Deborah M. Harrison, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees (included in footnote 7(a) below); (d) 8,920 shares held directly by Deborah M. Harrison's spouse (Mrs. Harrison disclaims beneficial ownership of such shares); (e) 2,735 shares held in two trusts for the benefit of Deborah M. Harrison's children, for which Deborah M. Harrison, her spouse and another individual serve as co-trustees; (f) 33,863 shares held in five trusts for the benefit of Deborah M. Harrison's children, for which Deborah M. Harrison, her spouse and another individual serve as co-trustees; (g) 342 shares owned by two trusts for the benefit of Deborah M. Harrison's grandchildren, for which Deborah M. Harrison, her spouse

and another individual serve as co-trustees; and (h) 4,666 shares subject to stock options, SARs and RSUs held by Deborah M. Harrison's spouse currently exercisable or exercisable within 60 days after August 31, 2011 (Mrs. Harrison disclaims beneficial ownership of such shares). Deborah M. Harrison's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20817.

(4) The shares are held by a limited liability corporation in which Mr. McCarten owns a 2 percent interest and acts as Manager.

(5) Includes shares subject to stock options, SARs, RSUs and deferred share awards currently exercisable or exercisable within 60 days after August 31, 2011, as follows: Mr. Cunningham: 3,373 shares; Mr. Hunter: 6,949 shares; Mr. Brian Miller: 542 shares; Mr. Robert Miller: 2,063 shares; Mr. Shaw: 249,266 and Mr. Weisz: 17,904 shares.

(6) All directors, nominees and executive officers as a group beneficially owned an aggregate of 2,590,517 shares (including 285,729 stock options, SARs and RSUs currently exercisable or exercisable within 60 days after August 31, 2011).

(7) Includes the following 1,926,243 shares that both J.W. Marriott, Jr. and his brother Richard E. Marriott report as beneficially owned: (a) 503,867 shares held by 16 trusts for the benefit of their children, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees; (b) 897,550 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which J.W. Marriott, Jr., Richard E. Marriott, and Stephen G. Marriott serve as co-trustees; (c) 521,568 shares held by a charitable annuity trust created by the will of J. Willard Marriott, Sr., in which his grandchildren have remainder interests and for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees; and (d) 3,258 shares held by a trust established for the benefit of J.W. Marriott Jr., for which Richard E. Marriott serves as trustee.

(8) Includes the following 71,686 shares that both J.W. Marriott, Jr. and his son John W. Marriott III report as beneficially owned: (a) 32,349 shares owned by JWM Associates Limited Partnership, in which J.W. Marriott, Jr. is a general partner and in which John W. Marriott III is a limited partner; (b) 34,380 shares held by a trust for the benefit of John W. Marriott III, for which J.W. Marriott, Jr.'s spouse serves as a co-trustee; and (c) 4,957 shares owned by three trusts for the benefit of John W. Marriott III's children, for which the spouses of John W. Marriott III and J.W. Marriott, Jr. serve as co-trustees.

(9) Includes the following 1,152,442 shares that J.W. Marriott, Jr. reports as beneficially owned, in addition to the shares referred to in footnotes (2), (7) and (8): (a) 471,528 shares directly held; (b) 449,912 shares subject to stock options, SARs and RSUs currently exercisable or exercisable within 60 days after August 31, 2011; (c) 28,252 shares owned by J.W. Marriott, Jr.'s spouse (Mr. Marriott disclaims beneficial ownership of such shares); (d) 192,465 shares owned by separate trusts for the benefit of three of J.W. Marriott, Jr.'s children, in which his spouse serves as a co-trustee; (e) 4,658 shares owned by three trusts for the benefit of J.W. Marriott, Jr.'s grandchildren, for which the spouses of J.W. Marriott, Jr. and Stephen G. Marriott serve as co-trustees; and (f) 5,627 shares owned by the J. Willard Marriott, Jr. Foundation, for which J.W. Marriott, Jr. and his spouse serve as trustees. J.W. Marriott, Jr.'s address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20817.

(10) Includes the following 148,776 shares that John W. Marriott III reports as beneficially owned, in addition to the shares referred to in footnotes (7) and (8): (a) 77,771 shares directly held; (b) 50,391 shares held in a trust for the benefit of John W. Marriott III (included in footnote (2)(a) above); (c) 3,155 shares owned by John W. Marriott III's spouse (Mr. Marriott disclaims beneficial ownership of such shares); and (d) 17,459 shares held by three trusts for the benefit of John W. Marriott III's children, for which John W. Marriott III serves as a co-trustee. John W. Marriott III's address is JWM Family Enterprises, 6106 MacArthur Blvd., Suite 110, Bethesda, Maryland 20816.

(11) Does not include Marriott International's non-employee director annual deferred share awards or stock units representing fees that non-employee directors have elected to defer under Marriott International's Stock Plan. The combined numbers of shares (a) subject to deferred share awards, and (b) in stock unit accounts of Marriott International's non-employee directors as of August 31, 2011, were as follows: John W. Marriott III: 798 shares. Share awards and stock units do not carry voting rights and are not transferable. Share awards and stock units are distributed following retirement as a director.

(12) Includes the following 2,574,067 shares that Richard E. Marriott reports as beneficially owned, in addition to the 1,926,245 shares referred to in footnote (7): (a) 2,044,315 shares directly held; (b) 28,326 shares owned by Richard E. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of these shares); (c) 147,280

shares owned by four trusts for the benefit of Richard E. Marriott's children, for which his spouse serves as a co-trustee; (d) 341,966 shares owned by First Media, L.P., a limited partnership whose general partner is a corporation in which Richard E. Marriott is the controlling voting shareholder; and (e) 12,182 shares owned by the Richard E. and Nancy P. Marriott Foundation, for which Richard E. Marriott and his spouse serve as directors and officers. Richard E. Marriott's address is Host Hotels & Resorts, Inc., 10400 Fernwood Road, Bethesda, Maryland 20817.

(13) Includes the following 1,177,811 shares that Stephen G. Marriott reports as beneficially owned in addition to the shares referred to in footnote (2): (a) 105,532 shares directly held; (b) 55,825 shares held by a trust for the benefit of Stephen G. Marriott, for which J.W. Marriott, Jr.'s spouse and an unrelated person serve as co-trustees (included in footnote 9(d) above); (c) 79,582 shares held by two trusts for the benefit of Stephen G. Marriott, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees (included in footnote 7(a) above); (d) 4,370 shares held by Stephen G. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of such shares); (e) 4,658 shares owned by three trusts for the benefit of Stephen G. Marriott's children, for which the spouses of Stephen G. Marriott and J.W. Marriott, Jr. serve as co-trustees (Mr. Marriott disclaims beneficial ownership of such shares)(included in footnote 9(e) above); (f) 22,123 shares owned by three trusts for the benefit of Stephen G. Marriott's children, for which Stephen G. Marriott and the spouses of Stephen G. Marriott and J.W. Marriott, Jr. serve as co-trustees; (g) 8,171 shares subject to stock options, SARs and RSUs currently exercisable or exercisable within 60 days after August 31, 2011; and (h) 897,550 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which Stephen G. Marriott serves as co-trustee with J.W. Marriott, Jr. and Richard E. Marriott (included in footnote 2(b) above). Stephen G. Marriott's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20517.

(14) Includes the following 208,872 shares that David S. Marriott reports as beneficially owned in addition to the shares referred to in footnote (2): (a) 83,750 shares directly held; (b) 67,053 shares held by a trust for the benefit of David S. Marriott, for which J.W. Marriott, Jr.'s spouse and an unrelated person serve as co-trustees (included in footnote 9(d) above); (c) 49,555 shares held by a trust for the benefit of David S. Marriott, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees (included in footnote 7(a) above); (d) 533 shares held by David S. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of such shares); (e) 6,543 shares held by four trusts for the benefit of David S. Marriott's children, for which David S. Marriott, his spouse and John W. Marriott III serve as co-trustees; and (f) 1,438 shares subject to stock options and RSUs currently exercisable or exercisable within 60 days after August 31, 2011. David S. Marriott's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20517.

(15) This information was derived from information regarding Marriott International common stock in a Schedule 13G/A filed on February 11, 2011 by T. Rowe Price Associates, Inc. According to the Schedule 13G/A, as of December 31, 2010 T. Rowe Price and Associates, Inc. beneficially owned 47,221,951 shares of Marriott International common stock, with sole voting power as to 13,804,913 shares and sole dispositive power as to 47,221,951 shares. T. Rowe Price Associates, Inc.'s address is 100 E. Pratt Street, Baltimore, Maryland 21202.

DESCRIPTION OF CAPITAL STOCK

Authorized Capital Stock

Prior to the distribution date, our Board and Marriott International, as our sole shareholder, will approve and adopt restated versions of our Charter and Bylaws. We expect that under our Charter authorized capital stock will consist of 100 million shares of our common stock, par value $0.01 per share, and 2 million shares of our preferred stock, par value $0.01 per share.

Common Stock

We estimate that shares of our common stock will be issued and outstanding immediately after the spin-off, based on the number of shares of Marriott International common stock that we expect will be outstanding as of the record date. The actual number of shares of our common stock outstanding following the spin-off will be determined on , 2011, the record date.

Dividend Rights. Subject to the rights, if any, of the holders of any outstanding series of our preferred stock, holders of our common stock will be entitled to receive dividends out of any of our funds legally available when, as and if declared by the Board.

Voting Rights. Each holder of our common stock is entitled to one vote per share on all matters on which shareholders are generally entitled to vote. Our Charter does not provide for cumulative voting in the election of directors.

Liquidation. If we liquidate, dissolve or wind up our affairs, holders of our common stock are entitled to share proportionately in the assets of Marriott Vacations Worldwide available for distribution to shareholders, subject to the rights, if any, of the holders of any outstanding series of our preferred stock.

Other Rights. All of our outstanding shares of common stock are fully paid and nonassessable, and the shares of common stock we will issue in connection with the spin-off also will be fully paid and nonassessable. The holders of our common stock have no preemptive rights and no rights to convert their common stock into any other securities, and our common stock is not subject to any redemption or sinking fund provisions.

Preferred Stock

Under our Charter and subject to the limitations prescribed by law, our Board may issue our preferred stock in one or more series, and may establish from time to time the number of shares to be included in such series and may fix the designation, powers, privileges, preferences and relative participating, optional or other rights, if any, of the shares of each such series and any qualifications, limitations or restrictions thereof. See "—Anti-Takeover Effects of Provisions of Our Charter and Bylaws."

Our preferred stock will, if issued, be fully paid and nonassessable. When and if we issue preferred stock, we will establish the applicable preemptive rights, dividend rights, voting rights, conversion privileges, redemption rights, sinking fund rights, rights upon voluntary or involuntary liquidation, dissolution or winding up and any other relative rights, preferences and limitations for the particular preferred stock series.

Anti-Takeover Effects of Provisions of Our Charter and Bylaws

Our Charter, our Bylaws and Delaware statutory law contain provisions that could make acquisition of our company by means of a tender offer, a proxy contest or otherwise more difficult. These provisions are expected to discourage certain types of coercive takeover practices and takeover bids that our Board may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with our Board. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or

unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms. The description set forth below is only a summary and is qualified in its entirety by reference to our Charter and Bylaws, which we will attach as exhibits to our Registration Statement on Form 10.

Classified Board of Directors. Our Charter provides for a classified board of directors consisting of three classes of directors. Directors of each class are chosen for three-year terms upon the expiration of their current terms, and each year our shareholders will elect one class of our directors. The directors designated as Class I directors will have terms expiring at the first annual meeting of shareholders following the spin-off, the directors designated as Class II directors will have terms expiring at the second annual meeting of shareholders following the spin-off, and the directors designated as Class III directors will have terms expiring at the third annual meeting of shareholders following the spin-off.

We believe that a classified board structure facilitates continuity and stability of leadership and policy by helping ensure that, at any given time, a majority of our directors will have prior experience as directors of our company and will be familiar with our business and operations. In our view, this will permit more effective long-term planning and help create long-term value for our shareholders. The classified board structure, however, could prevent a party who acquires control of a majority of our outstanding voting stock from obtaining control of our Board until the second annual shareholders' meeting following the date that party obtains control of a majority of our voting stock. The classified board structure may discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to obtain control of us, as the structure makes it more difficult for a shareholder to replace a majority of our directors.

Number of Directors; Filling Vacancies; Removal. Our Bylaws provide that our business and affairs will be managed by our Board. Our Charter and Bylaws provide that the Board will consist of such number of directors as is determined by a resolution adopted by the majority of directors then in office. In addition, our Charter provides that any board vacancy, including a vacancy resulting from an increase in the number of directors, may be filled solely by the affirmative vote of a majority of the remaining directors then in office and entitled to vote, even though that may be less than a quorum of the Board. Our Charter and Bylaws also provide that any director, or the entire Board, may be removed from office at any time, with cause, only by the affirmative vote of the holders of at least 66 2/3 percent of the total voting power of the outstanding shares of our capital stock entitled to vote generally in the election of directors, voting as a single class. These provisions will prevent shareholders from removing incumbent directors without cause and filling the resulting vacancies with their own nominees.

Notwithstanding the foregoing, our Charter and Bylaws provide that whenever the holders of any class or series of our preferred stock have the right to elect additional directors under specified circumstances, the election, removal, term of office, filling of vacancies and other features of such directorships will be governed by the terms of the applicable certificate of designation.

Special Meetings. Our Charter and Bylaws provide that, subject to the rights of any class or series of our preferred stock, special meetings of the shareholders may only be called by the Board or the Chairman of the Board with the concurrence of a majority of the entire Board. These provisions make it more difficult for shareholders to take action opposed by our Board.

No Shareholder Action by Written Consent. Our Charter requires that all actions to be taken by shareholders must be taken at a duly called annual or special meeting, and shareholders are not permitted to act by written consent. These provisions make it more difficult for shareholders to take action opposed by our Board.

Approval of Reorganization, Merger or Consolidation. Our Charter requires the affirmative vote of the holders of at least 66 2/3 percent of the total voting power of the outstanding shares of our common stock entitled to vote generally in the election of directors, voting as a single class, for the approval of any proposal for our company to merge or consolidate with any other entity where a vote is otherwise required by law, or sell, lease or exchange substantially all of its assets or business.

Amendments to Our Charter and Bylaws. Our Charter provides that, notwithstanding any other provision of our Charter, the affirmative vote of the holders of at least 66 2/3 percent of the total voting power of the outstanding shares of our common stock entitled to vote generally in the election of directors, voting as a single class, will be required to: (1) amend or repeal, or adopt any provision inconsistent with, the provisions in our Charter relating to the number, classification, term and election of directors; the removal of directors; shareholder action by written consent; shareholders' ability to call special meetings; approval of a merger, consolidation or sale of substantially all of our assets; and (2) amend, adopt or repeal any provision of our Bylaws. These provisions will make it more difficult for shareholders to make changes to our Charter and Bylaws that are opposed by our Board.

Advance Notice Provisions for Shareholder Nominations and Shareholder Proposals. Our Bylaws establish an advance notice procedure for shareholders to make nominations of candidates for election to the Board or to bring other business before an annual shareholders' meeting (the "Notice Procedures").

Subject to the terms of any class or series of our preferred stock, our Notice Procedures provide that nominations for election to the Board or the proposal of business other than such nominations may be made (1) pursuant to our notice of meeting, (2) by or at the direction of our Board or (3) by any shareholder of record (a "Record Shareholder") who has complied with the Notice Procedures at the time such shareholder delivers the notice required by the Notice Procedures. Under the Notice Procedures, a Record Shareholder's director nomination will not be timely unless such Record Shareholder delivers written notice to our corporate secretary of such Record Shareholder's nomination or intent to nominate at our principal executive offices not later than close of business on the 90th day nor earlier than the close of business on the 120th day before the one-year anniversary of the prior year's annual meeting; provided that if no annual meeting was held in the preceding year, if the annual meeting is convened more than 30 days before or delayed by more than 70 days after the one-year anniversary of the prior year's annual meeting, or if directors are being nominated at a special meeting, notice will be timely if delivered not earlier than the close of business on the 120th day prior to such meeting and not later than the close of business on the 90th day prior to such meeting or the tenth day following the date on which we first make a public announcement of such meeting. These provisions do not apply if a shareholder has notified us of his or her intention to present a shareholder proposal at an annual or special shareholders' meeting under and in compliance with Rule 14a-8 under the Exchange Act and we have included such proposal in our proxy materials.

Under the Notice Procedures, a shareholder's notice proposing to nominate a person for election as a director or to bring other business before an annual shareholders' meeting must contain certain information, as set forth in our Bylaws. Only persons nominated in accordance with the Notice Procedures will be eligible to serve as directors and only such business that has been brought before the meeting in accordance with these Notice Procedures will be conducted at an annual shareholders' meeting.

By requiring advance notice of nominations by shareholders, the Notice Procedures will afford our Board an opportunity to consider the qualifications of the proposed nominees and, to the extent deemed necessary or desirable by our Board, to inform shareholders about such qualifications. By requiring advance notice of other proposed business, the Notice Procedures will also provide an orderly procedure for conducting annual meetings of shareholders and, to the extent deemed necessary or desirable by our Board, will provide our Board with an opportunity to inform shareholders of any business proposed for such meetings and make recommendations on action to be taken on such business, so that shareholders can better decide whether to attend the meeting or to grant a proxy for the disposition of any such business.

Contests for the election of directors or the consideration of shareholder proposals will be precluded if the proper procedures are not followed. Third parties may therefore be discouraged from conducting a solicitation of proxies to elect their own slate of directors or to approve their own proposals.

Our Preferred Stock. Our Charter authorizes our Board to provide for series of our preferred stock and, for each such series, to fix the number of shares and designation, and any voting powers, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions.

We believe that our Board's ability to issue preferred stock will provide us with flexibility in structuring possible future financings and acquisitions, and in meeting other corporate needs that might arise. The authorized shares of our preferred stock, as well as shares of common stock, will be available for issuance without further shareholder action, unless applicable law or applicable stock exchange or automated stock quotation system rules require such action. The NYSE currently requires shareholder approval as a prerequisite to listing shares in several instances, including where the present or potential issuance of shares could increase the number of shares of common stock outstanding or the amount of voting securities outstanding by 20 percent.

Although our Board has no present intention of doing so, it could issue a series of our preferred stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. Our Board will base any determination on issuing such shares on its judgment as to the best interests of the company and our shareholders. Our Board, in so acting, could issue preferred stock that has terms that could discourage an acquisition attempt through which an acquiror may be able to change the composition of our Board, even if a majority of our shareholders believes such a transaction is in the shareholders' best interests and even if shareholders might receive a premium over the then-current market price for their stock.

Section 203 of the Delaware General Corporation Law

Section 203 of the Delaware General Corporation Law (the "DGCL") provides that, subject to certain specified exceptions, a corporation will not engage in any "business combination" with any "interested shareholder" for a three-year period following the time that such shareholder becomes an interested shareholder unless (1) before that time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder, (2) upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85 percent of the voting stock of the corporation outstanding at the time the transaction commenced (excluding certain shares) or (3) on or after such time, both the board of directors of the corporation and at least 66 2/3 percent of the outstanding voting stock which is not owned by the interested shareholder approves the business combination. Section 203 of the DGCL generally defines an "interested shareholder" to include (x) any person that owns 15 percent or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and owned 15 percent or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the relevant date and (y) the affiliates and associates of any such person. Section 203 of the DGCL generally defines a "business combination" to include (1) mergers and sales or other dispositions of 10 percent or more of the corporation's assets with or to an interested shareholder, (2) certain transactions resulting in the issuance or transfer to the interested shareholder of any stock of the corporation or its subsidiaries, (3) certain transactions which would increase the proportionate share of the stock of the corporation or its subsidiaries owned by the interested shareholder and (4) receipt by the interested shareholder of the benefit (except proportionately as a shareholder) of any loans, advances, guarantees, pledges, or other financial benefits.

Under certain circumstances, Section 203 of the DGCL makes it more difficult for a person who would be an "interested shareholder" to effect various business combinations with a corporation for a three-year period, although the certificate of incorporation or shareholder-adopted bylaws may exclude a corporation from the restrictions imposed under Section 203. Neither our Charter nor our Bylaws exclude Marriott Vacations Worldwide from the restrictions imposed under Section 203 of the DGCL. We anticipate that Section 203 may encourage companies interested in acquiring us to negotiate in advance with our Board since the shareholder approval requirement would not be applicable if our Board approves, prior to the time the shareholder becomes an interested shareholder, either the business combination or the transaction which results in the shareholder becoming an interested shareholder.

Transfer Agent and Registrar

The registrar and transfer agent for our common stock is BNY Mellon Shareowner Services.

Listing

Following the spin-off, we expect to have our common stock listed on the NYSE under the ticker symbol “VAC.”

Liability and Indemnification of Directors and Officers

Elimination of Liability of Directors. Our Charter provides that, to the fullest extent permitted by the DGCL, no director will be personally liable to us or to our shareholders for monetary damages for breach of fiduciary duty as a director. Notwithstanding this provision, pursuant to Section 102(b)(7) of the DGCL a director can be held liable (1) for any breach of the director’s duty of loyalty to the company or our shareholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL (which concerns unlawful payments of dividends, stock purchases or redemptions), or (4) for any transaction from which the director derives an improper personal benefit.

While our Charter provides directors with protection from awards for monetary damages for breaches of their duty of care, it does not eliminate this duty. Accordingly, our Charter will have no effect on the availability of equitable remedies such as an injunction or rescission based on a director’s breach of his or her duty of care. The provisions of our Charter described above apply to an officer of Marriott Vacations Worldwide only if he or she is a director of Marriott Vacations Worldwide and is acting in his or her capacity as director, and do not apply to officers of Marriott Vacations Worldwide who are not directors.

Indemnification of Directors, Officers and Employees. Our Bylaws require us to indemnify any person who was or is a party or is threatened to be made a party to, or was otherwise involved in, a legal proceeding by reason of the fact that he or she is or was a director or an officer of Marriott Vacations Worldwide or, while a director, officer or employee of Marriott Vacations Worldwide, is or was serving at our request as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, to the fullest extent authorized by the DGCL, as it exists or may be amended, against all expense, liability and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement by or on behalf of such person) actually and reasonably incurred in connection with such service. We are authorized under our Bylaws to carry directors’ and officers’ insurance protecting us, any director, officer, employee or agent of ours or another corporation, partnership, joint venture, trust or other enterprise, against any expense, liability or loss, whether or not we would have the power to indemnify the person under the DGCL. We may, to the extent authorized from time to time, indemnify any of our agents to the fullest extent permitted with respect to directors, officers and employees in our Bylaws.

The limitation of liability and indemnification provisions in our Charter and Bylaws may discourage shareholders from bringing a lawsuit against our directors for breach of fiduciary duty. These provisions also may reduce the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, your investment in our common stock may be adversely affected to the extent we pay the costs of settlement and damage awards under these indemnification provisions.

By its terms, the indemnification provided for in our Bylaws is not exclusive of any other rights that the indemnified party may be or become entitled to under any law, agreement, vote of shareholders or directors, provisions of our Charter or Bylaws or otherwise. Any amendment, alteration or repeal of our Bylaws’ indemnification provisions is, by the terms of our Bylaws, prospective only and will not adversely affect the rights of any indemnitee in effect at the time of any act or omission occurring prior to such amendment, alteration or repeal.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a Registration Statement on Form 10 for the shares of common stock that Marriott International shareholders will receive in the distribution. This information statement does not contain all of the information contained in the Form 10 and the exhibits to the Form 10. We have omitted some items in accordance with the rules and regulations of the SEC. For additional information relating to us and the spin-off, we refer you to the Form 10 and its exhibits, which are on file at the offices of the SEC. Statements contained in this information statement about the contents of any contract or other document referred to may not be complete, and in each instance, if we have filed the contract or document as an exhibit to the Form 10, we refer you to the copy of the contract or other documents so filed. We qualify each statement in all respects by the relevant reference.

You may inspect and copy the Form 10 and exhibits that we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the Public Reference Room. In addition, the SEC maintains an Internet site at www.sec.gov, from which you can electronically access the Form 10, including its exhibits.

We maintain an Internet site at www.marriottvacationsworldwide.com. We do not incorporate our Internet site, or the information contained on that site or connected to that site, into the information statement or our Registration Statement on Form 10.

As a result of the distribution, we will be required to comply with the full informational requirements of the Exchange Act. We will fulfill those obligations with respect to these requirements by filing periodic reports and other information with the SEC.

We plan to make available, free of charge, on our Internet site our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, reports filed under Section 16 of the Exchange Act and amendments to those reports as soon as reasonably practicable after we electronically file or furnish those materials to the SEC.

You should rely only on the information contained in this information statement or to which we have referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this information statement.

INDEX TO FINANCIAL STATEMENTS

MARRIOTT VACATIONS WORLDWIDE CORPORATION

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholder of Marriott Vacations Worldwide Corporation:

We have audited the accompanying combined balance sheets of Marriott Vacations Worldwide Corporation as of December 31, 2010 and January 1, 2010, and the related combined statements of operations, divisional equity, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Marriott Vacations Worldwide Corporation at December 31, 2010 and January 1, 2010, and the combined results of its operations and its cash flows for each of the three years in the period ended December 31, 2010 in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the combined financial statements, the Company changed its method of accounting for its qualified special purpose entities associated with past securitization transactions as a result of the adoption of Accounting Standards Update No. 2009-16, "Transfers and Servicing (Topic 860): Accounting for Transfers of Financial Assets" and Accounting Standards Update No. 2009-17, "Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities," effective January 2, 2010.

/s/ Ernst & Young LLP

Miami, Florida
June 28, 2011

MARRIOTT VACATIONS WORLDWIDE CORPORATION
COMBINED STATEMENTS OF OPERATIONS
Fiscal Years 2010, 2009 and 2008
($ in millions)

	2010	2009	2008
REVENUES			
Sales of vacation ownership products, net	$ 635	$ 743	$1,104
Resort management and other services[1]	227	213	221
Financing[1]	188	119	82
Rental	187	175	178
Other	29	34	27
Cost reimbursements[1]	318	312	304
TOTAL REVENUES	1,584	1,596	1,916
EXPENSES			
Cost of vacation ownership products	247	314	430
Marketing and sales[1]	344	413	604
Resort management and other services[1]	196	170	192
Financing and other[1]	44	48	56
Rental[1]	194	199	170
General and administrative[1]	82	88	99
Interest expense	56	—	—
Restructuring	—	44	19
Impairment	15	623	44
Cost reimbursements[1]	318	312	304
TOTAL EXPENSES	1,496	2,211	1,918
Gains and other income	21	2	—
Equity in (losses) earnings	(8)	(12)	11
Impairment reversals (charges) on equity investment	11	(138)	—
INCOME (LOSS) BEFORE INCOME TAXES	112	(763)	9
(Provision) benefit for income taxes	(45)	231	(25)
NET INCOME (LOSS)	67	(532)	(16)
Add: Net losses attributable to noncontrolling interests, net of tax	—	11	25
NET INCOME (LOSS) ATTRIBUTABLE TO MARRIOTT VACATIONS WORLDWIDE	$ 67	$ (521)	$ 9

(1) See Footnote No. 19, “Related Party Transactions,” of the Notes to the Combined Financial Statements for disclosure of related party amounts.

See Notes to Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
COMBINED BALANCE SHEETS
Fiscal Year-End 2010 and 2009
($ in millions)

	2010	2009
ASSETS		
Cash and cash equivalents (including $0 and $6 from VIEs, respectively)	$ 26	$ 32
Restricted cash (including $45 and $0 from VIEs, respectively)	66	34
Accounts and contracts receivable (including $0 and $3 from VIEs, respectively)	100	101
Notes receivable (including $1,029 and $0 from VIEs, respectively)	1,254	414
Inventory (including $0 and $30 from VIEs, respectively)	1,412	1,377
Retained interests in securitized notes receivable	—	267
Property and equipment (including $0 and $1 from VIEs, respectively)	310	358
Deferred taxes	333	318
Other (including $7 and $0 from VIEs, respectively)	141	135
Total Assets	$3,642	$3,036
LIABILITIES AND DIVISIONAL EQUITY		
Accounts payable	$ 87	$ 81
Advance deposits	48	20
Accrued liabilities	92	150
Deferred revenue (including $0 and $3 from VIEs, respectively)	56	58
Payroll and benefits liability	72	56
Liability for Marriott Rewards loyalty program	220	255
Deferred compensation liability	64	61
Debt (including $1,017 and $6 from VIEs, respectively)	1,022	59
Other (including $4 and $4 from VIEs, respectively)	77	73
Total Liabilities	1,738	813
Contingencies and Commitments (Note 10)		
Divisional Equity		
Net Parent Investment	1,876	2,203
Accumulated other comprehensive income	28	20
	1,904	2,223
Total Liabilities and Divisional Equity	$3,642	$3,036

The abbreviation VIEs above means Variable Interest Entities.

See Notes to Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
COMBINED STATEMENTS OF CASH FLOWS
Fiscal Years 2010, 2009 and 2008
($ in millions)

	2010	2009	2008
OPERATING ACTIVITIES			
Net income (loss)	$ 67	$(532)	$ (16)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	35	42	44
Gain on disposal of property and equipment, net	(21)	(2)	—
Income taxes	74	(214)	(33)
Equity method loss (income)	8	12	(11)
Impairment charges	15	623	44
Impairment (reversals) charges on equity investment	(11)	138	—
Restructuring (payments) charges, net	(8)	16	16
(Increase) decrease in fair value of retained interests in securitizations	—	(23)	13
Real estate inventory spending less than (in excess of) cost of sales	20	(4)	(315)
Notes receivable collections in excess of (less than) new mortgages	91	(145)	(525)
Proceeds from securitizations, net of repurchases[1]	—	349	283
Financially reportable sales less than closed sales	62	24	125
Notes receivable securitization gains	—	(37)	(16)
Increase (decrease) in accounts payable	6	(77)	7
All other, including other working capital changes	45	7	(8)
Net cash provided by (used in) operating activities	383	177	(392)
INVESTING ACTIVITIES			
Capital expenditures for property and equipment (excluding inventory)	(24)	(28)	(89)
Dispositions	46	1	—
Acquisition of equity method investee	—	—	(42)
Other	(1)	—	2
Net cash provided by (used in) investing activities	21	(27)	(129)
FINANCING ACTIVITIES			
Issuance of debt related to securitizations	218	—	—
Repayment of debt related to securitizations	(323)	—	—
Issuance of third party debt	—	—	41
Repayment of third party debt	(52)	(28)	(89)
Note advances	—	(32)	(52)
Note collections	—	6	14
Net transfers (to) from parent	(253)	(90)	606
Net cash provided by (used in) financing activities	(410)	(144)	520
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	(6)	6	(1)
CASH AND CASH EQUIVALENTS, beginning of year	32	26	27
CASH AND CASH EQUIVALENTS, end of year	$ 26	$ 32	$ 26

(1) See Footnote No. 3, “Asset Securitizations,” of the Notes to the Combined Financial Statements.

See Notes to Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
COMBINED STATEMENTS OF DIVISIONAL EQUITY
Fiscal Years 2010, 2009 and 2008
($ in millions)

	Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest, Net of Tax	Total Parent Company Equity	Comprehensive Income (Loss) Attributable to Marriott Vacations Worldwide Corporation
Balance at year-end 2007	$ 2,202	$ 21	$ 36	$ 2,259	
Impact of adoption of ASC 360[1]	(3)	—	—	(3)	
Opening balance 2008	2,199	21	36	2,256	
Net income (loss)	9	—	(25)	(16)	$ (16)
Currency translation adjustments	—	(7)	—	(7)	(7)
Other derivative instrument adjustments	—	7	—	7	7
Net transfers from Parent	606	—	—	606	$ (16)
Balance at year-end 2008	2,814	21	11	2,846	
Net loss	(521)	—	(11)	(532)	$ (532)
Currency translation adjustments	—	(1)	—	(1)	(1)
Net transfers to Parent	(90)	—	—	(90)	$ (533)
Balance at year-end 2009	2,203	20	—	2,223	
Impact of adoption of ASU 2009-17[1]	(141)	—	—	(141)	
Opening balance 2010	2,062	20	—	2,082	
Net income	67	—	—	67	$ 67
Currency translation adjustments	—	8	—	8	8
Net transfers to Parent	(253)	—	—	(253)	$ 75
Balance at year-end 2010	$ 1,876	$ 28	$ —	$ 1,904	

(1) The abbreviation ASC means Accounting Standards Codification, and the abbreviation ASU means Accounting Standards Update.

See Notes to Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our Business

Marriott Vacations Worldwide Corporation ("Marriott Vacations Worldwide," "we" or "us," which includes our combined subsidiaries except where the context of the reference is to a single corporate entity) is the exclusive worldwide developer, marketer, seller and manager of vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. We are also the exclusive global developer, marketer and seller of vacation ownership and related products under the Ritz-Carlton Destination Club brand, and we have the non-exclusive right to develop, market and sell whole ownership residential products under the Ritz-Carlton Residences brand. The Ritz-Carlton Hotel Company, L.L.C. (a subsidiary of Marriott International) ("Ritz-Carlton") generally provides on-site management for Ritz-Carlton branded properties.

Our business is grouped into four segments: North America, Luxury, Europe and Asia Pacific. We operate 64 properties (under 71 separate resort management contracts) in the United States and eight other countries and territories.

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases; and renting vacation ownership inventory.

Our Spin-off from Marriott International, Inc.

On February 14, 2011, Marriott International, Inc. (together with its consolidated subsidiaries, excluding Marriott Vacations Worldwide, "Marriott International") announced plans for the separation of Marriott Vacations Worldwide, which represents 100 percent of our assets and liabilities, revenues, expenses, and cash flows, and those variable interest entities for which Marriott Vacations Worldwide is the primary beneficiary in accordance with Accounting Standards Codification 810, "*Consolidations*" ("ASC 810"), of the vacation ownership division of Marriott International, also referred to as the "spin-off." Prior to the spin-off, Marriott International will complete an internal reorganization to contribute its non-U.S. and U.S. subsidiaries that conduct vacation ownership business and Marriott Ownership Resorts, Inc., which does business under the name Marriott Vacation Club International, a wholly owned subsidiary of Marriott International, to Marriott Vacations Worldwide, a newly formed wholly owned subsidiary of Marriott International. The spin-off will be completed by way of a pro rata dividend of the Marriott Vacations Worldwide shares by Marriott International to its shareholders as of the record date. Immediately following completion of the spin-off, Marriott International shareholders will own 100% of the outstanding shares of common stock of Marriott Vacations Worldwide. After the spin-off, Marriott Vacations Worldwide will operate as an independent, publicly traded company.

The distribution of our common stock to Marriott International shareholders is conditioned on, among other things, the receipt of a favorable ruling from the Internal Revenue Service and an opinion of tax counsel confirming that the distribution of shares of Marriott Vacations Worldwide common stock will not result in the recognition, for U.S. federal income tax purposes, of income, gain or loss by Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional common shares; our registration statement on Form 10 becoming effective; and the execution of intercompany agreements. The transaction will not require shareholder approval and will have no impact on Marriott International's contractual obligations to the existing notes receivable securitizations further discussed in Footnote No. 3, "Asset Securitizations."

Principles of Combination and Basis of Presentation

The combined financial statements presented herein, and discussed below, have been prepared on a stand-alone basis and are derived from the consolidated financial statements and accounting records of Marriott

International. These combined financial statements have been prepared as if the reorganization described in the "Our Spin-off from Marriott International, Inc." caption above had taken place as of the earliest period presented. The combined financial statements reflect our historical financial position, results of operations and cash flows as we have historically operated, in conformity with United States generally accepted accounting principles ("GAAP"). All significant intracompany transactions and accounts within these Combined Financial Statements have been eliminated.

Our fiscal year ends on the Friday nearest to December 31. The fiscal years in the following table have 52 weeks, except for 2008, which has 53 weeks. Unless otherwise specified, each reference to a particular year in these financial statements means the fiscal year ended on the date shown in the following table, rather than the corresponding calendar year:

Fiscal Year	Fiscal Year-End Date
2010	December 31, 2010
2009	January 1, 2010
2008	January 2, 2009

We refer throughout to (i) our Combined Financial Statements as our "Financial Statements," (ii) our Combined Statements of Operations as our "Statements of Operations," (iii) our Combined Balance Sheets as our "Balance Sheets," (iv) our Combined Statements of Cash Flows as our "Cash Flows" and (v) Accounting Standards Update ("ASU") No. 2009-17, "*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*" ("ASU No. 2009-17"), which we adopted on the first day of the 2010 fiscal year, as the new "Consolidation Standard."

In accordance with the guidance for noncontrolling interests in combined financial statements, references in this report to net income (loss) and Net Parent Investment do not include noncontrolling interests (previously known as minority interests), which we report separately.

We have included all significant transactions between us and Marriott International in these Financial Statements. The net effect of the settlement of these intercompany transactions has been included in our Cash Flows as a financing activity and in our Balance Sheets as Net Parent Investment.

In connection with the spin-off, Marriott Vacations Worldwide will enter into agreements with Marriott International and other third parties that have either not existed historically, or that may be on different terms than the terms of the arrangement or agreements that existed prior to the spin-off. These Financial Statements do not reflect the impact of these new and/or revised agreements, including licensing fees payable to Marriott International, Marriott Rewards customer loyalty program arrangements, financing, operations and personnel needs of our business. Our Financial Statements include costs for services provided by Marriott International including, for the purposes of these Financial Statements, but not limited to, information technology support, systems maintenance, telecommunications, accounts payable, payroll and benefits, human resources, self-insurance and other shared services. Historically, these costs were charged to us based on specific identification or on a basis determined by Marriott International to reflect a reasonable allocation to us of the actual costs incurred to perform these services. In addition, Marriott International allocated indirect general and administrative costs to us for certain functions provided by Marriott International. These services provided to us include, but are not limited to, executive office, legal, tax, finance, government and public relations, internal audit, treasury, investor relations, human resources and other administrative support, which were allocated to us primarily on the basis of our proportion of Marriott International's overall revenue. Both we and Marriott International consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the periods presented. The allocations may not, however, reflect the expense we would have incurred as an independent, publicly traded company for the periods presented. Actual costs that might have been incurred had we been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions we might have performed

ourselves or outsourced and strategic decisions we might have made in areas such as information technology and infrastructure. Following the spin-off, we will perform these functions using our own resources or purchased services from either Marriott International or third parties. For an interim period some of these functions will continue to be provided by Marriott International under one or more transition services agreements ("TSA"). In addition to the TSA, we will enter into a number of commercial agreements with Marriott International in connection with the spin-off, many of which are expected to have terms longer than one year.

Marriott International uses a centralized approach to U.S. domestic cash management and financing of its operations. The majority of our domestic cash is transferred to Marriott International daily and Marriott International funds our operating and investing activities as needed. Accordingly, the cash and cash equivalents held by Marriott International at the corporate level were not allocated to us for any of the periods presented. Cash and cash equivalents in our Balance Sheets primarily represent cash held locally by international entities included in our Financial Statements. We reflect transfers of cash to and from Marriott International's domestic cash management system as a component of Net Parent Investment on the Balance Sheets. We have included debt incurred from our limited direct financing and subsequent to the adoption of the new Consolidation Standard, historical notes receivable securitizations, on our Balance Sheets, as this debt is specific to our business. Marriott International has not allocated a portion of its external Senior Debt, commercial paper and/or revolver interest cost, other than capitalized interest, to us since none of the external Senior Debt, commercial paper and/or revolver interest recorded by Marriott International is directly related to our business. We also have not included any interest expense for cash advances from Marriott International since historically Marriott International has not allocated any interest expense related to intercompany advances to any of the historical Marriott International businesses.

Marriott International maintains self-insurance programs at a corporate level. Marriott International allocated a portion of expenses associated with these programs to us as part of the historical costs for services Marriott International provided. Marriott International did not allocate any portion of the related reserves as these reserves represent obligations of Marriott International which are not transferable. See Footnote No. 19, "Related Party Transactions," for further description of our transactions with Marriott International.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates include, but are not limited to, revenue recognition, inventory valuation, property and equipment valuation, loan loss reserves, valuation of investments in ventures, residual interests valuation, Marriott Rewards customer loyalty program liabilities, equity-based compensation, income taxes, loss contingencies and restructuring charge reserves. Actual amounts may differ from these estimated amounts. For each of the periods presented, Marriott Vacations Worldwide was a subsidiary of Marriott International. The Financial Statements may not be indicative of our future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had we operated as an independent, publicly traded company during the periods presented.

Adoption of New Accounting Standard Resulting in Consolidation of Special Purpose Entities

On January 2, 2010, the first day of our 2010 fiscal year, we adopted the new Consolidation Standard.

We use certain special purpose entities to securitize notes receivable originated with the sale of vacation ownership products, which prior to our adoption of the new Consolidation Standard were treated as off-balance sheet entities. We retain the servicing rights and varying subordinated interests ("residual interests") in the securitized notes receivable. Pursuant to GAAP in effect prior to 2010, we did not consolidate these special purpose entities in our Financial Statements because the notes receivable securitization transactions were executed through qualified special purpose entities and qualified as sales of financial assets. As a result of adopting the new Consolidation Standard on the first day of 2010, we consolidated 13 existing qualifying special purpose entities associated with past notes receivable securitization transactions.

We recorded the cumulative effect of adopting this standard in 2010. This consisted primarily of re-establishing the notes receivable (net of reserves) that we had transferred to special purpose entities as a result of the notes receivable securitization transactions, eliminating residual interests that we initially recorded in connection with those transactions (and subsequently revalued on a periodic basis), the impact of recording debt obligations associated with third-party interests held in the special purpose entities, and related adjustments to inventory balances accounted for using the relative sales value method. Through application of the relative sales value method, we adjusted the projected revenues to include anticipated future revenue from the resale of inventory that we expect to reacquire when we foreclose on defaulted notes receivable, thus reducing the inventory balance.

Adopting the new Consolidation Standard had the following after-tax impact on our Balance Sheet at January 2, 2010:

($ in millions)	Implementation Impact
Assets	
Restricted cash	$ 49
Notes receivable	986
Inventory	100
Retained interests in notes receivable securitized	(267)
Other	107
Total Assets	$ 975
Liabilities	
Accounts payable	$ 5
Debt	(1,121)
Total Liabilities	(1,116)
Divisional Equity, net of tax	141
Total Liabilities and Divisional Equity	$ (975)

Adopting the new Consolidation Standard also impacted our 2010 Statement of Operations by increasing interest income (reflected in Financing revenues) from securitized notes receivable and increasing interest expense from consolidation of debt obligations, partially offset by the absence of accretion income on eliminated residual interests and gain on notes receivable that were ultimately securitized. We do not expect to recognize gains or losses from future securitizations of our notes receivable as a result of adopting this standard. The impact to our Cash Flows at January 2, 2010, as a result of adopting this standard was insignificant as the associated increases in assets and liabilities were primarily non-cash.

Revenue Recognition

Vacation Ownership

We market and sell real estate and in substance real estate in our four segments. Real estate and in substance real estate include deeded vacation ownership products, deeded beneficial interests, rights to use real estate, and other interests in trusts that only hold real estate and deeded whole ownership units in residential buildings. Within the Luxury segment, we also market and sell residential stand-alone structures at certain properties on a limited basis.

Our sales of vacation ownership products may be made for cash or we may provide financing. We do not provide financing on sales of whole ownership products. Except for revenue from the sale of residential stand-alone structures, which we recognize upon transfer of title to a third party, we recognize revenue when all of the following exist or are true: the customer has executed a binding sales contract, the statutory rescission period has

expired (after which time the purchasers are not entitled to a refund except for non-delivery by us), we have deemed the receivable collectible and the remainder of our obligations are substantially completed. In addition, before we recognize any revenues, the purchaser must have met the initial investment criteria and, as applicable, the continuing investment criteria. A purchaser has met the initial investment criteria when we receive a minimum downpayment. In accordance with the guidance for accounting for real estate time-sharing transactions, we must also take into consideration the fair value of certain incentives provided to the purchaser when assessing the adequacy of the purchaser's initial investment. In those cases where we provide financing to the purchaser, the purchaser must be obligated to remit monthly payments under financing contracts that represent the purchaser's continuing investment.

If construction of the purchased vacation ownership product is not complete, we apply the percentage-of-completion ("POC") method of accounting provided that the preliminary construction stage is complete and that a minimum sales level has been met (to assure that the property will not revert to a rental property). We deem the preliminary stage of development to be complete when the engineering and design work is complete, the construction contracts have been executed, the site has been cleared, prepared and excavated, and the building foundation is complete. We determine completion percentage by the proportion of inventory costs incurred to total estimated costs. We base these estimated costs on our historical experience, market conditions and the related contractual terms. The remaining revenues and related costs of sales, including commissions and direct expenses, are deferred and recognized as the remaining costs are incurred.

Financing Revenues

We offer consumer financing as an option to qualifying customers purchasing vacation ownership products, which is typically collateralized by the underlying vacation ownership products. We recognize interest income on an accrual basis. The contractual terms of the financing agreements require that the contractual level of annual principal payments be sufficient to amortize the loan over a customary period for the vacation ownership product being financed, which is generally ten years. Generally payments commence under the financing contracts 30 to 60 days after closing and upon receipt of a minimum downpayment of 10 percent. We record an estimate of uncollectible amounts at the time of the sale with a charge to the provision for loan losses, which we classify as a reduction of Sales of vacation ownership products on our Statements of Operations. Revisions to estimates of uncollectible amounts also impact the provision for loan losses and can increase or decrease revenue. We earn interest income from the financing arrangements on the principal balance outstanding over the life of the arrangement and record that interest income in Financing revenues on our Statements of Operations.

Rental Revenues

We record rental revenues when occupancy has occurred or, in the case of unused prepaid rentals, upon forfeiture.

Resort Management and Other Services Revenues

Resort management and other services revenues consist primarily of ancillary revenues and management fees. Ancillary revenues consist of goods and services that are sold or provided by us at restaurants, golf courses and other retail and service outlets located at developed resorts. We recognize ancillary revenue when goods have been provided and/or services have been rendered.

We provide day-to-day-management services, including housekeeping services, operation of a reservation system, maintenance and certain accounting and administrative services for property owners' associations. We receive compensation for such management services which is generally based on either a percentage of total costs to operate such resorts or a fixed fee arrangement. We recognize revenues when earned in accordance with the terms of the contract and record them as a component of Resort management and other services revenues on our Statements of Operations. Management fee revenues were $60 million, $56 million and $49 million during 2010, 2009 and 2008, respectively.

Fee Revenues

Both Financing revenues and Resort management and other services revenues include additional fees for services we provide to our property owners' associations, as well as certain annual and transaction based fees we charge to owners and other third parties for services. We recognize fee revenues when services have been rendered. Fee revenues included in Financing revenues were $7 million in 2010, $8 million in 2009 and $9 million in 2008 on our Statements of Operations. Fee revenues included in Resort management and other services revenues were $10 million in 2010, $5 million in 2009 and $2 million in 2008 on our Statements of Operations.

Cost Reimbursements

Cost reimbursements include direct and indirect costs that property owners' associations and joint ventures reimbursed to us. In accordance with the accounting guidance for gross versus net presentation, we record these revenues on a gross basis. These costs primarily consist of payroll and payroll related costs for management of the associations and other services we provide where we are the employer. We recognize cost reimbursements when we incur the related reimbursable costs. Cost reimbursements are based upon actual expenses with no added margin.

Inventory

Our inventory consists of completed vacation ownership product, vacation ownership product under construction and land held for future vacation ownership product development. We carry our inventory at the lower of (i) cost, including costs of improvements and amenities incurred subsequent to acquisition, capitalized interest, real estate taxes plus other costs incurred during construction, or (ii) estimated fair value, less costs to sell, which can result in impairment charges and/or recoveries of previous impairments.

We account for vacation ownership inventory and cost of vacation ownership products in accordance with time-sharing accounting standards, which define a specific application of the relative sales value method for reducing vacation ownership inventory and recording cost of sales as described in our policy for revenue recognition for vacation ownership products. Also, pursuant to time-sharing accounting standards, we do not reduce inventory for cost of vacation ownership products related to anticipated credit losses (accordingly, no adjustment is made when inventory is reacquired upon default of the related receivable). These standards provide for changes in estimates within the relative sales value calculations to be accounted for as real estate inventory true-ups which are recorded in Cost of vacation ownership expenses on the Statements of Operations to retrospectively adjust the margin previously recorded subject to those estimates. For 2010, 2009 and 2008, real estate true-ups relating to vacation ownership products increased carrying values of inventory by $6 million, $11 million and $39 million, respectively.

For residential real estate projects, we allocate costs to individual residences in the projects based on the relative estimated sales value of each residence in accordance with ASC 970, "*Real Estate—General*," which defines the accounting for costs of real estate projects. Under this method, we reduce the allocated cost of a unit from inventory and recognize that cost as cost of sales when we recognize the related sale. Changes in estimates within the relative sales value calculations for residential products (similar to condominiums) are accounted for as prospective adjustments to cost of sales.

Capitalization of Costs

We capitalize interest and certain salaries and related costs incurred in connection with the following: (1) development and construction of sales centers; (2) internally developed software; and (3) development and construction projects for our real estate inventory. We capitalize interest expense and costs clearly associated with the acquisition, development and construction of a real estate project when it is probable that we will

acquire a property or an option to acquire a property. We capitalize salary and related costs only to the extent they directly relate to the project. We capitalize taxes and insurance costs when activities that are necessary to get the property ready for its intended use are underway. We cease capitalization of costs during prolonged gaps in development when substantially all activities are suspended or when projects are considered substantially complete (e.g., typically three months after a project phase receives a certificate of occupancy). Capitalized salaries and related costs totaled $19 million, $28 million and $38 million for 2010, 2009 and 2008, respectively.

Defined Contribution Plan

Marriott International administers and maintains a defined contribution plan ("401(k)") for the benefit of all Marriott International employees meeting certain eligibility requirements who elect to participate in the plan. Contributions are determined based on a specified percentage of salary deferrals by participating employees. We recognized compensation expense (net of cost reimbursements from property owners' associations) for our participating employees totaling $6 million in 2010, $8 million in 2009 and $11 million in 2008.

Property and Equipment

Property and equipment includes our sales centers, golf courses, information technology and other assets used in our normal course of business, as well as land parcels that are not part of our approved development plan. We record property and equipment at cost, including interest and real estate taxes incurred during active development. We capitalize the cost of improvements that extend the useful life of property and equipment when incurred. These capitalized costs may include structural costs, equipment, fixtures, floor and decorative items and signage. We expense all repair and maintenance costs as incurred. We compute depreciation using the straight-line method over the estimated useful lives of the assets (three to 40 years), and we amortize leasehold improvements over the shorter of the asset life or lease term.

Marriott Rewards Customer Loyalty Program

We participate in the Marriott Rewards customer loyalty program and we offer points as incentives to purchase vacation ownership products and/or through exchange and other activities. Marriott International maintains and administers this program and points cannot be redeemed for cash.

Our liability represents the net present value of future cash outlays that we are obligated to pay to participating locations (*e.g.*, Marriott International lodging properties) based on actual point redemptions at those locations. We based the carrying value of this liability on a statistical model that projects the dollar value and timing of future point redemptions. The most significant estimates involved are the future cost of each 1,000 redeemed points, the breakage for points that will never be redeemed, and the pace at which points are redeemed. We based our estimates for these items on our historical experience, current trending and other considerations. Actual experience could differ from our projections so the actual discounted future cash outlays associated with our Marriott Rewards customer loyalty liability could differ from the amounts currently recorded. The associated expense is classified in the Statements of Operations based on the source of the expense and related revenue stream. See Footnote No. 12, "Other Liabilities," for more information.

Guarantees

We record a liability for the fair value of a guarantee on the date we issue or modify the guarantee. The offsetting entry depends on the circumstances in which the guarantee was issued. Funding under the guarantee reduces the recorded liability. On a quarterly basis, we evaluate all material estimated liabilities based on the operating results and the terms of the guarantee. If we conclude that it is probable that we will be required to fund a greater amount than previously estimated, we will record a loss.

Cash and Cash Equivalents

We consider all highly liquid investments with an initial maturity of three months or less at date of purchase to be cash equivalents.

Restricted Cash

Restricted cash primarily consists of cash held in a reserve account related to notes receivable securitizations; cash held internationally that we have not repatriated due to statutory, tax and currency risks; and deposits received, primarily associated with vacation ownership products and residential sales that are held in escrow until the associated contract has closed.

Accounts and Contracts Receivable

Accounts and contracts receivable are presented net of allowances of $1 million and $2 million at year-end 2010 and 2009, respectively.

Loan Loss Reserves

Vacation Ownership Notes Receivable

We record an estimate of expected uncollectibility on all notes receivable from vacation ownership purchasers as a reduction of revenues from the sales of vacation ownership products at the time we recognize profit on a vacation ownership product sale. We fully reserve all defaulted notes receivable in addition to recording a reserve on the estimated uncollectible portion of the remaining notes receivable. For those notes receivable not in default, we assess collectability based on pools of notes receivable because we hold large numbers of homogeneous vacation ownership notes receivable. We use the same criteria to estimate uncollectability for non-securitized notes receivable and securitized notes receivable because they perform similarly. We estimate uncollectibility for each pool based on historical activity for similar vacation ownership notes receivable.

Although we consider loans to owners to be past due if we do not receive payment within 30 days of the due date, we suspend accrual of interest only on those that are over 90 days past due. We consider loans over 150 days past due to be in default. We apply payments we receive for notes receivable on non-accrual status first to interest, then principal and any remainder to fees. We resume accruing interest when notes receivable are less than 90 days past due. We do not accept payments for notes receivable during the foreclosure process unless the amount is sufficient to pay all principal, interest, fees and penalties owed and fully reinstate the note. We write off uncollectible notes receivable against the reserve once we receive title of the vacation ownership products through the foreclosure or deed-in-lieu process or in Europe and Asia Pacific, when revocation is complete. At year-end 2010, we estimated an average remaining default rate of 9.25 percent for both non-securitized and securitized vacation ownership notes receivable. An increase of 0.5 percent in the estimated default rate would have resulted in an increase in our allowance for credit losses of $6 million.

For additional information on our notes receivable, including information on the related reserves, see Footnote No. 4, “Notes Receivable.”

Other Loans Receivable

On a regular basis, we individually assess other loans receivable for impairment. We use internally generated cash flow projections to determine if we expect the notes receivable will be repaid according to the terms of the loan agreements. If we conclude that a loan probably will not be repaid in accordance with the loan agreement, we consider the loan impaired and begin recognizing interest income on a cash basis. To measure impairment, we calculate the present value of expected future cash flows discounted at the loan’s original effective interest rate or the estimated fair value of the collateral. If the present value or the estimated value of collateral is less than the carrying value of the note receivable, we establish a specific impairment reserve for the difference.

It is our policy to charge off notes receivable that we believe will likely not be collected based on financial or other business indicators, including our historical experience, in the quarter we deem the note receivable to be uncollectible.

Costs Incurred to Sell Vacation Ownership Products

We charge the majority of marketing and sales costs we incur to sell vacation ownership products to expense when incurred. Deferred marketing and selling expenses, which are direct marketing and selling costs related either to an unclosed contract or a contract for which 100 percent of revenue has not yet been recognized, were $6 million at year-end 2010 and $5 million at year-end 2009 and are included in the accompanying Balance Sheets in the Other caption within Assets.

Valuation of Property and Equipment

Property and equipment includes our sales centers, golf courses, information technology and other assets used in our normal course of business, as well as land parcels that are not part of an approved development plan and do not meet the criteria to be classified as held for sale. We test long-lived asset groups for recoverability when changes in circumstances indicate the carrying value may not be recoverable, for example, when there are material adverse changes in projected revenues or expenses, significant underperformance relative to historical or projected operating results, and significant negative industry or economic trends. We also perform a test for recoverability when management has committed to a plan to sell or otherwise dispose of an asset group and we expect the plan will be completed within a year. We evaluate recoverability of an asset group by comparing its carrying value to the future net undiscounted cash flows that we expect will be generated by the asset group. If the comparison indicates that the carrying value of an asset group is not recoverable, we recognize an impairment loss for the excess of carrying value over the estimated fair value. When we recognize an impairment loss for assets to be held and used, we depreciate the adjusted carrying amount of those assets over their remaining useful life. Refer to Footnote No. 9, “Property and Equipment,” for additional information.

For information on impairment losses that we recorded associated with long lived assets, see Footnote No. 17, “Impairment Charges.”

Investments

We consolidate entities that we control. We account for investments in joint ventures using the equity method of accounting when we exercise significant influence over the venture. If we do not exercise significant influence, we account for the investment using the cost method of accounting. We account for investments in limited partnerships and limited liability companies using the equity method of accounting when we own more than a minimal investment. Our ownership interest in these equity method investments varies generally from 34 percent to 50 percent.

Valuation of Investments in Ventures

We evaluate an investment in a venture for impairment when circumstances indicate that the carrying value may not be recoverable, for example due to loan defaults, significant under-performance relative to historical or projected performance and significant negative industry or economic trends.

We impair investments we have accounted for using the equity and cost methods of accounting when we determine that there has been an “other than temporary” decline in the estimated fair value as compared to the carrying value, of the venture. Additionally, a change in business plans or strategies of a venture could cause us to evaluate the recoverability for the individual long-lived assets in the venture and possibly the venture itself.

We calculate the estimated fair value of an investment in a venture using the income approach. We use internally developed discounted cash flow models that include the following assumptions, among others: projections of revenues and expenses and related cash flows based on assumed long-term growth rates and

demand trends; expected future investments; and estimated discount rates. We base these assumptions on our historical data and experience, third-party appraisals, industry projections, micro and macro general economic condition projections, and our expectations.

For information regarding impairment losses that we recorded associated with investments in ventures, see Footnote No. 18, “Significant Investments.”

Fair Value Measurements

We have various financial instruments we must measure at fair value on a recurring basis, including certain marketable securities and derivatives Marriott International holds that are specific to our business. See Footnote No. 5, “Fair Value Measurements,” for further information. We also apply the provisions of fair value measurement to various non-recurring measurements for our financial and non-financial assets and liabilities.

The applicable accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). We measure our assets and liabilities using inputs from the following three levels of the fair value hierarchy:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access at the measurement date.

Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (*i.e.*, interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 includes unobservable inputs that reflect our assumptions about what factors market participants would use in pricing the asset or liability. We develop these inputs based on the best information available, including our own data.

Residual Interests

We periodically securitize notes receivable that we originate from the sale of vacation ownership products. We continue to service those notes receivable after securitization, transfer all proceeds collected to special purpose entities and retain servicing assets and other interests in the notes receivable. Before we adopted the new Consolidation Standard, we accounted for these residual interests as trading securities under the then-applicable standards for accounting for certain investments in debt and equity securities. At the dates of the notes receivable securitizations and at the end of each reporting period, we estimated the fair value of our residual interests using a Level 3 discounted cash flow model.

We historically measured our servicing assets using the fair value method. Under the fair value method, we carried servicing assets on the Balance Sheets at fair value and reported the changes in fair value, primarily due to changes in valuation inputs and assumptions and the collection or realization of expected cash flows, in the Financing revenues caption on our Statements of Operations in the period in which the change occurred.

As a result of our 2010 adoption of the new Consolidation Standard, we eliminated residual interests from our Balance Sheet. See the “Adoption of New Accounting Standard Resulting in Consolidation of Special Purpose Entities” caption of this footnote, Footnote No. 3, “Asset Securitizations,” and Footnote No. 5, “Fair Value Measurements,” for additional information.

Derivative Instruments

Marriott International uses a worldwide centralized approach to manage financial instruments to reduce its overall market risk due to changes in interest rates and currency exchange rates. Marriott International managed our exposure to these risks by monitoring available financing alternatives, as well as through development and application of credit granting policies. Marriott International also used derivative instruments, including cash flow hedges, net investment in non-U.S. operations hedges, fair value hedges, and other derivative instruments, as part of Marriott International's overall strategy to manage our exposure to market risks. As a matter of policy, Marriott International only enters into transactions that Marriott International believes will be highly effective at offsetting the underlying risk, and does not use derivatives for trading or speculative purposes. See Footnote No. 5, "Fair Value Measurements," for additional information about derivative instruments specific to our business.

The designation of a derivative instrument as a hedge and its ability to meet the hedge accounting criteria determines how the change in fair value of the derivative instrument is recorded in our Financial Statements. A derivative qualifies for hedge accounting if, at inception, Marriott International expects the derivative to be highly effective in offsetting the underlying hedged cash flows or fair value and Marriott International fulfills the hedge documentation standards at the time Marriott International enters into the derivative contract. Marriott International designates a hedge as a cash flow hedge, fair value hedge, or a net investment in non-U.S. operations hedge based on the exposure Marriott International is hedging. The asset or liability value of the derivative will change in tandem with its fair value. For the effective portion of qualifying hedges, Marriott International records changes in fair value in other comprehensive income ("OCI"). Marriott International releases the derivative's gain or loss from OCI to match the timing of the underlying hedged items' effect on earnings.

For the purposes of our Financial Statements, we allocate hedges related to our business that Marriott International transacted as of the balance sheet dates. Then, we mark-to-market the gains and losses on the allocated hedges, record the effective portion in OCI, and include the ineffective portion in Financing revenues within our Statements of Operations. For cash flow hedges specific to our business, we have recorded changes in fair value in OCI. We release the derivative's gain or loss from OCI to match the timing of the underlying hedge items' effect on earnings.

Non-U.S. Operations

The U.S. dollar is the functional currency of our combined entities operating in the United States. The functional currency for our combined entities operating outside of the United States is generally the currency of the economic environment in which the entity primarily generates and expends cash. For combined entities whose functional currency is not the U.S. dollar, we translate their financial statements into U.S. dollars. We translate assets and liabilities at the exchange rate in effect as of the financial statement date, and translate Statement of Operations accounts using the weighted average exchange rate for the period. We include translation adjustments from currency exchange and the effect of exchange rate changes on intercompany transactions of a long-term investment nature as a separate component of divisional equity. We report gains and losses from currency exchange rate changes related to intercompany receivables and payables that are not of a long-term investment nature, as well as gains and losses from non-U.S. currency transactions, currently in operating costs and expenses.

Restructuring

In the fourth quarter of 2008, we put company-wide cost-saving measures in place that constituted a restructuring plan and resulted in charges in 2008 and 2009. At year-end 2010, we had liabilities related to the plan, which relate primarily to the facilities exit costs associated with lease obligations. Adjustments to the restructuring liabilities are recorded as facts and circumstances impact our obligations. See Footnote No. 16, "Restructuring Costs and Other Charges," for more information.

Legal Contingencies

We are subject to various legal proceedings and claims, the outcomes of which are subject to significant uncertainty. We record an accrual for legal contingencies when we determine that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations we evaluate, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, our ability to make a reasonable estimate of the loss. We review these accruals each reporting period and make revisions based on changes in facts and circumstances.

Share-Based Compensation Costs

Certain of our employees participate in the Marriott International, Inc. Stock and Cash Incentive Plan (the "Marriott International Stock Plan") which compensates employees with stock options, stock appreciation rights ("SARs") and restricted stock units ("RSUs"). Our Statements of Operations include expenses related to our employees' participation in the Marriott International Stock Plan. We measure the amount of compensation cost for these share-based awards based on the fair value of the awards as of the date that the share-based awards are granted and adjust that cost to the estimated number of awards that we expect will vest. We generally determine the fair value of stock options and SARs using a binomial option pricing model which incorporates assumptions about expected volatility, risk free rate, dividend yield and expected term. The fair value of RSUs represents the number of awards granted multiplied by the average of the high and low market price of the Marriott International Class A Common Stock ("Marriott International common stock") on the date the awards are granted. For awards granted after 2005, we recognize compensation cost for share-based awards ratably over the vesting period. See Footnote No. 14, "Share-Based Compensation," for more information.

Until consummation of the spin-off, Marriott Vacations Worldwide will continue to participate in the Marriott International Stock Plan and record compensation expense based on the share-based awards granted to Marriott Vacations Worldwide employees. In accounting for these awards, we follow the provisions of ASC 718, "*Compensation—Stock Compensation*" ("ASC 718"), which requires that a company measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. Generally, share-based awards granted to employees vest ratably over a four-year period, and we recognize the cost associated with these awards in our Statements of Operations on a straight-line basis over the period during which an employee is required to provide service in exchange for the award. See Footnote No. 14, "Share-Based Compensation," for additional information on equity-based compensation.

Advertising Costs

We expensed advertising costs as incurred of $3 million, $4 million and $13 million in 2010, 2009 and 2008, respectively. These costs are included in the Marketing and sales expenses caption on our Statements of Operations.

Income Taxes

During the periods presented we did not file separate tax returns as we were included in the tax grouping of other Marriott International entities within the respective entity's tax jurisdiction. We have calculated the income tax provision included in these Financial Statements based on a separate return methodology, as if the entities were separate taxpayers in the respective jurisdictions. As a result, our deferred tax balances and effective tax rate as a stand-alone entity will likely differ significantly from those recognized in historical periods.

We record taxes payable or refundable for the current year, as well as deferred tax liabilities and assets for future tax consequences of events that we have recognized in our Financial Statements or tax returns. We use judgment in assessing future profitability and the likely future tax consequences of events that we have recognized in our Financial Statements or tax returns. We base our estimates of deferred tax assets and liabilities on current tax laws, rates and interpretations, and, in certain cases, business plans and other expectations about

future outcomes. We develop our estimates of future profitability based on our historical data and experience, industry projections, micro and macro general economic condition projections, and our expectations.

Changes in existing tax laws and rates, their related interpretations, and the uncertainty generated by the current economic environment may affect the amounts of deferred tax liabilities or the valuations of deferred tax assets over time. Our accounting for deferred tax consequences represents management's best estimate of future events that can be appropriately reflected in the accounting estimates.

For tax positions we have taken or expect to take in a tax return, we apply a more likely than not threshold, under which we must conclude a tax position is more likely than not to be sustained, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to continue to recognize the benefit. In determining our provision for income taxes, we use judgment, reflecting our estimates and assumptions, in applying the more likely than not threshold.

We do not maintain taxes payable to/from Marriott International and we deem that the annual current tax balances will be settled immediately with the legal tax paying entities in the respective jurisdictions. These deemed settlements are reflected as changes in Net Parent Investment.

For information about income taxes and deferred tax assets and liabilities, see Footnote No. 2, "Income Taxes."

New Accounting Standards

New Transfers of Financial Assets and Consolidation Standards

On the first day of 2010, we adopted ASU No. 2009-16, which amended Topic 860, "*Transfers and Servicing*," by: (1) eliminating the concept of a qualifying special-purpose entity ("QSPE"); (2) clarifying and amending the criteria for a transfer to be accounted for as a sale; (3) amending and clarifying the unit of account eligible for sale accounting; and (4) requiring that a transferor initially measure at fair value and recognize all assets obtained (for example beneficial interests) and liabilities incurred as a result of a transfer of an entire financial asset or group of financial assets accounted for as a sale. In addition, this topic required us to evaluate entities for consolidation that had been treated as QSPEs under previous accounting guidance. The topic also mandated that we supplement our disclosures about, among other things, our continuing involvement with transfers of financial assets we previously accounted for as sales, the inherent risks in our retained financial assets, and the nature and financial effect of restrictions on the assets that we continue to report in our Balance Sheets.

As previously discussed herein, we also adopted the new Consolidation Standard, ASU No. 2009-17, on the first day of 2010.

Accounting Standards Update No. 2009-13 "Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements" ("ASU No. 2009-13")

We adopted ASU No. 2009-13 in the 2010 third quarter as required by the guidance and applied it retrospectively to the first day of our fiscal year 2010. This topic addresses the accounting for multiple-deliverable arrangements (complex contracts or related contracts that require the separate delivery of multiple goods and/or services) by expanding the circumstances in which vendors may account for deliverables separately rather than as a combined unit. This update clarifies the guidance on how to separate such deliverables and how to measure and allocate consideration for these arrangements to one or more units of accounting. The previous guidance required a vendor to use vendor-specific objective evidence or third-party evidence of selling price to separate deliverables in multiple-deliverable arrangements. In addition to retaining this guidance in situations where vendor-specific objective evidence or third-party evidence is not available, ASU No. 2009-13 requires a vendor to allocate arrangement consideration to each deliverable in multiple-deliverable arrangements based on

each deliverable's relative selling price. Our adoption did not have a material impact on our Financial Statements, and we do not expect it will have a material effect on our Financial Statements in future periods.

Accounting Standards Update No. 2010-06 "Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements" ("ASU No. 2010-06")

We adopted certain provisions of ASU No. 2010-06 in the 2010 first quarter. Those provisions amended Subtopic 820-10, "*Fair Value Measurements and Disclosures—Overall*," by requiring additional disclosures for transfers in and out of Level 1 and Level 2 fair value measurements, as well as requiring fair value measurement disclosures for each "class" of assets and liabilities, a subset of the captions in our Balance Sheets. Our adoption did not have a material impact on our Financial Statements or disclosures, as we had no transfers between Level 1 and Level 2 fair value measurements and no material classes of assets and liabilities that required additional disclosure. See "Future Adoption of Accounting Standards" below for the provisions of this topic that apply to future periods.

Accounting Standards Update No. 2010-20 "Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses" ("ASU No. 2010-20")

We adopted ASU No. 2010-20 in the 2010 fourth quarter. This topic amends existing guidance by requiring more robust and disaggregated disclosures by an entity about the credit quality of its financing receivables and its allowance for credit losses. These disclosures provide financial statement users with additional information about the nature of credit risks inherent in our financing receivables, how we analyze and assess credit risk in determining our allowance for credit losses, and the reasons for any changes we may make in our allowance for credit losses. Our adoption of this update primarily resulted in increased notes receivable disclosures (see Footnote No. 4, "Notes Receivable"), but did not have any other impact on our Financial Statements.

Future Adoption of Accounting Standards

ASU No. 2010-06—Provisions Effective in the 2011 First Quarter

Certain provisions of ASU No. 2010-06 are effective for fiscal years beginning after December 15, 2010, which for us is our 2011 first quarter. Those provisions, which amended Subtopic 820-10, require us to present as separate line items all purchases, sales, issuances, and settlements of financial instruments valued using significant unobservable inputs (Level 3) in the reconciliation of fair value measurements, in contrast to the current aggregate presentation as a single line item. Although this has changed the appearance of our fair value reconciliations, the adoption has not had a material impact on our Financial Statements or disclosures.

ASU 2011-04—Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in GAAP and IFRS

In May 2011, the FASB issued ASU 2011-04, "*Fair Value Measurement*" ("ASU 2011-04"). ASU 2011-04 is intended to create consistency between GAAP and International Financial Reporting Standards ("IFRS") on the definition of fair value and on the guidance on how to measure fair value and on what to disclose about fair value measurements. ASU 2011-04 will be effective for financial statements issued for fiscal periods beginning after December 15, 2011, with early adoption prohibited for public entities. We are currently evaluating the impact ASU 2011-04 will have on our Financial Statements.

ASU 2011-05—Comprehensive Income (Topic 220)

In June 2011, the FASB issued ASU 2011-05, "Comprehensive Income" ("ASU 2011-05"). Prior to the issuance of ASU 2011-05, existing GAAP allowed three alternatives for presentation of other comprehensive income ("OCI") and its components in financial statements. ASU 2011-05 removes the option to present the components of OCI as part of the statement of changes in stockholders' equity. In addition, ASU 2011-05 requires consecutive presentation of the statement of operations and OCI and presentation of reclassification

adjustments on the face of the financial statements from OCI to net income. These changes apply to both annual and interim financial statements commencing, with retrospective application, for the fiscal periods beginning after December 15, 2011, with early adoption permitted. We are currently evaluating the impact that ASU 2011-05 will have on our Financial Statements.

2. INCOME TAXES

Our operating results have been included in Marriott International's combined U.S. federal and state income tax returns, as well as included in many of Marriott International's tax filings for non-U.S. jurisdictions. We have determined our provision for income taxes and our contribution to Marriott International's tax losses and tax credits on a separate return basis and included each in these Financial Statements. Our separate return basis tax loss and tax credit carry backs may not reflect the tax positions taken or to be taken by Marriott International. In many cases tax losses and tax credits generated by us have been available for use by Marriott International and will largely remain with Marriott International after the spin-off.

The deferred tax assets and related valuation allowances in these Financial Statements have been determined on a separate return basis. The assessment of the valuation allowances requires considerable judgment on the part of management, with respect to benefits that could be realized from future taxable income, as well as other positive and negative factors. We recorded valuation allowances against the deferred tax assets of certain foreign operations in Spain, U.S. Virgin Islands, France and Singapore. We established these valuation allowances for deferred tax assets due to restructuring and impairment charges incurred (see Footnote No. 16, "Restructuring Costs and Other Charges," and Footnote No. 17, "Impairment Charges"). The amounts of the valuation allowances established were less than $1 million in 2010, $18 million in 2009 and $9 million in 2008.

Our (provision for)/benefit from income taxes consists of:

($ in millions)		2010	2009	2008
Current	-U.S. Federal	$ 39	$ 17	$(43)
	-U.S. State	1	1	(7)
	-Non-U.S.	(9)	(3)	(3)
		31	15	(53)
Deferred	-U.S. Federal	(68)	169	18
	-U.S. State	(7)	33	3
	-Non-U.S.	(1)	14	7
		(76)	216	28
		$(45)	$231	$(25)

Our current tax provision does not reflect the benefits (costs) attributable to us for the exercise or vesting of employee share-based awards of $3 million in 2010, $(1) million in 2009 and $1 million in 2008.

We have made no provision for U.S. income taxes or additional non-U.S. taxes on the cumulative unremitted earnings of non-U.S. subsidiaries ($241 million as of year-end 2010) because we consider these earnings to be permanently invested. These earnings could become subject to additional taxes if remitted as dividends, loaned to us or a U.S. affiliate or if we sold our interests in the affiliates. We cannot practically estimate the amount of additional taxes that might be payable on the unremitted earnings.

We conduct business in countries that grant "holidays" from income taxes for 5- to 30- year periods. These holidays expire through 2034. Without these tax "holidays," we would have incurred the following aggregate income taxes: $5 million in 2010; $1 million in 2009; and $6 million in 2008.

Our total unrecognized tax benefits were $1 million at year-end 2010, $0 million at year-end 2009 and $0 million at year-end 2008. Our unrecognized tax benefit reflects the following 2010, 2009, and 2008 changes: in 2010 an increase of $1 million, and in 2008 a decrease of $1 million representing non-U.S. audit activity.

As a large taxpayer, Marriott International is under continual audit by the IRS and other taxing authorities. Although we do not anticipate that a significant impact to our unrecognized tax benefit balance will occur during the next 52 weeks as a result of these audits, it remains possible that the amount of our liability for unrecognized tax benefits could change over that time period.

Our unrecognized tax benefit balances included $1 million at year-end 2010, $0 million at year-end 2009, and $0 million at year-end 2008 of tax positions that, if recognized, would impact our effective tax rate.

In accordance with our accounting policies, we recognize accrued interest and penalties related to our unrecognized tax benefits as a component of tax expense. Related interest expense and accrued interest expense each totaled less than $1 million in each of 2010, 2009 and 2008.

Deferred Income Taxes

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases, as well as from net operating loss and tax credit carry-forwards. We state those balances at the enacted tax rates we expect will be in effect when we actually pay or recover taxes. Deferred income tax assets represent amounts available to reduce income taxes we will pay on taxable income in future years. We evaluate our ability to realize these future tax deductions and credits by assessing whether we expect to have sufficient future taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies to utilize these future deductions and credits. We establish a valuation allowance when we no longer consider it more likely than not that a deferred tax asset will be realized.

Total deferred tax assets and liabilities as of year-end 2010 and year-end 2009, were as follows:

($ in millions)	2010	2009
Deferred tax assets	$353	$332
Deferred tax liabilities	(20)	(14)
Net deferred taxes	$333	$318

The tax effect of each type of temporary difference and carry-forward that gives rise to a significant portion of our deferred tax assets and liabilities as of year-end 2010 and year-end 2009, were as follows:

($ in millions)	2010	2009
Employee benefits	$ 37	$ 38
Inventory	92	142
Reserves	91	52
Deferred income	6	18
Property and equipment	16	12
Vacation Ownership financing	0	(27)
Frequent customer loyalty program	61	72
Joint venture interests	13	20
Net operating loss carry-forwards	51	36
Other, net	6	(2)
Deferred taxes	373	361
Less: valuation allowance	(40)	(43)
Net deferred taxes	$333	$318

We recorded $14 million of net operating loss benefits in 2010 and $2 million in 2009. At year-end 2010, we had approximately $291 million of tax net operating losses (excluding valuation allowances), of which $192 million expire through 2030.

Reconciliation of U.S. Federal Statutory Income Tax Rate to Actual Income Tax Rate

The following table reconciles the U.S. statutory tax rate to our effective income tax rate for continuing operations:

	2010	2009	2008
U.S. statutory tax rate	35.00%	(35.00)%	35.00%
U.S. state income taxes, net of U.S. federal tax benefit	3.07	(2.88)	30.20
Nondeductible expenses	0.05	0.01	1.54
Non-U.S. income	0.39	4.78	29.24
Noncontrolling interest	—	0.51	91.94
Audit activity	1.22	0.00	(13.02)
Change in valuation allowance	0.33	2.39	94.62
Effective rate	40.06%	(30.19)%	269.52%

Cash taxes are included within changes in Net Parent Investment.

3. ASSET SECURITIZATIONS

We periodically securitize, without recourse, through bankruptcy-remote special purpose entities, notes receivable originated in connection with the sale of vacation ownership products. Generally, in order for a vacation ownership note receivable to be eligible for securitization, the note receivable must be associated with a North America or Luxury segment project, the loan must not be delinquent, the purchaser must have made a down-payment of at least 10 percent of the purchase price and made at least one payment on the loan, and the borrower must have a FICO score of greater than 600. We continue to service the notes receivable and transfer all proceeds collected to special purpose entities. We retain servicing agreements and other interests in the notes receivable. The executed transactions typically include minimal cash reserves established at time of notes receivable securitization as well as default and delinquency triggers, which we monitor on a monthly basis. We may also voluntarily repurchase defaulted notes receivable (over 150 days past due). As a result of our adoption of the new Consolidation Standard, we no longer account for notes receivable securitizations as sales, and therefore, we did not recognize gains or losses on the 2010 notes receivable securitization, nor do we expect to recognize gains or losses on future notes receivable securitizations. See Footnote No. 1, “Summary of Significant Accounting Policies,” for additional information on the impact of our 2010 first quarter adoption of the new Consolidation Standard on our notes receivable securitizations, including the elimination of residual interests.

The following table shows cash flows between us and bondholders during 2009 and 2008. In 2010, we consolidated the entities that facilitate our notes receivable securitizations. See Footnote No. 15, “Variable Interest Entities,” for further discussion of the impact of our involvement with these entities on our financial position, financial performance and cash flows for 2010.

($ in millions)	2009	2008
Net proceeds from vacation ownership notes receivable securitizations	$349	$237
Voluntary repurchases of defaulted notes receivable (over 150 days overdue)	(81)	(56)
Servicing fees received	6	6
Cash flows received from our retained interests in notes receivable	75	96
Securitization collections, net of repurchases	$349	$283

The following table provides additional information pertaining to our historical notes receivable securitization transactions:

($ in millions)	2010	2009	2008
Securitized notes receivable[1][2]	$229	$664	$300
Trust bonds payable issued[2]	$218	$522	$246
Gain from securitization included in Financing revenues in our Statement of Operations	$—	$ 37	$ 16

(1) Originated in connection with sale of vacation ownership products.
(2) Securitized notes receivable and bonds payable issued in 2009 resulted from two securitizations that occurred in the first and fourth quarters, the latter of which included the simultaneous repayment of the first quarter transaction bonds of $218 and ultimately resecuritized the underlying collateral that was securitized in the first quarter.

4. NOTES RECEIVABLE

As discussed in Footnote No. 1, “Summary of Significant Accounting Policies,” on the first day of the 2010 fiscal year, we consolidated certain entities associated with past notes receivable securitization transactions. Prior to 2010, we were not required to consolidate the special purpose entities utilized to securitize the notes receivable.

The following table shows the composition of our vacation ownership notes receivable balances, net of reserves:

($ in millions)	At Year-End 2010	At Year-End 2009
Vacation ownership notes receivable—securitized	$ 1,029	$ —
Vacation ownership notes receivable—non-securitized	225	414
Total vacation ownership notes receivable	$ 1,254	$ 414

The following tables show future principal payments, net of reserves, as well as interest rates for our securitized and non-securitized vacation ownership notes receivable.

Vacation Ownership Notes Receivable Principal Payments, net of reserves, and Interest Rates

($ in millions)	Non-Securitized Vacation Ownerships Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
2011	$ 55	$ 118	$ 173
2012	28	123	151
2013	24	130	154
2014	20	131	151
2015	19	126	145
Thereafter	79	401	480
Balance at year-end 2010	$ 225	$ 1,029	$ 1,254
Weighted average interest rate at year-end 2010	11.8%	13.1%	12.8%
Range of stated interest rates at year-end 2010	0.0 to 19.5%	5.2 to 19.5%	0.0 to 19.5%

We reflect interest income associated with vacation ownership notes receivable of $179 million, $46 million, and $68 million for 2010, 2009 and 2008, respectively, in our Statements of Operations in the Financing revenues caption. Of the $179 million of interest income we recognized from these loans in 2010, $139 million

was associated with securitized notes receivable and $40 million was associated with non-securitized notes receivable, while the interest income recognized in 2009 and 2008 related solely to non-securitized notes receivable.

The following table summarizes the activity related to our vacation ownership notes receivable reserve for 2010, 2009 and 2008:

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable Reserve	Securitized Vacation Ownership Notes Receivable Reserve	Total
Balance at year-end 2007	$ 19	$ —	$ 19
Additions for current year vacation ownership product sales	49	—	49
Reductions for securitizations	(13)	—	(13)
Write-offs	(20)	—	(20)
Balance at year-end 2008	35	—	35
Additions for current year vacation ownership product sales	30	—	30
Reductions for securitizations	(25)	—	(25)
Write-offs	(13)	—	(13)
Balance at year-end 2009	27	—	27
One-time impact of the new Consolidation Standard[1]	84	134	218
Additions for current year vacation ownership product sales	32	—	32
Additions for new securitizations, net of clean-up call[2]	(18)	18	—
Write-offs	(79)	—	(79)
Defaulted notes receivable repurchase activity[3]	68	(68)	—
Other[4]	15	5	20
Balance at year-end 2010	$ 129	$ 89	$218

(1) The non-securitized notes receivable reserve relates to the implementation of the new Consolidation Standard, which required us to establish reserves for certain previously securitized and subsequently repurchased notes held at January 2, 2010.
(2) Clean-up call refers to our voluntary repurchase of $25 million of previously securitized non-defaulted notes receivable to retire a previous notes receivable securitization from 2002.
(3) Decrease in securitized reserve and increase in non-securitized reserve was attributable to the transfer of the reserve when we repurchased the notes.
(4) Consists of static pool and default rate assumption changes.

The following table shows our recorded investment in nonaccrual notes receivable, which are notes receivable that are 90 days or more past due. As noted in Footnote No. 1, “Summary of Significant Accounting Policies,” we recognize interest income on a cash basis for these notes receivable.

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
Investment in notes receivable on nonaccrual status at year-end 2010	$ 113	$ 15	$128
Investment in notes receivable on nonaccrual status at year-end 2009	$ 113	$ —	$113

The following table shows the aging of the recorded investment in principal, before reserves, in vacation ownership notes receivable.

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
31–90 days past due	$ 12	$ 26	$ 38
91–150 days past due	9	15	24
Greater than 150 days past due	104	—	104
Total past due	125	41	166
Current	229	1,077	1,306
Total vacation ownership notes receivable	$ 354	$ 1,118	$1,472

5. FAIR VALUE MEASUREMENTS

The guidance for fair value measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The guidance outlines a valuation framework, creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures, and details the disclosures that are required for items measured at fair value.

We have various financial instruments we must measure at fair value on a recurring basis, including certain derivatives and residual interests related to our notes receivable securitizations. We also apply the provisions of fair value measurement to various non-recurring measurements for our financial and non-financial assets. See Footnote No. 16, “Restructuring Costs and Other Charges,” and Footnote No. 17, “Impairment Charges,” for further information.

The following table summarizes the changes in fair value of our Level 3 assets and liabilities that we measure at fair value on a recurring basis:

	Fair Value Measurements of Assets and Liabilities Using Level 3 Inputs	
($ in millions)	Servicing Assets and Other Residual Interests	Derivative Instruments
Balance at beginning of 2008	$ 239	$ (6)
Included in earnings (or changes in net assets)	(9)	(26)
Included in other comprehensive income	—	7
Transfers in or out of Level 3	—	—
Purchases, sales, issuances, and settlements	(8)	10
Total losses (realized or unrealized)	(17)	(9)
Ending balance at 2008	222	(15)
Included in earnings (or changes in net assets)	18	—
Transfers in or out of Level 3	—	—
Purchases, sales, issuances, and settlements	(26)	14
Total (losses) gains (realized or unrealized)	(8)	14
Ending balance at 2009	214	(1)
Included in earnings (or changes in net assets)	—	—
Included in other comprehensive income	—	—
Transfers in or out of Level 3	—	—
Purchases, sales, issuances, and settlements	—	—
Elimination in connection with implementation of the new Consolidation Standard	(214)	—
Total losses (realized or unrealized)	(214)	—
Ending balance at 2010	$ —	$ (1)

Servicing Assets and Other Residual Interests

As discussed in more detail in Footnote No. 3, "Asset Securitizations," we periodically securitize notes receivable we originate in connection with vacation ownership product sales. We continue to service the notes receivable after the securitization, and we retain servicing assets and other interests in the notes receivable. Before 2010, we accounted for these assets and interests as residual interests. At the date of each notes receivable securitization and at the end of each reporting period, we estimated the fair value of our residual interests using a discounted cash flow model.

The most significant estimate we used in the measurement process for retained interests was the discount rate, followed by the default rate and the loan prepayment rate. We estimated these rates based on management's expectations of future prepayment rates and default rates, reflecting our historical experience, industry trends, current market interest rates, expected future interest rates and other considerations. We based the discount rates we used in determining the fair values of our residual interests on the volatility characteristics (*i.e.*, defaults and prepayments) of the residual interests and our estimate of discount rates used by other market participants.

As noted in the "Residual Interests" caption of Footnote No. 1, "Summary of Significant Accounting Policies," prior to 2010 we treated the residual interests, including servicing assets, as trading securities under the provisions of accounting for certain investments in debt and equity securities. During 2009 and 2008, we recorded trading gains of $18 million and losses of $9 million, respectively, within the Financing revenues on our Statements of Operations.

During 2009 and 2008, we used the following key assumptions to measure, at the date of notes receivable securitization, the fair value of the residual interests, including servicing assets:

	2009	2008
Average discount rates	12.53%	9.23%
Average expected annual prepayments, including defaults	19.46%	24.01%
Expected weighted average life of prepayable notes receivable, excluding prepayments and defaults	72 months	76 months
Expected weighted average life of prepayable notes receivable, including prepayments and defaults	38 months	35 months

We based our key assumptions on our experience with notes receivable and servicing assets.

We used the following key assumptions in measuring the fair value of the residual interests, including servicing assets, in our 13 outstanding notes receivable securitizations at year-end 2009: an average discount rate of 16.06 percent; an average expected annual prepayment rate, including defaults, of 15.58 percent; an expected weighted average life of prepayable notes receivable, excluding prepayments and defaults, of 57 months; and an expected weighted average life of prepayable notes receivable, including prepayments and defaults, of 37 months.

We completed a stress test on the fair value of the residual interests, including servicing assets, as of year-end 2009 to measure the change in value associated with independent changes in individual key variables. This methodology applied unfavorable changes that would be statistically significant for the key variables of prepayment rate, discount rate, and weighted average remaining term. Before we applied any of these stress test changes, we determined that the fair value of the residual interests, including servicing assets and excluding $53 million of notes receivable that we retained full risk and rewards of cash flows for, was $214 million at year-end 2009.

Applying the stress tests, we concluded that each change to a variable shown in the table below would have the following impact on the valuation of our residual interests as of year-end 2009:

($ in millions)	Decrease in Valuation	Percentage Decrease
100 basis point increase in the prepayment rate	$ 6	2.6%
200 basis point increase in the prepayment rate	12	5.4%
100 basis point increase in the discount rate	5	2.3%
200 basis point increase in the discount rate	10	4.6%
Two month decline in the weighted average remaining term	2	0.9%
Four month decline in the weighted average remaining term	4	1.7%

For our first quarter and fourth quarter 2009 notes receivable securitizations, on the date of transfer we recorded notes receivable for which we retained full risks and rewards of cash flows, after the transfer at a fair value of $81 million and $58 million, respectively. We used a discounted cash flow model, including Level 3 inputs, to determine the fair value of notes receivable we effectively owned after the transfer. We based the discount rate we used in determining the fair value on the methodology described earlier in this footnote. Other assumptions, such as default and prepayment rates, are consistent with those used in determining the fair value of our residual interests. For additional information, see Footnote No. 3, “Asset Securitizations.”

Derivative Liabilities

We also use financial instruments to reduce our overall exposure to the changes in interest rates. All hedge transactions are executed by Marriott International. Historically, Marriott International managed our exposure on a combined basis with exposures of all other Marriott International businesses. We are required to carry our derivative assets and liabilities at fair value. At year-end 2010 and 2009, we had derivative instruments in a liability position of $1 million in the Other caption within the Liabilities section of our Balance Sheets which we valued using Level 3 inputs. We value our Level 3 input derivatives using valuations that we calibrate to the initial trade prices, with subsequent valuations based on unobservable inputs to the valuation model, including interest rates and volatilities.

During 2008, we entered into eleven interest rate swaps to manage interest rate risk associated with forecasted notes receivable securitizations. These swaps were designated as cash flow hedges under the guidance for derivatives and hedging. We terminated nine of the eleven swaps in 2008. The remaining two swaps became ineffective and we recognized a $13 million loss in Financing revenues on our full-year 2008 Statement of Operations and no longer accounted for them as cash flow hedges. We terminated these swaps in the first quarter of 2009 and recognized no additional material gain or loss.

6. FINANCIAL INSTRUMENTS

The following table shows the carrying values and the fair values of financial assets and liabilities that qualify as financial instruments, determined in accordance with current guidance for disclosures on the fair value of financial instruments:

	At Year-End 2010		At Year-End 2009	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable—securitized	$ 1,029	$ 1,219	$ —	$ —
Vacation ownership notes receivable—non-securitized	225	231	414	424
Related party notes receivable	20	20	28	28
Residual interests and effectively owned notes receivable	—	—	267	267
Restricted cash	66	66	34	34
Total financial assets	$ 1,340	$ 1,536	$ 743	$ 753
Non-recourse debt associated with securitized notes receivable	$(1,017)	$ (1,047)	$ —	$ —
Other debt	(5)	(5)	(59)	(59)
Other liabilities	(30)	(26)	(33)	(24)
Total financial liabilities	$(1,052)	$ (1,078)	$ (92)	$ (83)

Vacation Ownership Notes Receivable

We estimate the fair value of our securitized notes receivable using a discounted cash flow model. We believe this is comparable to the model that an independent third party would use in the current market. Our model uses default rates, prepayment rates, coupon rates and loan terms for our securitized notes receivable portfolio as key drivers of risk and relative value, that when applied in combination with pricing parameters, determines the fair value of the underlying notes receivable.

We bifurcate our non-securitized notes receivable into two pools as follows:

	At Year-End 2010		At Year-End 2009	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable-eligible for securitization.	$ 47	$ 53	$ 126	$ 136
Vacation ownership notes receivable-not eligible for securitization	178	178	288	288
Total financial assets	$ 225	$ 231	$ 414	$ 424

We estimate the fair value of a portion of our non-securitized notes receivable that we believe will ultimately be securitized in the same manner as securitized notes receivable. We value the remaining non-securitized notes receivable at their carrying value, rather than using our pricing model. We believe that the carrying value of these particular notes receivable approximates fair value because the stated interest rates of these loans are consistent with current market rates and the reserve for these notes receivable appropriately accounts for risks in default rates, prepayment rates and loan terms.

Other Notes Receivable

We estimate the fair value of our other notes receivable by discounting cash flows using risk-adjusted rates.

Non-Recourse Debt Associated with Securitized Notes Receivable

We internally generate cash flow estimates by modeling all bond tranches for our active notes receivable securitization transactions, with consideration for the collateral specific to each tranche. The key drivers in our analysis include default rates, prepayment rates, bond interest rates and other structural factors, which we use to estimate the projected cash flows. In order to estimate market credit spreads by rating, we reviewed market spreads from vacation ownership notes receivable securitizations and other asset-backed transactions that occurred in the market during 2010 and 2009. We then applied those estimated market spreads to swap rates in order to estimate an underlying discount rate for calculating the fair value of the active bonds payable.

Other Liabilities

We estimate the fair value of our other liabilities that are financial instruments using expected future payments discounted at risk-adjusted rates. These liabilities represent guarantee costs and reserves and deposit liabilities. The carrying values of our guarantee costs and reserves approximate their fair values. We estimate the fair value of our deposit liabilities primarily by discounting future payments at a risk-adjusted rate.

7. ACQUISITIONS AND DISPOSITIONS

2010 Acquisitions and Dispositions

In 2010, we acquired vacation ownership units for sale in our Luxury segment for cash consideration of $111 million, which included a deposit of $11 million paid in 2009.

In 2010, we sold one operating hotel, classified within property and equipment within our Asia Pacific segment, that we acquired for conversion to vacation ownership products. Net cash proceeds totaled $38 million and we recorded a net gain of $21 million in Gains and other income on our Statements of Operations. We accounted for the sale under the full accrual method in accordance with accounting for sales of real estate.

2009 Acquisitions and Dispositions

We made no significant acquisitions or dispositions in 2009.

2008 Acquisitions and Dispositions

In 2008, within our Luxury segment, we owned 50 percent of the equity of a venture that developed vacation ownership and residential products, and we acquired the remainder of the equity as well as land and other assets from our joint venture partner for $42 million. We acquired assets and assumed liabilities of $80 million and $38 million, respectively.

Within our North America segment, we acquired two land parcels for future development for cash consideration of $15 million and $47 million, respectively.

Within our Asia Pacific segment, we acquired built units for cash consideration and assumed liabilities of $39 million and $24 million, respectively and we acquired other units for cash consideration of $14 million. Additionally, we acquired a hotel for conversion to vacation ownership products for $27 million, which was disposed of in 2010.

We made no significant dispositions in 2008.

8. INVENTORY

The following table shows the composition of our inventory balances:

($ in millions)	At Year-End 2010	At Year-End 2009
Finished goods	$ 652	$ 761
Work-in-progress	203	267
Land and infrastructure	551	341
Real estate inventory	1,406	1,369
Operating supplies and retail inventory	6	8
	$1,412	$1,377

Interest capitalized as a cost of inventory totaled $3 million, $19 million and $25 million in 2010, 2009 and 2008, respectively.

We value vacation ownership and residential products at the lower of cost or fair market value less costs to sell, in accordance with applicable accounting guidance, and we record operating supplies at the lower of cost (using the first-in, first-out method) or market.

Weak economic conditions in the United States, Europe and much of the rest of the world, instability in the financial markets following the 2008 worldwide financial crisis and weak consumer confidence all contributed to a difficult business environment and resulted in weaker demand for our products, in particular our residential products, but also to a lesser extent our vacation ownership products. Accordingly, we have recorded inventory impairments and related reversals since that time. See Footnote No. 17, “Impairment Charges,” for additional information.

9. PROPERTY AND EQUIPMENT

The following table details the composition of our property and equipment balances:

($ in millions)	At Year-End 2010	At Year-End 2009
Land	$ 148	$ 165
Buildings and leasehold improvements	219	233
Furniture and equipment	261	250
Construction in progress	18	16
	646	664
Accumulated depreciation	(336)	(306)
	$ 310	$ 358

Interest capitalized as a cost of property and equipment totaled less than $1 million in each of 2010, 2009 and 2008. Depreciation expense totaled $35 million in 2010, $42 million in 2009 and $44 million in 2008.

10. CONTINGENCIES AND COMMITMENTS

See Footnote No. 18, “Significant Investments,” for commitments and contingencies relating to one equity method investment.

Guarantees

We issue guarantees to certain lenders in connection with the provision of third-party financing for our sales of vacation ownership products for the Luxury and Asia Pacific segments. The terms of guarantees to lenders generally require us to fund if the purchaser fails to pay under the term of its note payable. Marriott International has guaranteed our performance under these arrangements. We are entitled to recover any funding to third-party lenders related to these guarantees through reacquisition and resale of the vacation ownership product. Our commitments under these guarantees expire as notes mature or are repaid and the terms of the underlying notes extend to 2020.

The following table shows the maximum potential amount of future fundings for financing guarantees where we are the primary obligor and the carrying amount of the liability for expected future fundings.

($ in millions)	Maximum Potential Amount of Future Fundings at Year-End 2010	Liability for Expected Future Fundings at Year-End 2010
Segment		
Asia Pacific	$ 24	$ —
Luxury	3	1
Total guarantees where we are the primary obligor	$ 27	$ 1

We included our liability for expected future fundings of the financing guarantees at year-end 2010 in our Balance Sheets in the Other caption within Liabilities.

In addition to the guarantees we describe in the preceding paragraphs, in conjunction with financing obtained for specific projects or properties owned by joint ventures in which we are a party, we may provide industry standard indemnifications to the lender for loss, liability or damage occurring as a result of the actions of the other joint venture owner or our own actions.

Commitments and Letters of Credit

In addition to the guarantees we note in the preceding paragraphs, as of year-end 2010, we had the following commitments outstanding:

- A commitment for $18 million (HK$141 million) to purchase vacation ownership units upon completion of construction for sale in our Asia Pacific segment. We have already made deposits of $11 million in conjunction with this commitment. We expect to pay the remaining $7 million upon acquisition of the units in 2011.
- $4 million (€3 million) of other purchase commitments that we expect to fund over the next four years, as follows: $1 million in each of 2011, 2012, 2013 and 2014.
- We have various contracts for the use of information technology hardware and software that we use in the normal course of business. Our commitments are $5 million in each of 2011 and 2012.
- Commitments to subsidize vacation ownership associations were $12 million which we expect will be paid in 2011.

Surety bonds guaranteed by Marriott International issued as of year-end 2010 totaled $109 million, the majority of which were requested by federal, state or local governments related to our operations.

At year-end 2010, we had $31 million of letters of credit outstanding under Marriott International credit facilities, the majority of which related to our Asia Pacific consumer financing guarantee.

Other

We estimate the cash outflow associated with completing the phases of our existing portfolio of vacation ownership projects currently under development will be approximately $206 million of which $15 million is included within liabilities on our Balance Sheet. This estimate is based on our current development plans, which remain subject to change, and we expect the phases currently under development will be completed by 2016.

Leases

We have various land, real estate and equipment operating leases. The land leases primarily consist of two long-term golf course land leases with terms of 20 and 50 years. The other operating leases are primarily for office and retail space as well as equipment supporting our operations, and have lease terms of between 3 and 10 years. We have summarized our future obligations under operating leases at year-end 2010, below:

($ in millions) Fiscal Year	Golf Land Leases	Other Operating	Total
2011	$ 1	$ 15	$ 16
2012	1	10	11
2013	1	8	9
2014	1	2	3
2015	1	2	3
Thereafter	34	2	36
Total minimum lease payments	$ 39	$ 39	$ 78

Certain of these leases provide for minimum rentals and additional rentals based on our operations of the leased property. The total minimum lease payments above exclude approximately $20 million in future lease payments which have been accrued on the Balance Sheets as part of historical restructuring charges. The future lease payments accrued as restructuring charges are expected to be paid as follows: $7 million in 2011, $6 million in 2012, $5 million in 2013 and $2 million in 2014.

The following table details the composition of rent expense associated with operating leases, net of sublease income, for the last three years:

($ in millions)	2010	2009	2008
Minimum rentals	$11	$24	$35
Additional rentals	6	6	14
	$17	$30	$49

11. DEBT

As discussed in Footnote No. 1, “Summary of Significant Accounting Policies,” Marriott International uses a centralized approach to U.S. domestic cash management and financing of its operations, excluding debt specifically incurred through the securitization of notes receivable and our acquisition specific financing. On the first day of the 2010 fiscal year we consolidated certain previously unconsolidated entities associated with past notes receivable securitization transactions (and later in 2010 we consolidated the special purpose entity associated with our 2010 notes receivable securitization), resulting in consolidation of the related debt obligations.

The following table provides detail on our debt balances:

($ in millions)	At Year-End 2010	At Year-End 2009
Non-recourse debt associated with securitized notes receivable, interest rates ranging from 0.31% to 7.20% (weighted average interest rate of 4.96%)	$1,017	$ —
Other	5	59
	$1,022	$ 59

The non-recourse debt associated with securitized notes receivable was, and to the extent currently outstanding is, secured by the related notes receivable. All of our other debt was, and to the extent currently outstanding is, recourse to us but unsecured.

Each of our securitized notes receivable pools contain various triggers relating to the performance of the underlying notes receivable. If a pool of securitized notes receivable fails to perform within the pool's established parameters (default or delinquency thresholds vary by deal), transaction provisions effectively redirect the monthly excess spread we would otherwise receive from that pool (related to the interests we retained) to accelerate the principal payments to investors based on the subordination of the different tranches until the performance trigger is cured. In 2010, seven of our securitized notes receivable pools reached performance triggers in different months throughout the year as a result of increased defaults. As of year-end 2010, performance had improved sufficiently in six of the seven notes receivable pools that were not meeting performance thresholds during some portion of 2010 to cure the performance triggers. For 2010 and 2009, approximately $6 million and $17 million, respectively, of cash flows were redirected as a result of reaching the performance triggers for those years. None of our pools experienced performance triggers in 2008, so no cash flow was redirected during that year. At year-end 2010, we had 13 securitized notes receivable pools outstanding.

The following table shows scheduled future principal payments for our non-recourse debt associated with securitizations and other debt.

($ in millions) Debt Principal Payments	Non-Recourse Debt	Other Debt	Total
2011	$ 126	$ 2	$ 128
2012	131	—	131
2013	138	—	138
2014	139	—	139
2015	134	—	134
Thereafter	349	3	352
Balance at year-end 2010	$ 1,017	$ 5	$1,022

As the contractual terms of the underlying securitized notes receivable determine the maturities of the non-recourse debt associated with them, actual maturities may occur earlier than shown above due to prepayments by the notes receivable obligors.

We paid cash for interest, net of amounts capitalized, of $54 million in 2010, and less than $1 million in 2009 and 2008.

12. OTHER LIABILITIES

Liability for Marriott Rewards Customer Loyalty Program

We participate in the Marriott Rewards customer loyalty program. Program members earn Marriott Rewards Points based on their purchases of vacation ownership products and/or through exchange and other activities, as well as through hotel stays and other activities that are not related to our business. Points are tracked on members' behalf and can be redeemed for stays at most of Marriott International's lodging properties, airline tickets, airline frequent flyer program miles, rental cars and a variety of other awards; however, points cannot be redeemed for cash. As members earn points through our business, we record an accrual for amounts that we expect will, in the aggregate, equal the costs of point redemptions and our portion of program operating costs over time.

Historically, we have determined the carrying value of the future redemption obligation based on statistical formulas that project timing of future point redemption based on historical levels, including estimates of the points that will eventually be redeemed and the "breakage" for points that will never be redeemed. These judgment factors determine the required liability for outstanding points. The liability is relieved upon redemption of points by program members. Our Marriott Rewards customer loyalty program's liability totaled $220 million at year-end 2010 and $255 million at year-end 2009.

We completed a stress test on the carrying value of our Marriott Rewards customer loyalty liability to measure the change in obligation associated with independent changes in key estimates as described in Footnote No. 1, "Summary of Significant Accounting Policies." We applied this methodology to unfavorable changes that would be statistically significant and we concluded that each change to a variable shown in the table below would have the following impact on the valuation of our customer loyalty liability at year-end 2010:

($ in millions)	
5 percent change in the cost per point	$10
10 percent change in the cost per point	$21
100 basis point change in the breakage rate	$ 9
200 basis point change in the breakage rate	$18

Although we did not specifically perform stress tests on the redemption curve because it is difficult to isolate a single quantitative measure to perform such a test against, changes in the redemption curve could also have an impact on the valuation of our Marriott Rewards customer loyalty program liability.

Deferred Compensation Liability

Certain of our senior management have the opportunity to supplement their retirement and other tax-deferred savings under the Marriott International, Inc. Executive Deferred Compensation Plan ("Marriott International EDC"), which Marriott International maintains and administers. Under the Marriott International EDC, participating employees may defer payment and income taxation of a portion of their salary and bonus. The plan also gives participants the opportunity for long-term capital appreciation by crediting their accounts with notional earnings (at a fixed annual rate of return of 5.5% for 2010 and 5.5% for 2009). Prior to 2009, there were benchmark investments available based on underlying investment funds.

We may also make an additional discretionary contribution to the participant's EDC accounts based on subjective factors such as individual performance, key contributions and retention needs. We made no additional discretionary contributions for our employees in 2010 or 2009. For 2008, we matched 75 percent on deferrals of the first six percent or three percent of compensation for certain executives.

13. NET PARENT INVESTMENT

Net Parent Investment in the Balance Sheets represent Marriott International's historical investment in us, our accumulated net earnings after taxes and the net effect of the transactions with and allocations from Marriott International. See also Footnote No. 1, "Summary of Significant Accounting Policies," as well as Footnote No. 19, "Related Party Transactions."

14. SHARE-BASED COMPENSATION

Marriott International maintains the Marriott International Stock Plan for the benefit of its officers, directors and employees, including our employees. The following disclosures represent the portion of the Marriott International Stock Plan liabilities and expenses maintained by Marriott International in which our employees participated. All share-based awards granted under the Marriott International Stock Plan relate to Marriott International Stock. As such, all related equity account balances are reflected in Marriott International's consolidated statements of stockholders' equity and have not been reflected in our Financial Statements.

Under the Marriott International Stock Plan, Marriott International awards to certain of our employees: (1) stock options to purchase Marriott International common stock ("Stock Option Program"); (2) stock appreciation rights ("SARs") for Marriott International common stock ("SAR Program"); and (3) restricted stock units ("RSUs") of Marriott International Stock. Marriott International granted these awards at exercise prices or strike prices that were equal to the market price of Marriott International common stock on the date of grant.

For all share-based awards, the guidance requires that Marriott International measure compensation costs related to share-based payment transactions with our employees at fair value on the grant date and recognize those costs in the financial statements over the vesting period during which the employees provide service in exchange for the award.

During 2010, Marriott International granted our employees 403,425 RSUs and 56,936 SARs.

We recorded share-based compensation expense related to award grants to our employees of $10 million in 2010, $10 million in 2009 and $13 million in 2008. Deferred compensation costs related to unvested awards held by our employees totaled $12 million at year-end 2010 and $13 million at year-end 2009. As of year-end 2010, we expect that deferred compensation expenses for our employees will be recognized over a weighted average period of two years.

For awards granted after 2005, we recognized share-based compensation expense over the period from the grant date to the date on which the award is no longer contingent on the employee providing additional service (the "substantive vesting period"). We continued to follow the stated vesting period for the unvested portion of awards granted to our employees before 2006 and the adoption of the current guidance for share-based compensation and follow the substantive vesting period for awards granted to our employees after 2005.

In accordance with the guidance for share-based compensation, we presented the tax benefits and costs resulting from the exercise or vesting of share-based awards related to our employees as financing cash flows. The exercise of share-based awards for our employees resulted in tax benefits of $3 million in 2010 and $1 million in 2008 and tax costs of $1 million in 2009.

Marriott International received $12 million in 2010, $3 million in 2009 and $2 million in 2008 in cash from our employees for the exercise of stock options granted under the Marriott International Stock Plan.

RSUs

Marriott International issues RSUs under the Marriott International Stock Plan to certain officers and key employees at our business and those units vest generally over four years in annual installments commencing one year after the date of grant. We recognize compensation expense for the RSUs over the service period equal to

the fair market value of the stock units on the date of issuance. Upon vesting, RSUs convert to shares of Marriott International common stock and are distributed from Marriott International treasury shares. At year-end 2010 and year-end 2009, we had approximately $11 million and $12 million, respectively, in deferred compensation costs related to RSUs for our employees. The weighted average remaining term for RSU grants outstanding at year-end 2010 for our employees was two years.

The following table provides additional information on RSUs granted to our employees for the last three fiscal years:

	2010	2009	2008
Share-based compensation expense (in millions)	$ 9	$ 9	$11
Weighted average grant-date fair value (per share)	27	23	30
Aggregate intrinsic value of converted and distributed (in millions)	8	5	10

The following table shows the 2010 changes in outstanding RSU grants for our employees:

	Number of RSUs	Weighted Average Grant-Date Fair Value
Outstanding at year-end 2009	802,936	$ 33
Granted during 2010	403,425	27
Distributed during 2010	(301,609)	34
Forfeited during 2010	(77,420)	30
Outstanding at year-end 2010	827,332	29

Stock Options and SARs

Marriott International may grant employee non-qualified stock options to officers and key employees of our business at exercise prices or strike prices equal to the market price of Marriott International common stock on the date of grant. Non-qualified stock options generally expire ten years after the date of grant, except those issued from 1990 through 2000, which expire 15 years after the date of the grant. Most stock options under the Marriott International Stock Plan are exercisable in cumulative installments of one quarter at the end of each of the first four years following the date of grant.

We recognized no stock option compensation expense for our employees in 2010, 2009 and 2008. There were no deferred compensation costs related to our employee stock options for our employees at both year-end 2010 and 2009.

The following table shows the 2010 changes in outstanding stock options for our employees:

	Number of Options	Weighted Average Exercise Price
Outstanding at year-end 2009	1,576,516	$ 18
Granted during 2010	—	—
Exercised during 2010	(624,808)	18
Forfeited during 2010	(100)	21
Outstanding at year-end 2010	951,608	17

The following table shows the stock options issued to our employees that were outstanding and exercisable at year-end 2010:

Range of Exercise Prices	Outstanding			Exercisable		
	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)
$ 8 to $12	23,197	$ 12	1	23,197	$ 12	1
13 to 17	735,896	15	3	735,896	15	3
18 to 22	9,700	20	3	9,700	20	3
23 to 49	182,815	25	4	182,815	25	4
8 to 49	951,608	17	3	951,608	17	3

Marriott International granted no stock options to our employees under the Marriott International Stock Plan in 2010, 2009 or 2008.

The following table shows the intrinsic value of outstanding stock options and exercisable stock options held by our employees at year-end 2010 and 2009:

($ in millions)	2010	2009
Outstanding stock options	$24	$15
Exercisable stock options	$24	$15

The approximate total intrinsic value of stock options exercised by our employees was $10 million in 2010, $2 million in 2009 and $3 million in 2008.

Marriott International may grant SARs to officers and key employees of our business at exercise prices or strike prices equal to the market price of Marriott International common stock on the date of grant. SARs generally expire ten years after the date of grant and both vest and may be exercised in cumulative installments of one quarter at the end of each of the first four years following the date of grant. On exercise of SARs, our employees receive the number of shares of Marriott International common stock equal to the number of SARs being exercised, multiplied by the quotient of (a) the final value minus the base value, divided by (b) the final value.

We recognized compensation expense associated with SARs held by our employees of $1 million in each of 2010 and 2009, and $2 million in 2008. At year-end 2010 and year-end 2009, we had less than $1 million in deferred compensation costs related to SARs held by our employees. Upon the exercise of SARs held by our employees, Marriott International issues shares from treasury shares. The following table shows the 2010 changes in outstanding SARs held by our employees:

	Number of SARs	Weighted Average Exercise Price
Outstanding at year-end 2009	212,048	$ 31
Granted during 2010	56,936	27
Exercised during 2010	(32,855)	34
Forfeited during 2010	(24,633)	30
Outstanding at year-end 2010	211,496	29

The following tables show the number of SARs held by our employees granted in the last three years, the associated weighted average base values, and the associated weighted average grant-date fair values:

SARs	2010	2009	2008
SARs granted	56,936	—	184,400
Weighted average base value	$ 27	$—	$ 30
Weighted average grant-date fair value	$ 10	$—	$ 11

Our employees forfeited 24,633 SARs in 2010 and 1,764 SARs in 2009. Outstanding SARs our employees held had a total intrinsic value of $3 million at year-end 2010 and zero at year-end 2009, and exercisable SARs our employees held had a total intrinsic value of $1 million at year-end 2010 and zero at year-end 2009. SARs exercised by our employees during 2010 had a total intrinsic value of $138,418. Our employees did not exercise any SARs in 2009 or 2008.

We use a binomial method to estimate the fair value of the stock options or SARs granted, under which we calculated the weighted average expected stock option or SAR as the product of a lattice-based binomial valuation model that uses suboptimal exercise factors. We use historical data to estimate exercise behaviors for separate groups of retirement eligible and non-retirement eligible employees of our business. The following table shows the assumptions we used for stock options and SARs our employees held for 2010, 2009 and 2008:

	2010	2009	2008
Expected volatility	32%	32%	29%
Dividend yield	0.71%	0.95%	0.80 – 0.95%
Risk-free rate	3.3%	2.2%	3.4 – 3.9%
Expected term (in years)	7.0	7.0	6 – 9

In making these assumptions, we based risk-free rates on the corresponding U.S. Treasury spot rates for the expected duration at the date of grant, which Marriott International converted to a continuously compounded rate. We based the expected volatility on the weighted-average historical volatility of the Marriott International Stock, with periods with atypical stock movement given a lower weight to reflect stabilized long-term mean volatility.

15. VARIABLE INTEREST ENTITIES

In accordance with the applicable accounting guidance for the consolidation of variable interest entities, we analyze our variable interests, including loans, guarantees and equity investments, to determine if an entity in which we have a variable interest is a variable interest entity. Our analysis includes both quantitative and qualitative reviews. We base our quantitative analysis on the forecasted cash flows of the entity, and our qualitative analysis on our review of the design of the entity, its organizational structure including decision-making ability, and relevant financial agreements. We also use our qualitative analyses to determine if we must consolidate a variable interest entity as its primary beneficiary.

Variable Interest Entities Related to Our Notes Receivable Securitizations

We periodically securitize, without recourse, through special purpose entities, notes receivable originated in connection with the sale of vacation ownership products. These notes receivable securitizations provide funding for us and transfer the economic risks and substantially all the benefits of the loans to third parties. In a notes receivable securitization, various classes of debt securities that the special purpose entities issue are generally collateralized by a single tranche of transferred assets, which consist of vacation ownership notes receivable. We service the notes receivable. With each notes receivable securitization, we may retain a portion of the securities, subordinated tranches, interest-only strips, subordinated interests in accrued interest and fees on the securitized notes receivables or, in some cases, overcollateralization and cash reserve accounts.

Under GAAP as it existed before 2010, these entities met the definition of QSPEs, and we were not required to evaluate them for consolidation. We evaluated these entities for consolidation when we implemented the new Consolidation Standard in the 2010 first quarter. We created these entities to serve as a mechanism for holding assets and related liabilities, and the entities have no equity investment at risk, making them variable interest entities. We continue to service the notes receivable, transfer all proceeds collected to these special purpose entities, and retain rights to receive benefits that are potentially significant to the entities. Accordingly, we concluded under the new Consolidation Standard that we are the entities' primary beneficiary and, therefore, consolidate them. Please see Footnote No. 1, "Summary of Significant Accounting Policies," for additional information, including the impact of initial consolidation of these entities.

At year-end 2010, combined assets included in our Balance Sheet that are collateral for the obligations of these variable interest entities had a carrying amount of $1,081 million, comprised of $1,029 million of notes receivable (net of reserves), $7 million of interest receivable and $45 million of restricted cash. Further, at year-end 2010, combined liabilities included in our Balance Sheet for these variable interest entities had a carrying amount of $1,020 million, comprised of $3 million of interest payable and $1,017 million of debt. The noncontrolling interest balance was zero. The creditors of these entities do not have general recourse to us. As a result of our involvement with these entities, we recognized $139 million of interest income, offset by $51 million of interest expense to investors, and $4 million in debt issuance cost amortization.

The following table shows cash flows between us and the notes receivable securitization variable interest entities:

($ in millions)	2010
Cash inflows:	
Proceeds from notes receivable securitization	$ 215
Principal receipts	231
Interest receipts	142
Total	588
Cash outflows:	
Principal to investors	(230)
Repurchases	(93)
Interest to investors	(53)
Total	(376)
Net Cash Flows	$ 212

Under the terms of our notes receivable securitizations, we have the right at our option to repurchase defaulted mortgage notes at the outstanding principal balance. The transaction documents typically limit such repurchases to 10 to 20 percent of the transaction's initial mortgage balance. We made voluntary repurchases of defaulted notes receivable of $68 million during 2010, $81 million during 2009, and $56 million during 2008. We also made voluntary repurchases of $25 million of other non-defaulted notes receivable during 2010 to retire a previous notes receivable securitization from 2002. Our maximum exposure to loss relating to the entities that own these notes receivable is the overcollateralization amount (the difference between the loan collateral balance and the balance on the outstanding notes receivable), plus cash reserves and any residual interest in future cash flows from collateral.

Other Variable Interest Entities

In 2010, we completed the acquisition of the noncontrolling interest in an entity that develops and markets vacation ownership and residential products. We had previously concluded that the entity was a variable interest entity because the voting rights were not proportionate to the economic interests and we had consolidated the

entity because we were the primary beneficiary. Following our acquisition of the noncontrolling interest, we determined that this now wholly owned entity was no longer a variable interest entity.

In 2010, we caused the sale of substantially all of the assets and liabilities of an entity in which we have a call option on the equity, resulting in an $18 million gain (plus $3 million recorded in wholly owned entities) and net cash flow of $38 million (of a total $42 million in various entities). We had previously concluded that the entity, which holds property and land acquired for vacation ownership development that we operated as a hotel, was a variable interest entity because the equity investment at risk was not sufficient to permit it to finance its activities without additional support from other parties. We concluded we were the primary beneficiary because we had ultimate power to direct the activities that most significantly impact the entity's economic performance. Our involvement with the entity did not have a material effect on our financial performance or cash flows before 2010.

See Footnote No. 18, "Significant Investments," for information pertaining to an equity method investee that is a variable interest entity.

16. RESTRUCTURING COSTS AND OTHER CHARGES

During the latter part of 2008, our business was negatively affected by the global downturn in market conditions and particularly the significant deterioration in the credit markets. These declines resulted in cancellation of development projects and reduced contract sales. In the fourth quarter of 2008, we put company-wide cost-saving measures in place in response to these declines. The initiatives resulted in restructuring costs of $19 million and other charges of $44 million in the 2008 fourth quarter. As part of the restructuring actions we began in 2008 and as a result of the continued deterioration in market conditions, we initiated further cost-saving measures in 2009 associated with our business that resulted in additional restructuring costs of $44 million in 2009. We completed this restructuring in 2009 and have not incurred additional expenses in connection with these initiatives. We also recorded $29 million of other charges in 2009.

2008 Restructuring Costs

Total restructuring costs by segment for fiscal year 2008 are as follows:

($ in millions)	Severance	Facility Exit Related	Total
North America Segment	$ 8	$ 5	$ 13
Luxury Segment	1	—	1
Europe Segment	5	—	5
Total	$ 14	$ 5	$ 19

Severance

These various restructuring initiatives resulted in an overall reduction of 965 employees (the majority of whom were terminated by year-end 2008) across our business. We recorded a total workforce reduction charge of $14 million related primarily to severance and fringe benefits.

Facilities Exit Costs

As a result of workforce reductions, closure of sales centers and delays in filling vacant positions that were part of the restructuring, we ceased using certain leased facilities. We recorded a restructuring charge of approximately $5 million associated with these facilities, primarily related to non-cancelable lease costs in excess of estimated sublease income.

2008 Other Charges

Total other charges by segment for fiscal year 2008 are as follows:

($ in millions)	Contract Cancellation Allowance	Residual Interest Valuation	Total
Luxury Segment	$ 12	$ —	$ 12
Corporate and other	—	32	32
Total	$ 12	$ 32	$ 44

Contract Cancellation Allowances

Our Financial Statements reflected net contract cancellation allowances totaling $12 million we recorded in the 2008 fourth quarter in anticipation that a portion of contract revenue and cost previously recorded for certain projects under the percentage-of-completion method would not be realized due to contract cancellations prior to closing. We had an equity method investment in one of these projects, and reflected $7 million of the $12 million in the Equity in (losses) earnings caption on our Statements of Operations. The remaining net $5 million of contract cancellation allowances consisted of a reduction in revenue, net of adjustments to product costs and other direct costs, and was recorded in Sales of vacation ownership products and Cost of vacation ownership products on our Statements of Operations.

Residual Interests Valuation

The fair market value of our residual interests in securitized notes receivable declined in the fourth quarter of 2008 primarily due to an increase in the market rate of interest at which we discount future cash flows to estimate the fair market value of the retained interests. The increase in the market rate of interest reflected deteriorating economic conditions and disruption in the credit markets, which significantly increased the borrowing costs to issuers. As a result of this change, we recorded a $32 million charge in Financing revenues caption on our Statement of Operations to reflect the decrease in the fair value of these residual interests.

2009 Restructuring Costs

Total restructuring costs by segment for fiscal year 2009 are as follows:

($ in millions)	Severance	Facility Exit Related	Total
North America Segment	$ 10	$ 21	$ 31
Luxury Segment	1	2	3
Europe Segment	2	1	3
Asia Pacific Segment	2	5	7
Total	$ 15	$ 29	$ 44

We recorded further restructuring costs in 2009 of $44 million, including: (1) $15 million in severance costs for the severance of 983 employees; and (2) $29 million in facility exit costs primarily associated with non-cancelable lease costs in excess of estimated sublease income arising from the reduction in personnel and ceased use of certain lease facilities. We completed this restructuring in 2009 and did not incur additional expenses in connection with these initiatives.

2009 Other Charges

Total other charges by segment for fiscal year 2009 are as follows:

($ in millions)	Contract Cancellation Allowance	Residual Interest Valuation	Total
Luxury Segment	$ 9	$ —	$ 9
Corporate and other	—	20	20
Total	$ 9	$ 20	$ 29

Contract Cancellation Allowances

Our Financial Statements reflect 2009 net contract cancellation allowances of $9 million recorded in anticipation that a portion of contract revenue and costs previously recorded for certain projects under the percentage-of-completion method will not be realized due to contract cancellations prior to closing. We had an equity method investment in one of these projects, and accordingly, we reflected $6 million of the $9 million in the Equity in (losses) earnings caption on our Statements of Operations. The remaining net $3 million of contract cancellation allowances consisted of a reduction in revenue, net of adjustments to product costs and other direct costs and was recorded in Sales of vacation ownership products, net and Cost of vacation ownership products on our Statements of Operations.

Residual Interests Valuation

The fair market value of our residual interests in securitized notes receivable declined in the first half of 2009 primarily due to an increase in the market rate of interest at which we discounted future cash flows to estimate the fair market value of the retained interests as well as certain previously securitized notes receivable pools reaching performance triggers. The increase in the market rate of interest reflected an increase in defaults caused by the continued deteriorating economic conditions. As a result of this change, we recorded an $11 million charge in the 2009 first quarter, which was partially offset by a $7 million favorable impact from changes in assumptions related to discount rate, defaults and prepayments in the 2009 second, third and fourth quarters. Eight previously securitized notes receivable pools reached performance triggers as a result of increased defaults (one pool in March 2009, six pools in April and May 2009, and one pool in December 2009). These performance triggers effectively redirected the excess spread we typically receive each month to accelerate returns to investors and resulted in $20 million in charges in the first half of 2009. In the 2009 second half, notes receivable performance improved sufficiently in seven of the eight previously securitized notes receivable pools to cure the performance triggers, resulting in a $4 million benefit to residual interest. We recorded these charges in the Financing revenues caption on our Statements of Operations. The tables summarizing the changes to our Level 3 assets and liabilities which are measured at fair value on a recurring basis in Footnote No. 5, “Fair Value Measurements,” reflect the $20 million in total charges in 2009 on the “Included in earnings” line, which also reflects a partial offset due to other changes in the underlying assumptions that impact the fair value of the residual interests and the cure of the performance triggers in the 2009 second half.

Summary of Restructuring Costs and Liability

The following table provides additional information regarding our restructuring, including the balance of the liability at year-end 2010 and total costs incurred through the end of the restructuring in 2009:

($ in millions)	Restructuring Costs Liability at Year-End 2008	2009 Restructuring Charges	Cash Payments in 2009	Non-Cash Adjustments in 2009	Restructuring Costs Liability at Year-End 2009	Cash Payments in 2010	Restructuring Costs Liability at Year-End 2010	Total Cumulative Restructuring Costs through 2009
Severance	$ 11	$ 15	$ 21	$ (1)	$ 4	$ 3	$ 1	$ 29
Facilities exit costs	5	29	7	(9)	18	5	13	34
Total restructuring costs	$ 16	$ 44	$ 28	$ (10)	$ 22	$ 8	$ 14	$ 63

17. IMPAIRMENT CHARGES

In accordance with ASC 978, "*Real Estate—Time-sharing Activities*," and ASC 360, "*Property, Plant, and Equipment*," we have recorded impairment adjustments to inventory, property and equipment and one joint venture investment and related party notes receivable to adjust the carrying value of underlying assets to our estimate of its fair value when required.

($ in millions)	2010	2009	2008
Impairment Charge			
Inventory impairment	$ 1	$546	$ 44
Property and equipment impairment	14	56	—
Other impairments	—	21	—
Total impairment charge	$ 15	$623	$ 44

Refer to Footnote No. 18, "Significant Investments," for discussion of the impairment charges that impacted equity investments.

2008 Impairment Charges

We incurred total impairment charges during 2008 as follows:

($ in millions)	North America Segment	Luxury Segment	Europe Segment	Total
Impairment Charge				
Inventory impairment	$ 9	$ 25	$ 10	$ 44

The $25 million of impairment charges in the Luxury segment primarily consisted of a $22 million non-cash impairment charge for a vacation ownership and residential real estate project held for development by a Luxury segment joint venture that we consolidate. We recorded a pretax benefit of $12 million in the 2008 third quarter within the Net losses attributable to noncontrolling interests, net of tax line on our Statements of Operations representing our joint venture partner's pretax share of the $22 million impairment charge. We made the net $10 million adjustment in accordance with ASC 360 to adjust the carrying value of the real estate to its estimated fair value, in accordance with ASC 820, "*Fair Value Measurements and Disclosures*." The downturn in market conditions including contract cancellations and tightening in the credit markets, especially for jumbo mortgage loans as they related to our ability to sell residential products, were the predominant items we considered in our analysis. We estimated the fair value of the inventory utilizing a probability weighted cash flow model containing our expectations of future performance discounted at a risk-free interest rate determined from the yield curve for U.S. Treasury instruments.

We sometimes incur certain costs associated with the development of properties, including legal costs, the cost of land, and planning and design costs. We capitalize these costs as incurred and they become part of the cost basis of the property once it is developed. As a result of the sharp downturn in the economy, we decided to discontinue certain development projects that required our investment. As a result of these development cancellations, we expensed $13 million of previously capitalized costs, $9 million of which we recorded in our North America segment, $3 million in our Luxury segment and $1 million in our Europe segment.

As a result of terminating certain phases of vacation ownership development in Europe, we recorded an inventory write-down of $9 million in the fourth quarter of 2008 in that segment.

2009 Impairment Charges

We incurred total impairment charges during 2009 as follows:

($ in millions)	North America Segment	Luxury Segment	Europe Segment	Asia Pacific Segment	Corporate and Other	Total
Impairment Charge						
Inventory impairment	$ 105	$ 391	$ 44	$ 6	$ —	$546
Property and equipment impairment	3	31	7	8	7	56
Other impairments	—	19	—	2	—	21
Total impairment charge	$ 108	$ 441	$ 51	$ 16	$ 7	$623

In response to the difficult business conditions that the vacation ownership and residential products development businesses experienced, we evaluated our entire portfolio in 2009. In order to adjust our business strategy to reflect current market conditions at that time, we approved plans to take the following actions: (1) for our residential products projects, reduce prices, convert certain proposed projects to other uses, sell some undeveloped land, and not pursue further company-funded residential development projects; (2) reduce prices for existing Luxury segment vacation ownership units; (3) continue short-term promotions for our North America segment vacation ownership business and defer the introduction of new projects and development phases; and (4) for our Europe resorts, continue promotional pricing and marketing incentives and not pursue further development. We designed these plans, which primarily related to residential products and vacation ownership resorts, to stimulate sales, accelerate cash flow and reduce investment spending.

We estimated the fair value of the underlying assets using probability-weighted cash flow models that reflected our expectations of future performance discounted at risk-free interest rates commensurate with the remaining life of the related projects, using the guidance specified in ASC 820. We used Level 3 inputs for our discounted cash flow analyses. Our assumptions included: growth rate and sales pace projections, additional pricing discounts resulting from the business decisions we made, development cancellations resulting in shorter project life cycles, marketing and sales cost estimates, and in certain instances alternative uses to comply with ASC 820's highest and best use provisions. In some instances, we took into account appraisals, which we deemed to be Level 3 inputs, for the fair value of the underlying assets.

Other impairments primarily related to our anticipated fundings in conjunction with certain purchase commitments, a portion of which we did not expect to recover because the projected fair value of the assets to be purchased under the commitments would be below the amount we expect to fund. We measured the projected fair value of the assets using probability-weighted cash flow models with Level 3 inputs, in accordance with ASC 820. Our assumptions included: growth rate and sales pace projections, additional pricing discounts as a result of the business decisions made, marketing and sales cost estimates, and in certain instances alternative uses to comply with ASC 820's highest and best use provisions.

The impairment charges were non-cash, other than $21 million of charges accrued for funding of future purchase commitments.

Software Development Write-off

In 2009, we recorded a non-cash impairment charge of $7 million for the write-off of capitalized software. We concluded that continued development of this software was not cost effective given continued cost savings initiatives associated with the challenging business environment and we will instead pursue alternative lower cost solutions.

2010 Impairment Charges

We incurred total impairment charges during 2010 as follows:

($ in millions)	Luxury Segment	Asia Pacific Segment	Total
Impairment Charge			
Inventory impairment	$ 6	$ —	$ 6
Property and equipment impairment	14	—	14
Other impairments (reversals)	—	(5)	(5)
Total impairment charge	$ 20	$ (5)	$ 15

We estimated the fair value of the underlying assets using cash flow models that reflected our expectations of future performance discounted at varying rates to capture the inherent risk in each model.

In the 2010 fourth quarter, we decided to pursue the disposition of a golf course and related assets. In accordance with the guidance for the impairment of long-lived assets, we evaluated the property and related assets for recovery and in 2010 we recorded an impairment charge of $14 million to adjust the carrying value of the assets to our estimate of fair value. We estimated that fair value using an income approach reflecting internally developed Level 3 discounted cash flows based on negotiations with a qualified prospective third-party purchaser of the asset.

In the 2010 first quarter, we negotiated an amendment to a purchase commitment for vacation ownership units to be delivered to our Asia Pacific segment in 2011, resulting in a reversal of a $5 million of previously recorded impairment charge for anticipated funding in connection with the purchase commitment. Further, we recorded $6 million of additional inventory impairment charges in our Luxury segment due to continued sluggish sales pace.

18. SIGNIFICANT INVESTMENTS

Significant Investment in One Joint Venture

We use the equity method of accounting for our investments in other companies over which we exercise significant influence and we include the net earnings of these investments as Equity in (losses) earnings on our Statements of Operations. Our investments in other companies consist primarily of an investment in and a note receivable due from a variable interest entity that develops and markets vacation ownership and residential products in Hawaii. We concluded that the entity is a variable interest entity because the equity investment at risk is not sufficient to permit the entity to finance its activities without additional support from other parties. We have determined that we are not the primary beneficiary as power to direct the activities that most significantly impact economic performance of the entity is shared among the variable interest holders and, therefore, we do not consolidate the entity. In 2009, we fully impaired our equity investment and certain notes receivable due from the entity. In 2010, the continued application of equity losses to our remaining outstanding notes receivable balance reduced its carrying value to zero. We may fund up to an additional $16 million and do not expect to recover this amount, which we have accrued and included in other liabilities on our Balance Sheets. The funding liability meets the criteria of probable and reasonably estimable, in accordance with the guidance in ASC 450, “*Contingencies*,” at year-end 2010. We do not have any remaining exposure to loss related to this entity.

We loaned $12 million and $52 million to the venture in 2009 and 2008, respectively. We collected $6 and $7 million in 2009 and 2008, respectively. Additionally we loaned $20 million, secured by a mortgage, to one of the partners in the venture in 2009 related to its acquisition of residential units from the venture.

In response to the difficult business conditions that the vacation ownership and residential products development businesses experienced, we evaluated our equity method investment in this variable interest entity

in the 2009 third quarter. In order to adjust the business strategy to reflect current market conditions, on September 22, 2009, we, as the project's marketing and sales agent, approved plans to reduce prices for the venture's vacation ownership and residential products in order to stimulate sales, accelerate cash flow and reduce investment spending. As a result of change in strategy, we impaired our equity method investment. We also reviewed the recoverability of loans made to the venture and our obligations related to the venture and recorded the following charges in Impairment Reversal (Charge) on Equity Investment:

($ in millions)	2010	2009	2008
Impairment Reversal (Charge) on Equity Investment			
Joint venture impairment	$—	$ (71)	$—
Loan impairment	—	(40)	—
Funding liability	11	(27)	—
Total impairment reversal (charge) on equity investment	$ 11	$(138)	$—

We estimated the fair value of our investment using probability-weighted cash flow models that reflected our expectations of future performance discounted at risk-free interest rates commensurate with the remaining life of the related projects, using the guidance specified in ASC 820. We used Level 3 inputs for our discounted cash flow analyses. Our assumptions included: growth rate and sales pace projections, additional pricing discounts resulting from the business decisions we made and marketing and sales cost estimates.

We fully reserved certain notes receivable in accordance with ASC 310, based on the present value of the notes receivable's expected cash flows discounted at the notes receivable's effective interest rates.

In the 2010 fourth quarter, we reversed $11 million of the $27 million funding liability we recorded in 2009, based on facts and circumstances surrounding the project, including progress on certain construction-related legal claims and potential funding of certain costs by one of our partners. In addition, the venture was unable to pay one of its promissory notes when it was due on December 31, 2010. The partners, on behalf of the venture, continue to negotiate an extension of the maturity date.

We provide marketing and sales, construction management, property management and accounting services to the venture. Fees for such services were $2 million in 2010, $5 million in 2009 and $1 million in 2008 and are included in Resort management and other services revenues of our Statements of Operations.

Other

We have other investments in (i) a venture that developed and sells vacation ownership products in Thailand and (ii) an ancillary operation in the United States. At each of year-end 2010 and 2009 our investments were $1 million and $2 million in total, respectively. We include the investments in Other within Assets on our Balance Sheets.

Impact of Investments

The combined results of operations and combined financial position of our equity method investees are summarized below:

($ in millions)	2010	2009	2008
Condensed Statements of Operations information:			
Net revenue	$ 11	$ (47)	$127
Cost of sales	(7)	29	(92)
Impairment	—	(210)	—
Income (loss) from operations	(108)	(28)	(7)
Net income (loss)	$(104)	$(256)	$ 28

	2010	2009
Condensed Balance Sheet information:		
Current assets	$ 163	$ 270
Non-current assets	16	15
Total assets	$ 179	$ 285
Current liabilities	$ 13	$ 20
Non-current liabilities	338	333
Equity (deficit)	(172)	(68)
Total liabilities and equity	$ 179	$ 285

Equity in (losses) earnings recognized on our Statements of Operations that were attributable to our significant investment is shown below:

($ in millions)	2010	2009	2008
Equity in (losses) earnings of significant investment to Marriott Vacations Worldwide	$ (8)	$(12)	$11

The total cash contributions to our equity method investees were $0 in 2010, $0 in 2009 and $5 million in 2008. The total cash distributions from our equity method investees were $0 in 2010, $1 million in 2009 and $3 million in 2008.

19. RELATED PARTY TRANSACTIONS

Refer to Footnote No. 18, “Significant Investments,” for related party transactions with our equity method investees.

Within our Asia Pacific segment as noted in Footnote No. 7, “Acquisitions and Dispositions,” we acquired purpose-built units for cash consideration of $39 million and assumption of liabilities of $24 million in 2008 from a co-investor in an equity method investee. We also purchased vacation ownership products for $1 million in 2009 from the equity method investee.

Services Provided by Marriott International and General Corporate Overhead

Our Financial Statements include costs for services provided by Marriott International including, for the purposes of these Financial Statements but not limited to, information technology support, systems maintenance, telecommunications, accounts payable, payroll and benefits, human resources, self-insurance and other shared services. Historically, these costs were charged to us based on specific identification or on a basis determined by

Marriott International to reflect reasonable allocation to us of the actual costs incurred to perform these services. Marriott International charged us approximately $30 million in 2010, $25 million in 2009 and $25 million in 2008 for such services.

Marriott International allocated indirect general and administrative costs to us for certain functions and services provided to us by Marriott International, including, but not limited to, executive office, legal, tax, finance, government and public relations, internal audit, treasury, investor relations, human resources and other administrative support primarily on the basis of our proportion of Marriott International's overall revenue. Accordingly, we were allocated $15 million in 2010, $13 million in 2009 and $17 million in 2008 of Marriott International's indirect general and corporate overhead expenses and have included these expenses in General and administrative expenses on our Statements of Operations.

Both we and Marriott International consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the periods presented in accordance with *Securities and Exchange Commission Staff Accounting Bulletin Topic 1: Financial Statements.* We determined that our relative revenue was a reasonable reflection of Marriott International time dedicated to the oversight of our historical business. The allocations may not, however, reflect the expense we would have incurred as an independent, publicly traded company for the periods presented. Actual costs that might have been incurred had we been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions we might have performed ourselves or outsourced and strategic decisions we might have made in areas such as information technology and infrastructure. Following the spin-off, we will perform these functions using our own resources or purchased services from either Marriott International or third parties.

Cash Management

Marriott International did not allocate to us the cash and cash equivalents that Marriott International held at the corporate level for any of the periods presented. Cash and cash equivalents in our combined Balance Sheets primarily represent cash held by international entities at the local level. We reflect transfers of cash to and from Marriott International's domestic cash management system as a component of parent company investment.

Historically, Marriott International has not charged us interest expense (and we have not earned interest revenue) on our net cash balance due to/from Marriott International except for amounts capitalized in inventory and property and equipment.

Our weighted-average outstanding cash balance due to Marriott International was approximately $979 million in 2010, $1,158 million in 2009 and $924 million in 2008. We reflect the total net effect of the settlement of these intercompany transactions in our Cash Flows as a financing activity and in our Balance Sheets as Net Parent Investment.

The transactions to reconcile the Net Parent Investment, including our use of cash from Marriott International, and cash provided to Marriott International by us, are reflected in our Cash Flows.

Refer to Cash Flows for more information.

Marriott Rewards Customer Loyalty Program

We participate in the Marriott Rewards customer loyalty program and offer points as incentives to vacation ownership purchasers and/or in connection with exchange or other activities. This program, which Marriott International maintained and administered, is a frequent customer loyalty program in which program members earn or receive points based on the monetary spending at Marriott International's lodging operations or as an incentive to purchase vacation ownership and residential products. Points cannot be redeemed for cash. We

include the estimated cost of future redemptions of points that Marriott International issued on our behalf (approximately $75 million in 2010, $91 million in 2009 and $105 million in 2008) in our historical segment results.

Guarantees

Marriott International guarantees our performance under various contractual arrangements including responsibilities related to surety bonds, servicing securitized notes receivable and guarantees that we provide to third parties.

Fee Sharing

We share management fees received from vacation ownership associations for our Luxury segment developments with Marriott International, generally on a 50/50 basis. Our portion of the fees shared was $3 million in 2010, $3 million in 2009 and $2 million in 2008 which we have presented in the Resort management and other services caption of our Statements of Operations.

20. BUSINESS SEGMENTS

We operate in four business segments:

- In our North America segment, we develop, market, sell and manage vacation ownership products under the Marriott Vacation Club and Grand Residences by Marriott brands in the United States and the Caribbean. We also develop, market, sell and manage resort residential real estate located within our vacation ownership developments under the Grand Residences by Marriott brand.
- In our Luxury segment, we develop, market, sell and manage luxury vacation ownership products under the Ritz-Carlton Destinations Club brand. We also sell whole ownership luxury residential real estate under the Ritz-Carlton Residences brand.
- In our Europe segment, we develop, market, sell and manage vacation ownership products in several locations in Europe.
- In our Asia Pacific segment, we operate Marriott Vacation Club, Asia Pacific, a right-to-use points program we introduced in 2006 that we specifically designed to appeal to vacation preferences of the Asian market.

We evaluate the performance of our segments based primarily on the results of the segment without allocating corporate expenses, income taxes or indirect general and administrative expenses. We do not allocate corporate interest expense or other financing expenses to our segments. Prior to 2010, we included notes receivable securitization gains/(losses) in our Financing revenues on our Statements of Operations. Due to our adoption of the new Consolidation Standard, we no longer account for notes receivable securitizations as sales but rather as secured borrowings as defined in that topic, and therefore, we did not recognize a gain or loss on the 2010 notes receivable securitization nor do we expect to recognize gains or losses on future notes receivable securitizations. We include interest income specific to segment activities within the appropriate segment. We allocate other gains and losses, equity in earnings or losses from our joint ventures, general and administrative expenses, and income or losses attributable to noncontrolling interests to each of our segments. Corporate and other represents that portion of our revenues, general, administrative and other expenses, equity in earnings or losses, and other gains or losses that are not allocable to our segments.

Revenues

($ in millions)	2010	2009	2008
North America	$1,251	$1,195	$1,489
Luxury	103	127	130
Europe	134	122	176
Asia Pacific	96	93	118
Total segment revenues	1,584	1,537	1,913
Corporate and other	—	59	3
	$1,584	$1,596	$1,916

Net Income (Loss)

($ in millions)	2010	2009	2008
North America	$ 280	$ (2)	$ 224
Luxury	(47)	(630)	(71)
Europe	15	(49)	(22)
Asia Pacific	29	(26)	13
Total segment financial results	277	(707)	144
Corporate and other	(165)	(56)	(135)
(Provision) Benefit for income taxes.	(45)	231	(25)
	$ 67	$(532)	$ (16)

Net Losses Attributable to Noncontrolling Interests

($ in millions)	2010	2009	2008
Luxury	$—	$11	$25

Equity in (Losses) Earnings of Equity Method Investees

($ in millions)	2010	2009	2008
Luxury	$ (8)	$ (12)	$ 11
Total segment equity in (losses) earnings	(8)	(12)	11
Corporate and other	—	—	—
	$ (8)	$ (12)	$ 11

Depreciation

($ in millions)	2010	2009	2008
North America	$14	$15	$15
Luxury	3	4	5
Europe	3	4	5
Asia Pacific	2	2	1
Total segment depreciation and amortization	22	25	26
Corporate and other	13	17	18
	$35	$42	$44

Assets

($ in millions)	At Year-End 2010	At Year-End 2009
North America	$1,355	$1,255
Luxury	368	338
Europe	104	121
Asia Pacific	61	94
Total segment assets	1,888	1,808
Corporate and other	1,754	1,228
	$3,642	$3,036

Equity Method Investments

($ in millions)	At Year-End 2010	At Year-End 2009
North America	$ —	$ 1
Asia Pacific	1	1
Total segment equity method investments	1	2
Corporate and other	—	—
	$ 1	$ 2

Capital Expenditures

($ in millions)	2010	2009	2008
North America	$100	$247	$604
Luxury	120	54	91
Europe	7	18	21
Asia Pacific	2	9	92
Total segment capital expenditures	229	328	808
Corporate and other	9	9	24
	$238	$337	$832

Our Financial Statements include the following related to operations located outside the United States (which are predominately related to our Europe and Asia Pacific segments):

- Revenues of $274 million in 2010, $263 million in 2009 and $383 million in 2008; and
- Fixed assets of $124 million in 2010 and $148 million in 2009. At year-end 2010 and year-end 2009, fixed assets located outside the United States are included within the “Property and equipment” caption in our Balance Sheets.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM COMBINED STATEMENTS OF OPERATIONS
($ in millions)
(Unaudited)

	Twenty-four Weeks Ended	
	June 17, 2011	June 18, 2010
REVENUES		
Sales of vacation ownership products, net	$ 295	$ 298
Resort management and other services	108	102
Financing	80	90
Rental	95	89
Other	15	15
Cost reimbursements	158	151
TOTAL REVENUES	751	745
EXPENSES		
Costs of vacation ownership products	116	121
Marketing and sales	154	160
Resort management and other services	91	88
Financing and other	17	19
Rental	94	92
General and administrative	38	36
Interest expense	22	28
Impairment reversal	—	(5)
Cost reimbursements	158	151
TOTAL EXPENSES	690	690
Equity in losses	—	(7)
INCOME BEFORE INCOME TAXES	61	48
Provision for income taxes	(26)	(18)
NET INCOME	$ 35	$ 30

See Notes to Interim Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM COMBINED BALANCE SHEETS
($ in millions)
(Unaudited)

	June 17, 2011	December 31, 2010
ASSETS		
Cash and cash equivalents	$ 25	$ 26
Restricted cash (including $61 and $45 from VIEs, respectively)	75	66
Accounts and contracts receivable (net of allowance of $1 and $1, respectively)	97	100
Notes receivable (including $913 and $1,029 from VIEs, respectively)	1,188	1,254
Inventory	1,349	1,412
Property and equipment	306	310
Deferred taxes	316	333
Other (including $5 and $7 from VIEs, respectively)	136	141
Total Assets	$3,492	$ 3,642
LIABILITIES AND DIVISIONAL EQUITY		
Accounts payable	$ 62	$ 87
Advance deposits	57	48
Accrued liabilities	108	92
Deferred revenue	41	56
Payroll and benefits liability	61	72
Liability for Marriott Rewards loyalty program	198	220
Deferred compensation liability	63	64
Debt (including $895 and $1,017 from VIEs, respectively)	898	1,022
Other (including $5 and $4 from VIEs, respectively)	88	77
Total Liabilities	1,576	1,738
Contingencies and Commitments (Note 7)		
Divisional Equity		
Net Parent Investment	1,888	1,876
Accumulated other comprehensive income	28	28
	1,916	1,904
Total Liabilities and Divisional Equity	$3,492	$ 3,642

The abbreviation VIEs above means Variable Interest Entities.

See Notes to Interim Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM COMBINED STATEMENTS OF CASH FLOWS
($ in millions)
(Unaudited)

	Twenty-four Weeks Ended	
	June 17, 2011	June 18, 2010
OPERATING ACTIVITIES		
Net income	$ 35	$ 30
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	16	16
Income taxes	17	28
Equity method loss	—	7
Impairment reversal	—	(5)
Real estate inventory spending less than cost of sales	61	60
Notes receivable collections in excess of new mortgages	51	59
Financially reportable sales (less than) greater than closed sales	(4)	15
Decrease in accounts payable	(25)	(20)
All other, including other working capital charges	1	15
Net cash provided by operating activities	152	205
INVESTING ACTIVITIES		
Capital expenditures for property and equipment (excluding inventory)	(8)	(13)
Dispositions	1	—
Net cash used in investing activities	(7)	(13)
FINANCING ACTIVITIES		
Repayment of debt related to securitizations	(121)	(134)
Repayment of third party debt	(2)	(40)
Net transfers to parent	(23)	(22)
Net cash used in financing activities	(146)	(196)
DECREASE IN CASH AND EQUIVALENTS	(1)	(4)
CASH AND CASH EQUIVALENTS, beginning	26	32
CASH AND CASH EQUIVALENTS, end	$ 25	$ 28

See Notes to Interim Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
NOTES TO INTERIM COMBINED FINANCIAL STATEMENTS
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our Business

Marriott Vacations Worldwide Corporation ("Marriott Vacations Worldwide," "we" or "us," which includes our combined subsidiaries except where the context of the reference is to a single corporate entity) is the exclusive worldwide developer, marketer, seller and manager of vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. We are also the exclusive global developer, marketer and seller of vacation ownership and related products under the Ritz-Carlton Destination Club brand, and we have the non-exclusive right to develop, market and sell whole ownership residential products under the Ritz-Carlton Residences brand. The Ritz-Carlton Hotel Company, L.L.C. (a subsidiary of Marriott International) ("Ritz-Carlton") generally provides on-site management for Ritz-Carlton branded properties.

Our business is grouped into four segments: North America, Luxury, Europe and Asia Pacific. We operate 64 properties (under 71 separate resort management contracts) in the United States and eight other countries and territories.

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases; and renting vacation ownership inventory.

Our Spin-off from Marriott International, Inc.

On February 14, 2011, Marriott International, Inc. (together with its consolidated subsidiaries, excluding Marriott Vacations Worldwide, "Marriott International") announced plans for the separation of Marriott Vacations Worldwide, which represents 100 percent of our assets and liabilities, revenues, expenses, and cash flows, and those variable interest entities for which Marriott Vacations Worldwide is the primary beneficiary in accordance with Accounting Standards Codification, "*Consolidations*" ("ASC 810"), of the vacation ownership division of Marriott International, also referred to as the "spin-off." Prior to the spin-off, Marriott International will complete an internal reorganization to contribute its non-U.S. and U.S. subsidiaries that conduct vacation ownership business and Marriott Ownership Resorts, Inc., which does business under the name Marriott Vacation Club International, a wholly owned subsidiary of Marriott International, to Marriott Vacations Worldwide, a newly formed wholly owned subsidiary of Marriott International. The spin-off will be completed by way of a pro rata dividend of the Marriott Vacations Worldwide shares by Marriott International to its shareholders as of the record date. Immediately following completion of the spin-off, Marriott International shareholders will own 100% of the outstanding shares of common stock of Marriott Vacations Worldwide. After the spin-off, Marriott Vacations Worldwide will operate as an independent, publicly traded company.

The distribution of our common stock to Marriott International shareholders is conditioned on, among other things, the receipt of a favorable ruling from the Internal Revenue Service and an opinion of tax counsel confirming that the distribution of shares of Marriott Vacations Worldwide common stock will not result in the recognition, for U.S. federal income tax purposes, of income, gain or loss by Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional common shares; our registration statement on Form 10 becoming effective; and the execution of intercompany agreements. The transaction will not require shareholder approval and will have no impact on Marriott International's contractual obligations to the existing notes receivable securitizations further discussed within Footnote No. 3, "Asset Securitizations", of our audited annual Combined Financial Statements, contained elsewhere in this registration statement.

Principles of Combination and Basis of Presentation

The interim combined financial statements presented herein, and discussed below, have been prepared on a stand-alone basis and are derived from the interim condensed consolidated financial statements and accounting records of Marriott International. These interim combined financial statements have been prepared as if the reorganization described in "Our Spin-off from Marriott International, Inc." above has taken place. The combined financial statements reflect our historical financial position, results of operations and cash flows as we were historically managed, in conformity with United States generally accepted accounting principles ("GAAP"). All significant intracompany transactions and accounts within these Combined Financial Statements have been eliminated.

We refer throughout to (i) our Interim Combined Financial Statements as our "Financial Statements," (ii) our Interim Combined Statements of Operations as our "Statements of Operations," (iii) our Interim Combined Balance Sheets as our "Balance Sheets," (iv) our Interim Combined Statements of Cash Flows as our "Cash Flows" and (v) Accounting Standards Update No. 2009-17, "*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*" ("ASU No. 2009-17"), which we adopted on the first day of the 2010 fiscal year, as the new "Consolidation Standard."

Unless otherwise specified, each reference to a particular quarter in these financial statements means the quarter ended on the date shown in the following table, rather than the corresponding calendar quarter:

Quarter	Quarter –End Date
2011 Second Quarter	June 17, 2011
2011 First Quarter	March 25, 2011
2010 Fourth Quarter	December 31, 2010
2010 Second Quarter	June 18, 2010
2010 First Quarter	March 26, 2010

In our opinion, our Financial Statements reflect all normal and recurring adjustments necessary to present fairly our financial position as of June 17, 2011, and December 31, 2010, the results of our operations for the twenty-four weeks ended June 17, 2011, and June 18, 2010, and cash flows for the twenty-four weeks ended June 17, 2011, and June 18, 2010. Interim results may not be indicative of fiscal year performance because of seasonal and short-term variations.

These Financial Statements have not been audited. We have condensed or omitted certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP. Although we believe our disclosures are adequate to make the information presented not misleading, you should read these interim Financial Statements in conjunction with the audited annual Combined Financial Statements and notes to those Financial Statements included elsewhere in this registration statement.

All significant transactions between us and Marriott International have been included in these Financial Statements. The total net effect of the settlement of these intercompany transactions is reflected in the Cash Flows as a financing activity and in the Balance Sheets as Net Parent Investment.

In connection with the spin-off, Marriott Vacations Worldwide will enter into agreements with Marriott International and other third parties that have either not existed historically, or that may be on different terms than the terms of the arrangement or agreements that existed prior to the spin-off. These Financial Statements do not reflect the impact of these new and/or revised agreements, including licensing fees payable to Marriott International, Marriott Rewards customer loyalty program arrangements, financing, operations and personnel needs of our business. Our Financial Statements include costs for services provided by Marriott International including, for the purposes of these Financial Statements, but not limited to, information technology support, systems maintenance, telecommunications, accounts payable, payroll and benefits, human resources, self-insurance and other shared services. Historically, these costs were charged to us based on specific identification

or on a basis determined by Marriott International to reflect a reasonable allocation to us of the actual costs incurred to perform these services. Marriott International allocated indirect general and administrative costs to us for certain functions provided by Marriott International. These services provided to us include, but are not limited to, executive office, legal, tax, finance, government and public relations, internal audit, treasury, investor relations, human resources and other administrative support which were allocated to us primarily on the basis of our proportion of Marriott International's overall revenue. Both we and Marriott International consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the periods presented. The allocations may not, however, reflect the expense we would have incurred as an independent, publicly traded company for the periods presented. Actual costs that might have been incurred had we been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions we might have performed ourselves or outsourced and strategic decisions we might have made in areas such as information technology and infrastructure. Following the spin-off, we will perform these functions using our own resources or purchased services from either Marriott International or third parties. For an interim period some of these functions will continue to be provided by Marriott International under one or more transition services agreements ("TSA"). In addition to the TSA, we will enter into a number of commercial agreements with Marriott International in connection with the spin-off, many of which are expected to have terms longer than one year.

Marriott International uses a centralized approach to U.S. domestic cash management and financing of its operations. The majority of our domestic cash is transferred to Marriott International daily and Marriott International funds our operating and investing activities as needed. Accordingly, the cash and cash equivalents held by Marriott International at the corporate level were not allocated to us for any of the periods presented. Cash and cash equivalents in our Balance Sheets primarily represent cash held locally by international entities included in our Financial Statements. We reflect transfers of cash to and from Marriott International's domestic cash management system as a component of Net Parent Investment on the Balance Sheets. We have included debt incurred from our limited direct financing and subsequent to the adoption of the new Consolidation Standard, historical notes receivable securitizations, on our Balance Sheets, as this debt is specific to our business. Marriott International has not allocated a portion of its external Senior Debt interest cost to us since none of the external Senior Debt recorded by Marriott International is directly related to our business. We also have not included any interest expense for cash advances from Marriott International since historically Marriott International has not allocated any interest expense related to intercompany advances to any of the historical Marriott International divisions.

Marriott International maintains self-insurance programs at a corporate level. Marriott International allocated a portion of expenses associated with these programs as part of the historical costs for services Marriott International provided. Marriott International did not allocate any portion of the related reserves as these reserves represent obligations of Marriott International which are not transferable. See Footnote No. 11, "Related Party Transactions," for further description of our transactions with Marriott International.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates include, but are not limited to, revenue recognition, inventory valuation, property and equipment valuation, loan loss reserves, valuation of investments in ventures, residual interests valuation, Marriott Rewards customer loyalty program liabilities, equity-based compensation, income taxes, loss contingencies and liabilities for restructuring activities. Actual amounts may differ from these estimated amounts. For each of the periods presented, Marriott Vacations Worldwide was a subsidiary of Marriott International. The Financial Statements may not be indicative of our future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had we operated as an independent, publicly traded company during the periods presented.

New Accounting Standards

Accounting Standards Update No. 2010-06—Provisions Effective in the 2011 First Quarter ("ASU No. 2010-06")

Certain provisions of ASU No. 2010-06 became effective during our 2011 first quarter. Those provisions, which amended Subtopic 820-10, require us to present as separate line items all purchases, sales, issuances, and settlements of financial instruments valued using significant unobservable inputs (Level 3) in the reconciliation of fair value measurements, in contrast to the prior aggregate presentation as a single line item. The adoption did not have a material impact on our Financial Statements or disclosures.

ASU 2011-04—Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in GAAP and IFRS

In May 2011, the FASB issued ASU 2011-04, "*Fair Value Measurement*" ("ASU 2011-04"). ASU 2011-04 is intended to create consistency between GAAP and International Financial Reporting Standards ("IFRS") on the definition of fair value and on the guidance on how to measure fair value and on what to disclose about fair value measurements. ASU 2011-04 will be effective for financial statements issued for fiscal periods beginning after December 15, 2011, with early adoption prohibited for public entities. We are currently evaluating the impact ASU 2011-04 will have on our Financial Statements.

ASU 2011-05—Comprehensive Income (Topic 220)

In June 2011, the FASB issued ASU 2011-05, "*Comprehensive Income*" ("ASU 2011-05"). Prior to the issuance of ASU 2011-05, existing GAAP allowed three alternatives for presentation of other comprehensive income ("OCI") and its components in financial statements. ASU 2011-05 removes the option to present the components of OCI as part of the statement of changes in stockholders' equity. In addition, ASU 2011-05 requires consecutive presentation of the statement of operations and OCI and presentation of reclassification adjustments on the face of the financial statements from OCI to net income. These changes apply to both annual and interim financial statements commencing, with retrospective application, for the fiscal periods beginning after December 15, 2011, with early adoption permitted. We are currently evaluating the impact that ASU 2011-05 will have on our Financial Statements.

2. INCOME TAXES

Our operating results have been included in Marriott International's consolidated U.S. federal and state income tax returns, as well as included in many of Marriott International's tax filings for non-U.S. jurisdictions. The provision for income taxes in these Financial Statements has been determined on a separate return basis. Our contribution to Marriott International's tax losses and tax credits on a separate return basis has been included in these Financial Statements. Our separate return basis tax loss and tax credit carry backs may not reflect the tax positions taken or to be taken by Marriott International. In many cases, tax losses and tax credits generated by us have been available for use by Marriott International and will largely remain with Marriott International after the spin-off.

We have unrecognized tax benefits of $2 million and $1 million at June 17, 2011 and December 31, 2010, respectively, of which approximately $2 million and $1 million at June 17, 2011 and December 31, 2010, respectively, if recognized, would affect the effective tax rate, net of resulting changes in valuation allowances.

As a large taxpayer, Marriott International is continuously under audit by the IRS and other taxing authorities. Although we do not anticipate that these audits will have a significant impact on our unrecognized tax benefit balance during the next 52 weeks, it is possible that the amount of our liability for unrecognized tax benefits could change over that time period.

3. NOTES RECEIVABLE

We show the composition of our notes receivable balances (net of reserves) in the following table:

($ in millions)	June 17, 2011	December 31, 2010
Vacation ownership notes receivable—securitized	$ 913	$ 1,029
Vacation ownership notes receivable—non-securitized	275	225
	$1,188	$ 1,254

The following tables show future principal payments (net of reserves) as well as interest rates for our securitized and non-securitized vacation ownership notes receivable.

($ in millions) Fiscal Year	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
2011	$ 38	$ 66	$ 104
2012	37	116	153
2013	32	121	153
2014	26	122	148
2015	24	118	142
Thereafter	118	370	488
Balance at June 17, 2011	$ 275	$ 913	$ 1,188
Weighted average interest rate at June 17, 2011	11.9%	13.1%	12.7%
Range of stated interest rates at June 17, 2011	0.0% to 19.5%	5.2% to 19.5%	0.0% to 19.5%

Notes Receivable Reserves

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
Balance at year-end 2010	$ 129	$ 89	$218
Balance at June 17, 2011	$ 122	$ 73	$195

The following table summarizes the activity related to our vacation ownership notes receivable reserve for the first half of 2011:

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable Reserve	Securitized Vacation Ownership Notes Receivable Reserve	Total
Balance at year-end 2010	$ 129	$ 89	$218
Additions for current year vacation ownership product sales	14	—	14
Write-offs	(38)	—	(38)
Defaulted notes receivable repurchase activity[1]	22	(22)	—
Other[2]	(5)	6	1
Balance at June 17, 2011	$ 122	$ 73	$195

(1) Decrease in securitized reserve and increase in non-securitized reserve was attributable to the transfer of the reserve when we repurchased the notes receivable.
(2) Consists of static pool and default rate assumption changes.

For our combined notes receivable portfolio, we estimated average remaining default rates of 7.76 percent and 9.25 percent as of June 17, 2011 and year-end 2010, respectively.

We show our recorded investment in non-accrual notes receivable in the following table:

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
Investment in notes receivable on non-accrual status at June 17, 2011	$ 103	$ 18	$121
Investment in notes receivable on non-accrual status at year-end 2010	$ 113	$ 15	$128
Average investment in notes receivable on non-accrual status during the first half of 2011	$ 108	$ 16	$124
Average investment in notes receivable on non-accrual status during the first half of 2010	$ 115	$ 11	$126

The following table shows the aging of the recorded investment in principal, before reserves, in Vacation ownership notes receivable as of June 17, 2011:

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
31—90 days past due	$ 11	$ 22	$ 33
91—150 days past due	7	13	20
Greater than 150 days past due	96	5	101
Total past due	114	40	154
Current	283	946	1,229
Total vacation ownership notes receivable	$ 397	$ 986	$1,383

4. FINANCIAL INSTRUMENTS

The following table shows the carrying values and the fair values of financial assets and liabilities that qualify as financial instruments, determined in accordance with current guidance for disclosures on the fair value of financial instruments.

	At June 17, 2011		At December 31, 2010	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable—securitized	$ 913	$1,083	$ 1,029	$ 1,219
Vacation ownership notes receivable—non-securitized	275	291	225	231
Related party notes receivable	20	20	20	20
Restricted cash	75	75	66	66
Total financial assets	$ 1,283	$1,469	$ 1,340	$ 1,536
Non-recourse debt associated with securitized notes receivable	$ (895)	$ (935)	$(1,017)	$(1,047)
Other debt	(3)	(3)	(5)	(5)
Other liabilities	(30)	(27)	(30)	(26)
Total financial liabilities	$ (928)	$ (965)	$(1,052)	$(1,078)

Vacation Ownership Notes Receivable

We estimate the fair value of our securitized notes receivable using a discounted cash flow model. We believe this is comparable to the model that an independent third party would use in the current market. Our model uses default rates, prepayment rates, coupon rates and loan terms for our securitized notes receivable portfolio as key drivers of risk and relative value, that when applied in combination with pricing parameters, determines the fair value of the underlying notes receivable.

We bifurcate our non-securitized notes receivable into two pools as follows:

	At June 17, 2011		At December 31, 2010	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable—eligible for securitization	$ 92	$108	$ 47	$ 53
Vacation ownership notes receivable—not eligible for securitization	183	183	178	178
Total financial assets	$ 275	$291	$ 225	$ 231

We estimate the fair value of a portion of our non-securitized notes receivable that we believe will ultimately be securitized, in the same manner as securitized notes receivable. We value the remaining non-securitized notes receivable at their carrying value, rather than using our pricing model. We believe that the carrying value of such notes receivable approximates fair value because the stated interest rates of these loans are consistent with current market rates and the reserve for these notes receivable appropriately accounts for risks in default rates, prepayment rates and loan terms.

Other Notes Receivable

We estimate the fair value of our other notes receivable by discounting cash flows using risk-adjusted rates.

Non-Recourse Debt Associated with Securitized Notes Receivable

We internally generate cash flow estimates by modeling all bond tranches for our active notes receivable securitization transactions, with consideration for the collateral specific to each tranche. The key drivers in our analysis include default rates, prepayment rates, bond interest rates and other structural factors, which we use to estimate the projected cash flows. In order to estimate market credit spreads by rating, we reviewed market spreads from vacation ownership notes receivable securitizations and other asset-backed transactions that occurred in the market during the first half of 2011 and fiscal year 2010. We then applied those estimated market spreads to swap rates in order to estimate an underlying discount rate for calculating the fair value of the active bonds payable. We concluded that the fair value of the bonds exceeds the book value due to low current swap rates and credit spreads that are lower than our bond interest rates.

Other Liabilities

We estimate the fair value of our other liabilities, using expected future payments discounted at risk-adjusted rates. Other liabilities represent guarantee costs and reserves and deposit liabilities and other miscellaneous liabilities. The carrying values of our guarantee costs and reserves approximate their fair values. We estimate the fair value of our deposit liabilities primarily by discounting future payments at a risk-adjusted rate.

5. INVENTORY

The following table shows the composition of our inventory balances:

($ in millions)	At June 17, 2011	At December 31, 2010
Finished goods	$ 579	$ 652
Work-in-process	240	203
Land and infrastructure	524	551
Real estate inventory	1,343	1,406
Operating supplies and retail inventory	6	6
	$1,349	$ 1,412

See Footnote No. 14, “Subsequent Events,” to our interim combined financial statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

6. PROPERTY AND EQUIPMENT

We show the composition of our property and equipment balances in the following table:

($ in millions)	At June 17, 2011	At December 31, 2010
Land	$ 154	$ 148
Buildings and leasehold improvements	219	219
Furniture and equipment	271	261
Construction in progress	14	18
	658	646
Accumulated depreciation	(352)	(336)
	$ 306	$ 310

See Footnote No. 14, “Subsequent Event,” to our interim combined financial statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

7. CONTINGENCIES AND COMMITMENTS

Guarantees

We issue guarantees to certain lenders in connection with the provision of third-party financing for our sales of vacation ownership products for the Luxury and Asia Pacific segments. The terms of guarantees to lenders generally require us to fund if the purchaser fails to pay under the terms of its note payable and Marriott International has guaranteed our performance under these arrangements. We are entitled to recover any funding to third party lenders related to these guarantees through reacquisition and resale of the vacation ownership product. Our commitments under these guarantees expire as notes mature or are repaid. The term of the underlying notes extend to 2020.

The following table shows the maximum potential amount of future fundings for financing guarantees where we are the primary obligor and the carrying amount of the liability for expected future fundings.

($ in millions) *Segment*	Maximum Potential Amount of Future Fundings at June 17, 2011	Liability for Expected Future Fundings at June 17, 2011
Asia Pacific	$ 24	$ —
Luxury	3	1
Total guarantees where we are the primary obligor	$ 27	$ 1

We included our liability for expected future fundings of the financing guarantees at June 17, 2011 in our Balance Sheets in the Other caption within Liabilities.

In addition to the guarantees we describe in the preceding paragraphs, in conjunction with financing obtained for specific projects or properties owned by joint ventures in which we are a party, we may provide industry standard indemnifications to the lender for loss, liability or damage occurring as a result of the actions of the other joint venture owner or our own actions.

Refer to Footnote No. 10, “Variable Interest Entities,” for further discussion of our funding liability established in connection with an equity method investment.

Commitments and Letters of Credit

In addition to the guarantees we note in the preceding paragraphs, as of June 17, 2011, we had the following commitments outstanding:

- A commitment for $18 million (HK$141 million) to purchase vacation ownership units upon completion of construction for sale in our Marriott Vacation Club, Asia Pacific program. We have already made deposits of $11 million in conjunction with this commitment. We expect to pay the remaining $7 million upon acquisition of the units in the 2011 third quarter.
- $3 million (€2 million) of other purchase commitments that we expect to fund over the next three years, as follows: $1 million in each of 2012, 2013 and 2014.
- We have various contracts for the use of information technology hardware and software that we use in the normal course of business. Our commitments are $2 million in 2011 and $5 million in 2012.
- Commitments to subsidize vacation ownership associations for costs that otherwise would be covered by annual maintenance fees associated with vacation ownership interests or units that have not yet been built were $6 million which we expect will be paid in 2011.

Surety bonds guaranteed by Marriott International issued as of June 17, 2011 totaled $90 million, the majority of which were requested by federal, state or local governments related to our operations.

At June 17, 2011, we had $31 million of letters of credit outstanding under Marriott International credit facilities, the majority of which related to our Asia Pacific consumer financing guarantee.

Other

We estimate the cash outflow associated with completing all phases of our existing portfolio of vacation ownership projects currently under development will be approximately $214 million of which $14 million is included within liabilities on our Balance Sheet. This estimate is based on our current development plans, which remain subject to change, and we expect the phases currently under development will be completed by 2016.

8. DEBT

We provide detail on our debt balances in the following table:

($ in millions)	At June 17, 2011	At December 31, 2010
Non-recourse debt associated with securitized notes receivable, interest rates ranging from 0.27% to 7.20% (weighted average interest rate of 4.97%)	$ 895	$ 1,017
Other	3	5
	$ 898	$ 1,022

The non-recourse debt associated with securitized notes receivable was, and to the extent currently outstanding is, secured by the related notes receivable. All of our other debt was, and to the extent currently outstanding is, recourse to us but unsecured.

Each of our securitized notes receivable pools contain various triggers relating to the performance of the underlying notes receivable. If a pool of securitized notes receivable fails to perform within the pool's established parameters (default or delinquency thresholds vary by deal) transaction provisions effectively redirect the monthly excess spread we typically receive from that pool (related to the interests we retained), to accelerate the principal payments to investors based on the subordination of the different tranches until the performance trigger is cured. During the first quarter of 2011, one pool that reached a performance trigger at year-end 2010 returned to compliance while one other reached a performance trigger. At the end of the first quarter of 2011, this was the only pool that was not meeting performance thresholds. This pool returned to compliance during the second quarter of 2011. At the end of the second quarter of 2011, there were no pools out of compliance. As a result of performance triggers, a total of $2 million in cash of excess spread was used to pay down debt during the first half of 2011. At June 17, 2011, we had 13 securitized notes receivable pools outstanding.

We show future principal payments and unamortized discounts for our securitized and non-securitized debt in the following tables:

($ in millions)	Non-Recourse Debt	Other Debt	Total
2011	$ 70	$—	$ 70
2012	124	—	124
2013	129	—	129
2014	131	—	131
2015	125	—	125
Thereafter	316	3	319
Balance at June 17, 2011	$ 895	$ 3	$898

As the contractual terms of the underlying securitized notes receivable determine the maturities of the non-recourse debt associated with them, actual maturities may occur earlier due to prepayments by the notes receivable obligors.

We paid cash for interest, net of amounts capitalized, of $20 million in the first half of 2011 and $24 million in the first half of 2010.

9. SHARE-BASED COMPENSATION COSTS

Marriott International maintains the Marriott International Stock Plan for the benefit of its officers, directors and employees, including our employees. The following disclosures represent the portion of the Marriott International Stock Plan maintained by Marriott International in which our employees participated. All share-based awards granted under the Marriott International Stock Plan related to Marriott International Class A Common Stock ("Marriott International common stock"). As such, all related equity account balances are reflected in Marriott International's consolidated statements of stockholders' equity and have not been reflected in our Financial Statements. Accordingly, the amounts presented are not necessarily indicative of future performance and do not necessarily reflect the results that we would have experienced as an independent, publicly traded company for the periods presented.

Under the Marriott International Stock Plan, Marriott International awards to certain of our employees: (1) stock options to purchase Marriott International Stock; (2) stock appreciation rights ("SARs") for Marriott International common stock ("SAR Program"); and (3) restricted stock units ("RSUs") of Marriott International common stock. Marriott International granted these awards at exercise prices or strike prices that were equal to the market price to the market price of Marriott International common stock on the date of grant.

We recorded share-based compensation expense related to award grants to our employees of $4 million and $5 million for the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively. Deferred compensation costs related to unvested awards held by our employees totaled $15 million and $12 million at June 17, 2011 and December 31, 2010, respectively.

RSUs

Marriott International granted 252,972 RSUs during the first half of 2011 to our employees, and those units vest generally over four years in equal annual installments commencing one year after the date of grant. RSUs granted in the first half of 2011 had a weighted average grant-date fair value of $40.

SARs

Marriott International granted 8,880 SARs during the first half of 2011 to our employees. These SARs expire 10 years after the date of grant and both vest and are exercisable in cumulative installments of one quarter at the end of each of the first four years following the date of grant. These SARs had a weighted average grant-date fair value of $16.

We use a binomial method to estimate the fair value of each SAR granted, under which we calculated the weighted average expected SARs terms as the product of a lattice-based binomial valuation model that uses suboptimal exercise factors. We use historical data to estimate exercise behaviors and terms to retirement for separate groups of retirement eligible and non-retirement eligible employees.

We used the following assumptions to determine the fair value of the employee SARs granted during the first half of 2011.

Expected volatility	32%
Dividend yield	0.73%
Risk-free rate	3.4%
Expected term (in years)	8

In making these assumptions, we based risk-free rates on the corresponding U.S. Treasury spot rates for the expected duration at the date of grant, which we converted to a continuously compounded rate. We based expected volatility on the weighted-average historical volatility, with periods with atypical stock movement given a lower weight to reflect stabilized long-term mean volatility.

10. VARIABLE INTEREST ENTITIES

In accordance with the applicable accounting guidance for the consolidation of variable interest entities, we analyze our variable interests, including loans, guarantees, and equity investments, to determine if an entity in which we have a variable interest is a variable interest entity. Our analysis includes both quantitative and qualitative reviews. We base our quantitative analysis on the forecasted cash flows of the entity, and our qualitative analysis on our review of the design of the entity, its organizational structure including decision-making ability, and relevant financial agreements. We also use our qualitative analyses to determine if we must consolidate a variable interest entity as its primary beneficiary.

Variable Interest Entities Related to Our Notes Receivable Securitizations

We periodically securitize, without recourse, through special purpose entities, notes receivable originated in connection with the sale of vacation ownership products. These securitizations provide funding for us and transfer the economic risks and substantially all the benefits of the loans to third parties. In a notes receivable securitization, various classes of debt securities that the special purpose entities issue are generally collateralized by a single tranche of transferred assets, which consist of vacation ownership notes receivable. We service the notes receivable. With each securitization, we may retain a portion of the securities, subordinated tranches, interest-only strips, subordinated interests in accrued interest and fees on the securitized receivables or, in some cases, overcollateralization and cash reserve accounts.

At June 17, 2011, consolidated assets on our Balance Sheet included collateral for the obligations of those variable interest entities that had a carrying amount of $979 million, comprised of $913 million of notes receivable (net of reserves), $5 million of interest receivable and $61 million of restricted cash. Further, at June 17, 2011, consolidated liabilities on our Balance Sheet included liabilities for those variable interest entities with a carrying amount of $900 million, comprised of $5 million of interest payable and $895 million of debt. The non-controlling interest balance for those entities was zero. The creditors of those entities do not have general recourse to us. As a result of our involvement with these entities, we recognized $62 million of interest income, offset by $24 million of interest expense during the first half of 2011.

We show our cash flows to and from the notes securitization variable interest entities in the following table:

	Twenty-four Weeks Ended	
($ in millions)	**June 17, 2011**	**June 18, 2010**
Cash inflows:		
Principal receipts	$ 110	$ 116
Interest receipts	64	69
Total	174	185
Cash outflows:		
Principal to investors	(100)	(105)
Repurchases	(22)	(29)
Interest to investors	(20)	(24)
Total	(142)	(158)
Net cash flow	$ 32	$ 27

Under the terms of our notes receivable securitizations, we have the right at our option to repurchase defaulted mortgage notes at the outstanding principal balance. The transaction documents typically limit such repurchases to 10 to 20 percent of the transaction's initial mortgage balance. We made voluntary repurchases of defaulted notes receivable of $22 million during the first half of 2011 and $29 million during the first half of

2010. Our maximum exposure to loss relating to the entities that own these notes receivable is the overcollateralization amount (the difference between the loan collateral balance and the balance on the outstanding notes receivable), plus cash reserves and any residual interest in future cash flows from collateral.

Other Variable Interest Entity

We have an equity investment in and a loan receivable due from a variable interest entity that develops and markets vacation ownership products in Hawaii. We concluded that the entity is a variable interest entity because the equity investment at risk is not sufficient to permit the entity to finance its activities without additional support from other parties. We have determined that we are not the primary beneficiary as power to direct the activities that most significantly impact economic performance of the entity is shared among the variable interest holders, and therefore we do not consolidate the entity. In 2009, we fully impaired our equity investment and certain loans receivable due from the entity. In 2010, the continued application of equity losses to our outstanding loan receivable balance reduced its carrying value to zero. Our equity in losses was $0 million and $7 million for the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively. We may fund up to an additional $16 million and do not expect to recover this amount, which we have accrued and included in other liabilities. We do not have any remaining exposure to loss related to this entity.

11. RELATED PARTY TRANSACTIONS

Transactions with an Equity Method Investee

We provide marketing and sales, construction management, property management and accounting services to an equity method investee. Fees for such services are less than $1 million and $1 million in the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively. Refer to Footnote No. 10, “Variable Interest Entities,” for further information pertaining to our investment.

Services Provided by Marriott International and General Corporate Overhead

Our Financial Statements include costs for services provided by Marriott International including, for the purposes of these financial statements but not limited to, information technology support, systems maintenance, telecommunications, accounts payable, payroll and benefits, human resources, self-insurance and other shared services. Historically, these costs were charged to us based on specific identification or on a basis determined by Marriott International to reflect reasonable allocation to us of the actual costs incurred to perform these services. Marriott International charged us approximately $14 million and $16 million during the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively, for such services.

Marriott International allocated indirect general and administrative costs to us for certain functions and services provided to us by Marriott International, including, but not limited to, executive office, legal, tax, finance, government and public relations, internal audit, treasury, investor relations, human resources and other administrative support primarily on the basis of our proportion of Marriott International’s overall revenue. Accordingly, we were allocated $7 million for each of the twenty-four weeks ended June 17, 2011 and June 18, 2010 of Marriott International’s indirect general and corporate overhead expenses, and have included these expenses in general and administrative expenses on our Statements of Operations.

Both we and Marriott International consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the periods presented in accordance with *Staff Accounting Bulletin Topic 1: Financial Statements.* We determined that our relative revenue was a reasonable reflection of Marriott International time dedicated to the oversight of our historical business. The allocations may not, however, reflect the expense we would have incurred as an independent, publicly traded company for the periods presented. Actual costs that might have been incurred had we been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions we might have performed ourselves or outsourced and strategic decisions we might have made in areas such as information technology and infrastructure. Following the spin-off, we will perform these functions using our own resources or purchased services from either Marriott International or third parties.

Cash Management

Marriott International did not allocate to us the cash and cash equivalents that Marriott International held at the corporate level for any of the periods presented. Cash and cash equivalents in our Balance Sheets primarily represent cash held by international entities at the local level. We reflect transfers of cash to and from Marriott International's domestic cash management system as a component of Net Parent Investment.

Historically, Marriott International has not charged us interest expense (and we have not earned interest revenue) on our net cash balance due to/from Marriott International, except for amounts capitalized in inventory and property and equipment.

Our weighted-average outstanding cash balance due to Marriott International was approximately $793 million and $1,031 million during the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively. We reflect the total net effect of the settlement of these intercompany transactions in our Cash Flows as a financing activity and in our Balance Sheets as Net Parent Investment.

The transactions to reconcile the Net Parent Investment, including our use of cash from Marriott International, and cash provided to Marriott International by us, are reflected in our Statements of Cash Flows. The change in the Net Parent Investment is the sum of our cash flows from operations, investing activities and financing activities, excluding the change in Net Parent Investment.

Refer to Cash Flows for more information.

Marriott Rewards Customer Loyalty Program

We historically participated in the Marriott Rewards customer loyalty program and offered points as incentives to vacation ownership purchasers and/or in connection with exchange or other activities. This program, which Marriott International maintained and administered, is a frequent customer loyalty program in which program members earn or receive points based on the monetary spending at Marriott International's lodging operations or as an incentive to purchase vacation ownership and residential products. Points cannot be redeemed for cash. We included approximately $42 million for the estimated cost of future redemptions of points that Marriott International issued on our behalf in our historical segment results during each of the twenty-four weeks ended June 17, 2011 and June 18, 2010.

Guarantees

Marriott International guarantees our performance under various contractual arrangements including responsibilities related to surety bonds, servicing securitized notes receivable and guarantees that we provide to third parties.

Fee Sharing

We share management fees received from vacation ownership associations for our Luxury segment developments with Marriott International, generally on a 50/50 basis. Our portion of the fees shared was $1 million during each of the twenty-four weeks ended June 17, 2011 and June 18, 2010, which we have presented in the Resort management and other services revenues caption of our Statements of Operations.

12. COMPREHENSIVE INCOME AND DIVISIONAL EQUITY

We detail comprehensive income in the following table:

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010
Net income	$ 35	$ 30
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	—	6
Total other comprehensive income, net of tax	—	6
Total comprehensive income	$ 35	$ 36

The following table details changes in divisional equity:

($ in millions)	Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Total Parent Company Equity
Balance at year-end 2010	$ 1,876	$ 28	$ 1,904
Net income	35	—	35
Currency translation adjustments	—	—	—
Other derivative instrument adjustments	—	—	—
Net transfers to Parent	(23)	—	(23)
Balance at June 17, 2011	$ 1,888	$ 28	$ 1,916

13. BUSINESS SEGMENTS

We operate our business in four segments:

- In our North America segment, we develop, market, sell and manage vacation ownership products under the Marriott Vacation Club and Grand Residences by Marriott brands in the United States and the Caribbean. We also develop, market, sell and manage resort residential real estate located within our vacation ownership developments under the Grand Residences by Marriott brand.
- In our Luxury segment, we develop, market, sell and manage luxury vacation ownership products under the Ritz-Carlton Destinations Club brand. We also sell whole ownership luxury residential real estate under the Ritz-Carlton Residences brand.
- In our Europe segment, we develop, market, sell and manage vacation ownership products in several locations in Europe.
- In our Asia Pacific segment, we operate Marriott Vacation Club, Asia Pacific, a points program we introduced in 2006 that we specifically designed to appeal to vacation preferences of the Asian market.

We evaluate the performance of our segments based primarily on the results of the segment without allocating corporate expenses, income taxes, or indirect general, administrative and other expenses. We do not allocate corporate interest expense to our segments. We include interest income specific to segment activities within the appropriate segment. We allocate other gains and losses, equity in earnings or losses from our joint ventures, general and administrative expenses, and income or losses attributable to noncontrolling interests to each of our segments. Corporate and other represents that portion of our revenues, general, administrative and other expenses, equity in earnings or losses, and other gains or losses that are not allocable to our segments.

Revenues

($ in millions)	Twenty-four Weeks Ended June 17, 2011	June 18, 2010
North America	$ 603	$ 594
Luxury	50	54
Europe	56	54
Asia Pacific	42	43
Total segment revenues	751	745
Corporate and other	—	—
	$ 751	$ 745

Net Income

($ in millions)	Twenty-four Weeks Ended June 17, 2011	June 18, 2010
North America	$ 138	$ 130
Luxury	(12)	(16)
Europe	4	4
Asia Pacific	—	6
Total segment financial results	130	124
Corporate and other	(69)	(76)
Provision for income taxes	(26)	(18)
	$ 35	$ 30

Assets

($ in millions)	At Period-End June 17, 2011	December 31, 2010
North America	$1,307	$ 1,355
Luxury	357	368
Europe	116	104
Asia Pacific	61	61
Total segment assets	1,841	1,888
Corporate and other	1,651	1,754
	$3,492	$ 3,642

14. SUBSEQUENT EVENTS

Impairment

In preparing our company to operate as an independent, publicly traded company following the spin-off of our common stock by Marriott International, our management assessed its plan for undeveloped land and built Luxury inventory, including unfinished units, and the current market conditions for such assets.

Given our strategies to match completed inventory with our sales pace and to pursue future "asset light" development opportunities, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. If we are able to dispose of this excess land and built inventory, we will eliminate the associated carrying costs.

We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. We used recent comparable sales to estimate the current fair value of these land parcels. Management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. We determined the fair value of our excess built inventory through an evaluation of the associated vacation ownership projects and cash flow projections that reflect current market conditions.

Because we expect that proceeds from our planned land sales and their estimated fair value will be less than their carrying values, and because the fair value of this built Luxury inventory is less than its current carrying value, we expect to record a pre-tax non-cash charge of approximately $324 million in our third quarter 2011 financial statements to write-down the value of these assets.

Borrowings

On September 28, 2011, we closed a $300 million Warehouse Credit Facility that allows for the securitization of vacation ownership notes receivable on a non-recourse basis, pursuant to the terms of the facility. The revolving period of the facility is one year. The notes receivable that we securitize under the facility will be similar in nature to the notes receivable we have securitized in the past. Borrowings under the facility will bear interest at a rate of LIBOR plus 1.25 percent and are limited at any point to the advance rate on the aggregate amount of eligible notes receivable at such time. The advance rate of receivables securitized using the facility vary based on the characteristics of the obligor on each securitized note receivable.

On October 5, 2011, we made the first draw on the Warehouse Credit Facility. The carrying amount of notes receivable securitized was $154 million. The advance rate was 81%, which resulted in gross proceeds of $125 million. Net proceeds were $122 million due to the funding of a reserve account in the amount of $1 million, cash transaction costs of $2 million and costs of less than $1 million associated with entering into a derivative transaction to cap the interest rate. Estimated additional transaction costs are $1 million. The securitized notes receivable included $16 million of notes receivable that we repurchased in the fourth quarter of 2011 from two consolidated special purpose entities that we initially used to securitize the notes receivable in 2003. Proceeds from the draw on the Warehouse Credit Facility were transferred to Marriott International in settlement of certain intercompany account balances.

ANNEX A

[LETTERHEAD OF DUFF & PHELPS, LLC]

DRAFT FORM OF OPINION

Marriott International, Inc.
10400 Fernwood Road
Bethesda, Maryland 20817

[ ], 2011

Ladies and Gentlemen:

Marriott International, Inc. (the "Company") has engaged Duff & Phelps, LLC ("Duff & Phelps") to serve as an independent financial advisor to the Board of Directors (the "Board of Directors") of the Company (solely in its capacity as such) and to provide certain determinations (collectively, this "Opinion") in connection with a proposed transaction (the "Proposed Transaction"), as described below.

Description of the Proposed Transaction

The Proposed Transaction involves the spin-off by the Company of its timeshare operations and development business as a new independent publicly traded company, to be known as Marriott Vacations Worldwide Corporation ("MVWC"), by way of a special tax-free dividend to the Company's shareholders (the "Dividend").

Determinations

The Company has requested Duff & Phelps to determine whether:

1. The fair value of the aggregate assets of the Company immediately before consummation of the Proposed Transaction, and of each of the Company and MVWC immediately after consummation of the Proposed Transaction, will exceed their respective total liabilities (including contingent liabilities);
2. The present fair saleable value of the aggregate assets of the Company immediately before consummation of the Proposed Transaction, and of each the Company and MVWC immediately after consummation of the Proposed Transaction, will be greater than their respective probable liabilities on their debts as such debts become absolute and matured;
3. Each of the Company and MVWC, immediately after consummation of the Proposed Transaction, should be able to pay their respective debts and other liabilities (including contingent liabilities and other commitments) as they mature;
4. Each of the Company and MVWC, immediately after consummation of the Proposed Transaction, will not have unreasonably small capital for the businesses in which they are engaged, as managements of the Company and MVWC have indicated such businesses are now conducted and have indicated their businesses are proposed to be conducted following consummation of the Proposed Transaction;
5. The excess of the fair value of aggregate assets of the Company, immediately before consummation of the Proposed Transaction, over the total identified liabilities (including contingent liabilities) of the Company is equal to or exceeds the fair value of the Dividend plus the stated capital of the Company (as such capital is calculated pursuant to Section 154 of the Delaware General Corporation Law); and
6. The excess of the fair value of aggregate assets of the Company, immediately after consummation of the Proposed Transaction, over the total identified liabilities (including contingent liabilities) of the Company is equal to or exceeds the stated capital of the Company (as such capital is calculated pursuant to Section 154 of the Delaware General Corporation Law).

Scope of Analysis

In connection with this Opinion, Duff & Phelps has made such reviews, analyses and inquiries as it has deemed necessary and appropriate under the circumstances. Such reviews, analyses and inquires included valuation methodologies that we believe, taken together with all of our reviews and analyses, provide a sufficient and reasonable basis for rendering the Opinion. Duff & Phelps also took into account its assessment of general economic, market and financial conditions, as well as its experience in securities and business valuation, in

general, and with respect to similar transactions, in particular. Duff & Phelps' procedures, investigations, and financial analysis with respect to the preparation of its Opinion included, but were not limited to, the items summarized below:

1. Reviewed the following documents:
    a. The Company's annual reports and audited financial statements on Form 10-K filed with the Securities and Exchange Commission ("SEC") for the years ended on or near December 31, 2009 and 2010 and the Company's unaudited interim financial statements for the period ended June 17, 2011 included in the Company's Form 10-Q filed with the SEC;
    b. MVWC's registration statement on Form 10 filed with the SEC on June 28, 2011, as amended September 9, 2011;
    c. Financial projections with respect to the Company and MVWC, each after giving effect to the Proposed Transaction, provided to us by management of the Company (the "Management Projections");
    d. A letter dated [ ] from the management of the Company which made certain representations as to historical financial statements, the Management Projections and the underlying assumptions, and a pro forma schedule of assets and liabilities (including identified contingent liabilities) for the Company and MVWC on a post-transaction basis;
    e. Documents related to the Proposed Transaction, including the: (i) Separation and Distribution Agreement between the Company and MVWC (draft dated September 15, 2011), (ii) License, Services and Development Agreement between the Company, MVWC and Marriott Worldwide Corporation (draft dated September 19, 2011), (iii) Noncompetition Agreement between the Company and MVWC (draft dated September 19, 2011), (iv) Marriot Rewards Affiliation Agreement by and among the Company, MVWC, Marriott Rewards, LLC and Marriott Ownership Resorts, Inc. (draft dated September 19, 2011), and (v) Tax Sharing and Indemnification Agreement between the Company and MVWC (draft dated September 9, 2011) (collectively, the "Transaction Agreements"); and
    f. Documents related to MVWC new debt facilities, including the: (i) $200 million Credit Agreement among MVWC, Marriott Ownership Resorts, Inc., and certain lenders and agents (draft dated September 21, 2011), and (ii) Indenture and Servicing Agreement among Marriot Vacations Worldwide Owner Trust 2011-1, Marriott Ownership Resorts, Inc., and Wells Fargo Bank, National Association (draft dated September 20, 2011) (collectively, the "Financing Agreements");
2. Discussed the information referred to above and the background and other elements of the Proposed Transaction with the management of the Company;
3. Reviewed the historical trading price and trading volume of the Company's publicly traded securities and the publicly traded securities of certain other companies that Duff & Phelps deemed relevant;
4. Discussed the information referred to above and the background and other elements of the Proposed Transaction with the management of the Company;
5. Discussed with Company management its plans and intentions with respect to the management and operation of the business;
6. Performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques including a discounted cash flow analysis and an analysis of selected public companies that Duff & Phelps deemed relevant;
7. Performed certain cash flow analyses on the Management Projections and a sensitivity analysis using financial assumptions that Duff & Phelps believes, based on management's representations and with its consent, represent a reasonable downside scenario versus the Management Projections; and
8. Conducted such other analyses and considered such other factors as Duff & Phelps deemed appropriate.

In rendering its Opinion, Duff & Phelps valued the aggregate assets of the Company, before consummation of the Proposed Transaction, and of each of the Company and MVWC, after consummation of, and giving effect to, the Proposed Transaction on a consolidated basis and as a going concern. As such, Duff & Phelps' estimates of value included the aggregate assets of the Company's business enterprise (total invested capital excluding cash and equivalents) represented by the total net working capital, tangible plant, property and equipment, and intangible assets of the business enterprise before consummation of, and giving effect to, the Proposed Transaction, and that of the Company and MVWC after consummation of, and giving effect to, the Proposed Transaction, each on a consolidated basis.

Assumptions, Qualifications and Limiting Conditions

In performing its analyses and rendering this Opinion with respect to the Proposed Transaction, Duff & Phelps, with the Company's consent:

1. Relied upon the accuracy, completeness, and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to it from private sources, including Company management, and did not independently verify such information;
2. Relied upon the fact that the Board of Directors and the Company have been advised by counsel as to all legal matters with respect to the Proposed Transaction;
3. Assumed that the Management Projections furnished to Duff & Phelps were reasonably prepared and based upon the most reliable currently available information and good faith judgment of the person furnishing the same;
4. Assumed that the final versions of all documents reviewed by Duff & Phelps in draft form conform in all material respects to the drafts reviewed;
5. Assumed that there has been no material adverse change in the assets, financial condition, business, or prospects of the Company (after giving effect to the Proposed Transaction) since the date of the most recent financial statements and other publicly filed financial disclosures made available to Duff & Phelps;
6. Assumed that all of the conditions required to implement the Proposed Transaction will be satisfied and that the Proposed Transaction and any related financing transactions will be completed substantially in accordance with the applicable Transaction Agreements and Financing Agreements, without any material amendments thereto or any waivers of any material terms or conditions thereof;
7. Assumed that all governmental, regulatory or other consents and approvals necessary for the operation of the business following the consummation of the Proposed Transaction will be either obtained or remain valid, as the case may be;
8. Assumed the substantial continuity of current credit market conditions (as they pertain to the Company's ability to refinance its debt obligations at maturity); and
9. Assumed that all subsidiary guarantees are enforceable and principles of contribution, subrogation and other similar principles are applied.

To the extent that any of the foregoing assumptions or any of the facts on which this Opinion is based prove to be untrue in any material respect, this Opinion cannot and should not be relied upon. Furthermore, in Duff & Phelps' analysis and in connection with the preparation of this Opinion, Duff & Phelps has made numerous assumptions with respect to industry performance, general business, market and economic conditions, and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

Duff & Phelps has prepared this Opinion effective as of the date hereof. This Opinion is necessarily based upon market, economic, financial and other conditions as they exist and can be evaluated as of the date hereof, and Duff & Phelps disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Opinion that may come or be brought to the attention of Duff & Phelps after the date hereof.

Duff & Phelps did not conduct an independent appraisal or physical inspection of any specific assets or liabilities (contingent or otherwise). Duff & Phelps is not expressing any opinion as to the market price or value of the Company's or MVWC's common stock or other securities after the consummation of the Proposed Transaction. This Opinion should not be construed as a valuation opinion, credit rating, fairness opinion, an analysis of the Company's credit worthiness, as tax advice, or as accounting advice. Duff & Phelps has not made, and assumes no responsibility to make, any representation, or render any opinion, as to any legal matter.

This Opinion is furnished solely for the use and benefit of the Board of Directors in connection with its consideration of the Proposed Transaction and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, by any other person or for any other purpose, without Duff & Phelps' express consent (which shall not be unreasonably withheld). This Opinion (i) does not address the merits of the underlying business decision to enter into the Proposed Transaction versus any alternative strategy or transaction, and (ii) does not address any transaction related to the Proposed Transaction, and (iii) is not a recommendation as to how the Board of Directors or any stockholder should vote or act with respect to any matters relating to the Proposed Transaction, or whether to proceed with the Proposed Transaction or any related transaction. This letter should not be construed as creating any fiduciary duty on the part of Duff & Phelps to any party.

This Opinion is solely that of Duff & Phelps, and Duff & Phelps' liability in connection with this letter shall be limited in accordance with the terms set forth in the engagement letter between Duff & Phelps and the Company dated May 13, 2011 (the "Engagement Letter"). The use and disclosure of this letter is strictly limited in accordance with the terms set forth in the Engagement Letter.

Disclosure of Prior Relationships

Duff & Phelps has acted as financial advisor to the Board of Directors and will receive a fee for its services. No portion of Duff & Phelps' fee is contingent upon either the conclusion expressed in this Opinion or whether or not the Proposed Transaction is successfully consummated. Pursuant to the terms of the Engagement Letter, a portion of Duff & Phelps' fee is payable upon Duff & Phelps' stating to the Board of Directors that it is prepared to deliver the Opinion. Other than this engagement, during the two years preceding the date of this Opinion, Duff & Phelps has not had any material relationship with any party to the Proposed Transaction for which compensation has been received or is intended to be received, nor is any such material relationship or related compensation mutually understood to be contemplated.

Conclusion

Based on all factors we regard as relevant and the foregoing assumptions and reliances, and subject to the qualifications and limiting conditions herein, it is our opinion that as of the date hereof:

1. The fair value of the aggregate assets of the Company immediately before consummation of the Proposed Transaction, and of each of the Company and MVWC immediately after consummation of the Proposed Transaction, will exceed their respective total liabilities (including contingent liabilities);
2. The present fair saleable value of the aggregate assets of the Company immediately before consummation of the Proposed Transaction, and of each the Company and MVWC immediately after consummation of the Proposed Transaction, will be greater than their respective probable liabilities on their debts as such debts become absolute and matured;
3. Each of the Company and MVWC, immediately after consummation of the Proposed Transaction, should be able to pay their respective debts and other liabilities (including contingent liabilities and other commitments) as they mature;

4. Each of the Company and MVWC, immediately after consummation of the Proposed Transaction, will not have unreasonably small capital for the businesses in which they are engaged, as managements of the Company and MVWC have indicated such businesses are now conducted and have indicated their businesses are proposed to be conducted following consummation of the Proposed Transaction;

5. The excess of the fair value of aggregate assets of the Company, immediately before consummation of the Proposed Transaction, over the total identified liabilities (including contingent liabilities) of the Company is equal to or exceeds the fair value of the Dividend plus the stated capital of the Company (as such capital is calculated pursuant to Section 154 of the Delaware General Corporation Law); and

6. The excess of the fair value of aggregate assets of the Company, immediately after consummation of the Proposed Transaction, over the total identified liabilities (including contingent liabilities) of the Company is equal to or exceeds the stated capital of the Company (as such capital is calculated pursuant to Section 154 of the Delaware General Corporation Law).

Certain terms used in the determinations above are defined in Appendix A to this letter and, for the purposes of this Opinion, shall only have the meanings set forth in Appendix A. Duff & Phelps makes no representations as to the legal sufficiency for any purpose of the definitions set forth in Appendix A. Such definitions are used solely for setting forth the scope of this Opinion.

This Opinion has been approved by the Opinion Review Committee of Duff & Phelps.

Respectfully submitted,

Draft

Duff & Phelps, LLC

APPENDIX A

DEFINITIONS OF TERMS USED IN THIS LETTER

"Fair value" means the amount at which the aggregate assets would change hands between a willing buyer and a willing seller, within a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, neither being under any compulsion to act, with equity to both.

"Present fair saleable value" means the amount that may be realized if the aggregate assets are sold in their entirety with reasonable promptness in an arms-length transaction under present conditions in a current market for the sale of assets of a comparable business enterprise.

"Debt" or "liabilities" means the obligation to perform a right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.

"Contingent liabilities" means the maximum estimated amount of any claims, demands or unmatured liabilities that may result from threatened or pending litigation, pension obligations, assessments, certain guaranties, uninsured risks, exposure from environmental conditions, unmatured contractual obligations, certain taxes, and other unmatured liabilities, of a specified entity and time, which were identified to and quantified for Duff & Phelps by responsible officers and employees of the Company and MVWC. Such contingent liabilities may not meet the criteria for accrual under the Financial Accounting Standards Board Accounting Standards Codification Contingencies – Loss Contingencies – Disclosure and therefore may not be recorded as liabilities under GAAP.

"Not have unreasonably small capital for the businesses in which they are engaged" means the Company and MVWC will not have unreasonably small capital for the needs and anticipated needs (including contingent liabilities) of their businesses in conducting their businesses as a going concern, as the managements of the Company and MVWC, respectively, have stated they are proposed to be conducted following the consummation of the Proposed Transaction.

"Able to pay their respective debts and other liabilities (including contingent liabilities and other commitments) as they mature" means each of the Company and MVWC will be able to generate enough cash from operations, asset dispositions, refinancing, or a combination thereof, to meet its obligations (including contingent liabilities) as they become due.