Contract ID#: CQSS16000035

Department: Social Services

U-81-16

Contract Details

SERVICE Holiday Party

NIFS ID #: CQSS16000035 NIFS Entry Date: 10/20 /16 Term: from 12/27/16_ to 12/27/16

New ☒ Renewal ☐	
Amendment ☐	
Time Extension ☐	
Addl. Funds ☐	
Blanket Resolution ☐ RES#	

1) Mandated Program:	Yes ☒	No ☐
2) Comptroller Approval Form Attached:	Yes ☒	No ☐
3) CSEA Agmt. § 32 Compliance Attached:	Yes ☒	No ☐
4) Vendor Ownership & Mgmt. Disclosure Attached:	Yes ☐	No ☒
5) Insurance Required	Yes ☒	No ☐

Agency Information

Vendor	
Name Long Island Marriott Hotel & Conference Center	Vendor ID# 521052660
Address P.O. Box 402642 Atlanta, GA 30384-2642	Contact Person Dena Kimmel Dena.Kimmel@Marriott.com Phone 516 229-5084 Fax 516 794-3825

County Department
Department Contact Michael Kanowitz
Address 60 Charles Lindbergh Blvd
Phone 516 227-7452

Routing Slip

DATE Rec'd.	DEPARTMENT	Internal Verification	DATE Appv'd & Fw'd.	SIGNATURE	Leg. Approval Required
	Department	*NIFS Entry (Dept)* ☐ *NIFS Appvl (Dept. Head)* ☐			
10/27	OMB	*NIFS Approval* ☑	10/27		Yes ☑ No ☐ Not required if blanket resolution
11/2/16	County Attorney	*CA RE & Insurance Verification* ☑	11/2/16		
11/2/16	County Attorney	*CA Approval as to form* ☑	11/2/16		
	Legislative Affairs	*Fw'd Original Contract to CA* ☐			
	Rules ☐/ Leg. ☐	☐			Yes ☑ No ☐
11/2/16	County Attorney	*NIFS Approval* ☑	11/2/16		
	Comptroller	*NIFS Approval* ☐			
11/4/16	County Executive	*Notarization* ☐ *Filed with Clerk of the Leg.* ☐	11/4/16		

Contract Summary

Description DSS Holiday Party for Foster Children

RECEIVED
NASSAU COUNTY
OFFICE OF THE COUNTY ATTORNEY
2016 NOV -7 PM 12:40

PR5254 (8/04)

N-81-16

Contract ID#: CQSS16000035 ___ Department: Social Services

Purpose: **The party helps the Department of Social Services to recruit foster & Adoptive homes while ensuring the children in foster care enjoy a gala holiday celebration.**

Method of Procurement: 3 bids received- Marriott was the lowest bid- see attached.

Procurement History: We have been using this vendor since at least 1997.

Description of General Provisions: The vendor will provide a Lunch Buffet to include Hot Dogs & Rolls, Baked ziti, Deli Hero, Dry Snacks, Cookies, coffee tea & assorted sodas.

Impact on Funding / Price Analysis: Federal 33% State 33 % County 34 %

Change in Contract from Prior Procurement: N/A

Recommendation: (approve as submitted)

Advisement Information

BUDGET CODES	
Fund:	GEN
Control:	21
Resp:	3400
Object:	DE500
Transaction:	CQ

FUNDING SOURCE	AMOUNT
Revenue Contract ☐	XXXXXXX
County	$ 4,630.80
Federal	$ 4,494.60
State	$ 4,494.60
Capital	$
Other	$
TOTAL	$ 13,620.00

LINE	INDEX/OBJECT CODE	AMOUNT
1	DE500//SSGEN3400	$13,620.00
2		$
3		$
4		$
5	J. Amato 11/2/16	$
6		$
	TOTAL	$ 13,620.00

RENEWAL	
% Increase	
% Decrease	

Document Prepared By: _____ **Date:** _____

NIFS Certification	Comptroller Certification	County Executive Approval
I certify that this document was accepted into NIFS.	I certify that an unencumbered balance sufficient to cover this contract is present in the appropriation to be charged.	Name
Name	Name	Date 11/4/16
Date	Date	(For Office Use Only) E #:

130458

PR5254 (8/04)

CQSS1600035

NIFA

Nassau County Interim Finance Authority

Contract Approval Request Form (As of January 1, 2015)

1. Vendor: Long Island Marriott Hotel & Conference Center

2. Dollar amount requiring NIFA approval: $ 13,620.00

Amount to be encumbered: $ 13,620.00

This is a ✓ New Contract ___ Advisement ___ Amendment

If new contract - $ amount should be full amount of contract
If advisement – NIFA only needs to review if it is increasing funds above the amount previously approved by NIFA
If amendment - $ amount should be full amount of amendment only

3. Contract Term: 12/27/16 to 12/27/16

Has work or services on this contract commenced? ___ Yes ✓ No

If yes, please explain: ___

4. Funding Source:

✓ General Fund (GEN)
___ Capital Improvement Fund (CAP)
___ Other

___ Grant Fund (GRT)
Federal % 33
State % 33
County % 34

Is the cash available for the full amount of the contract? ✓ Yes ___ No
If not, will it require a future borrowing? ___ Yes ___ No

Has the County Legislature approved the borrowing? ___ Yes ___ No ___ N/A

Has NIFA approved the borrowing for this contract? ___ Yes ___ No ___ N/A

5. Provide a brief description (4 to 5 sentences) of the item for which this approval is requested:

The party helps the Department of Social Services to recruit foster care and adoptive homes while insuring the children in foster care enjoy a gala holiday party.

6. Has the item requested herein followed all proper procedures and thereby approved by the:

Nassau County Attorney as to form ___ Yes ___ No ___ N/A
Nassau County Committee and/or Legislature ___ Yes ___ No ___ N/A

Date of approval(s) and citation to the resolution where approval for this item was provided:

7. Identify all contracts (with dollar amounts) with this or an affiliated party within the prior 12 months:

CQSS15000114 $13,330.00.

AUTHORIZATION

To the best of my knowledge, I hereby certify that the information contained in this Contract Approval Request Form and any additional information submitted in connection with this request is true and accurate and that all expenditures that will be made in reliance on this authorization are in conformance with the Nassau County Approved Budget and not in conflict with the Nassau County Multi-Year Financial Plan. I understand that NIFA will rely upon this information in its official deliberations.

Signature _____ Title _____ Date 11/1/16

Print Name _____

COMPTROLLER'S OFFICE

To the best of my knowledge, I hereby certify that the information listed is true and accurate and is in conformance with the Nassau County Approved Budget and not in conflict with the Nassau County Multi-Year Financial Plan.

Regarding funding, please check the correct response:

_____ I certify that the funds are available to be encumbered pending NIFA approval of this contract.

If this is a capital project:

_____ I certify that the bonding for this contract has been approved by NIFA.

_____ Budget is available and funds have been encumbered but the project requires NIFA bonding authorization

Signature _____ Title _____ Date _____

Print Name _____

NIFA

Amount being approved by NIFA: _____

Signature _____ Title _____ Date _____

Print Name _____

NOTE: All contract submissions MUST include the County's own routing slip, current NIFS printouts for all relevant accounts and relevant Nassau County Legislature communication documents and relevant supplemental information pertaining to the item requested herein.

NIFA Contract Approval Request Form MUST be filled out in its entirety before being submitted to NIFA for review.

NIFA reserves the right to request additional information as needed.

RULES RESOLUTION NO. – 2016

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE A PERSONAL SERVICE AGREEMENT BETWEEN THE COUNTY OF NASSAU ACTING ON BEHALF OF THE DEPARTMENT OF SOCIAL SERVICES AND LONG ISLAND MARRIOTT HOTEL & CONFERENCE CENTER.

WHEREAS, the County has negotiated a personal services agreement with Long Island Marriott Hotel & Conference Center for catering services for a special event to recruit foster and adoptive homes, a copy of which is on file with the Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the County Executive to execute the said agreement with Long Island Marriott Hotel & Conference Center.

George Maragos
Comptroller

OFFICE OF THE COMPTROLLER
240 Old Country Road
Mineola, New York 11501

COMPTROLLER APPROVAL FORM FOR PERSONAL, PROFESSIONAL OR HUMAN SERVICES CONTRACTS

Attach this form along with all personal, professional or human services contracts, contract renewals, extensions and amendments.

CONTRACTOR NAME: Long Island Marriot Hotel & Conference Center

CONTRACTOR ADDRESS: P.O. Box 402642, Atlanta, GA 30384-2642

FEDERAL TAX ID #: 521052660

Instructions: **Please check the appropriate box ("☑") after one of the following roman numerals, and provide all the requested information.**

I. ☐ The contract was awarded to the lowest, responsible bidder after advertisement for sealed bids. The contract was awarded after a request for sealed bids was published in_____ [newspaper] on _____ [date]. The sealed bids were publicly opened on _____ [date]. _____ [#] of sealed bids were received and opened.

II. ☐ The contractor was selected pursuant to a Request for Proposals.
The Contract was entered into after a written request for proposals was issued on _____ [date]. Potential proposers were made aware of the availability of the RFP by advertisement in _____ [newspaper], posting on industry websites, via email to interested parties and by publication on the County procurement website. Proposals were due on _____ [date]. _____ [state #] proposals were received and evaluated. The evaluation committee consisted of: _____
_____
_____ (list # of persons on committee and their respective departments). The proposals were scored and ranked. As a result of the scoring and ranking, the highest-ranking proposer was selected.

III. ☐ This is a renewal, extension or amendment of an existing contract.
The contract was originally executed by Nassau County on _____[date]. This is a renewal or extension pursuant to the contract, or an amendment within the scope of the contract or RFP (copies of the relevant pages are attached). The original contract was entered into after_____
_____
_____ [describe procurement method, i.e., RFP, three proposals evaluated, etc.] Attach a copy of the most recent evaluation of the contractor's performance for any contract to be renewed or extended. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to continue to contract with the county.

IV. ☒ Pursuant to Executive Order No. 1 of 1993, as amended, at least three proposals were solicited and received. The attached memorandum from the department head describes the proposals received, along with the cost of each proposal. (3 BIDS ATTACHED)

☒ **A.** The contract has been awarded to the proposer offering the lowest cost proposal; **OR:**

☐ **B.** The attached memorandum contains a detailed explanation as to the reason(s)why the contract was awarded to other than the lowest-cost proposer. The attachment includes a specific delineation of the unique skills and experience, the specific reasons why a proposal is deemed superior, and/or why the proposer has been judged to be able to perform more quickly than other proposers.

V. ☐ Pursuant to Executive Order No. 1 of 1993 as amended, the attached memorandum from the department head explains why the department did not obtain at least three proposals.

☐ **A.** There are only one or two providers of the services sought or less than three providers submitted proposals. The memorandum describes how the contractor was determined to be the sole source provider of the personal service needed or explains why only two proposals could be obtained. If two proposals were obtained, the memorandum explains that the contract was awarded to the lowest cost proposer, or why the selected proposer offered the higher quality proposal, the proposer's unique and special experience, skill, or expertise, or its availability to perform in the most immediate and timely manner.

☐ **B.** The memorandum explains that the contractor's selection was dictated by the terms of a federal or New York State grant, by legislation or by a court order. (Copies of the relevant documents are attached).

☐ **C.** Pursuant to General Municipal Law Section 104, the department is purchasing the services required through a New York State Office of General Services contract no._____, and the attached memorandum explains how the purchase is within the scope of the terms of that contract.

☐ **D.** Pursuant to General Municipal Law Section 119-o, the department is purchasing the services required through an inter-municipal agreement.

VI. ☐ This is a human services contract with a not-for-profit agency for which a competitive process has not been initiated. Attached is a memorandum that explains the reasons for entering into this contract without conducting a competitive process, and details when the department intends to initiate a competitive process for the future award of these services. For any such contract, where the vendor has previously provided services to the county, attach a copy of the most recent evaluation of the vendor's performance. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to contract with the county.

In certain limited circumstances, conducting a competitive process and/or completing performance evaluations may not be possible because of the nature of the human services program, or because of a compelling need to continue services through the same provider. In those circumstances, attach an explanation of why a competitive process and/or performance evaluation is inapplicable.

VII. ☐ This is a public works contract for the provision of architectural, engineering or surveying services. The attached memorandum provides details of the department's compliance with Board of Supervisors' Resolution No. 928 of 1993, including its receipt and evaluation of annual Statements of Qualifications & Performance Data, and its negotiations with the most highly qualified firms.

Instructions with respect to Sections VIII, IX and X: **All Departments must check the box for VIII. Then, check the box for either IX or X, as applicable.**

VIII. ☒ Participation of Minority Group Members and Women in Nassau County Contracts. The selected contractor has agreed that it has an obligation to utilize best efforts to hire MWBE sub-contractors. Proof of the contractual utilization of best efforts as outlined in Exhibit "EE" may be requested at any time, from time to time, by the Comptroller's Office prior to the approval of claim vouchers.

IX. ☒ Department MWBE responsibilities. To ensure compliance with MWBE requirements as outlined in Exhibit "EE", Department will require vendor to submit list of sub-contractor requirements prior to submission of the first claim voucher, for services under this contract being submitted to the Comptroller.

X. ☐ Vendor will not require any sub-contractors.

In addition, if this is a contract with an individual or with an entity that has only one or two employees: ☐ a review of the criteria set forth by the Internal Revenue Service, *Revenue Ruling No.* 87-41, 1987-1 C.B. 296, attached as Appendix A to the Comptroller's Memorandum, dated February 13, 2004, concerning independent contractors and employees indicates that the contractor would not be considered an employee for federal tax purposes.

Paul F Bruhl

Department Head Signature

10.20.16

Date

NOTE: ***Any information requested above, or in the exhibit below, may be included in the county's "staff summary" form in lieu of a separate memorandum.***

NASSAU COUNTY
DEPARTMENT OF SOCIAL SERVICES
60 CHARLES LINDBERGH BLVD., SUITE 160 • UNIONDALE, NEW YORK 11553-3686

DEPARTMENTAL MEMO

TO: Michael Kanowitz
Contracts

FROM: Lynne Campbell
Volunteer Services

DATE: June 29, 2016

SUBJECT: Holiday Party for Foster Children 2016

The Holiday Party for Children in Foster Care is scheduled for Tuesday, December 27, 2016.

The Holiday Party is a special event for the Department, because we celebrate our foster children with a gala party, which includes entertainment, enjoyable food, and a visit from Santa who presents each child with a gift.

Attached are three bids from catering establishments local in our area that will accommodate 500 children and their foster families.

Chateau Briand-Carle Place
Jericho Terrace-Mineola
Marriott Hotel and Conference Center-Uniondale

The Marriott Hotel and Conference Center is the lowest bid and the one we have chosen for the Holiday Party.

Thank you.

Lac
Atts.

Marriott
HOTELS & RESORTS

Menu Proposal Especially for the
Nassau County Department of Social Services
Foster Care Holiday Party
Tuesday, December 27, 2016

RECEPTION /LUNCH MENU

Two Hour Food Service

Served From Chafing Dishes

Hot Dog Station with Franks
Sauerkraut, Relish and Coney Island Onions
and Hot Dog Rolls

Baked Ziti

6' Deli Hero
Condiments To include: Lettuce, Tomato and Pickles

Assorted Dry Snacks to include
Pretzels, Chips, Dips, & Mixed Nuts

Assorted Homemade Cookies

Assorted Diet and Regular Sodas
Coffee, Decaffeinated Coffee, Herbal and Specialty Teas

$20.97 Per Person
A 24% Service Charge will be added. Group is Tax Exempt.
Total Price Inclusive of Service Charge $26.00 Per Person

Package Includes:
Complimentary Podium & Microphone ($55.00 Savings)
Enhanced Up-Lighting Choice of Colors

CHATEAU BRIAND

Ball Park Frank Bar

With assorted toppings: Bacon Bits, Melted Cheddar Cheese, Sauerkraut, BBQ Onions, Beef Chili, Relish, Baked Beans
Served on potato buns

Sliders & Wings

Create your own special slider with a variety of toppings; sautéed onions, mushrooms, cheese, coleslaw, pickles, onions, lettuce, tomato, potato rolls & appropriate condiments
Chopped Beef Sirloin • BBQ Pulled Pork • Chicken
Also served with steakhouse fries

Crispy Chicken Wings with choice of hot, sweet barbeque or honey mustard sauces
Accompanied By: bleu cheese, celery, carrot sticks

Pasta Cucina

Pastas prepared to order served with imported pecorino Romano cheese and crushed red pepper
Host's choice of two pastas & two sauces

Rigatoni • Penne • Cheese Ravioli • Tri-Color Tortellini
Cavatelli • Linguini • Gnocchi

Vodka • Puttanesca • Tomato Basil • Gorgonzola Cream
Bolognese • Pesto • Primavera • White Clam

C.B. Cold Bar

From our renowned Garde Manger Chef, a vast display of artistic food sculptures (all included)

Iced Fresh Vegetable Crudités with Assorted Dipping Sauces • Fresh Fruit
Tuscan Potato Salad • Spring Cucumber Salad • String Bean Salad • Marinated Mushrooms
Marinated and Grilled Seasonal Vegetables • Stuffed Aubergine • Rotelli Pasta Salad

DO IT CHATEAU STYLE

www.ChateauBriandCaterers.com

MAKE YOUR OWN SUNDAE BAR - COFFEE
SOFT DRINKS INCLUDED

Jericho Terrace

Buffet Menu

Unlimited soft Drinks & Juices
Served Throughout The Entire Affair

Cocktail Hour

Hors d'oeuvres station

White Glove Butler Service

BAKED CLAMS
LITTLENECK CLAMS TOPPED WITH ITALIAN BREADCRUMBS & ROASTED GARLIC

SPINACH SOUFFLE
SPINACH, DILL, GREEN ONIONS AND FETA CHEESE WRAPPED IN A FLAKY PUFF PASTRY

STUFFED MUSHROOM CAPS
STUFFED WITH DUXELLE OF MUSHROOMS & ROASTED GARDEN VEGETABLES

PULLED PORK
SERVED OVER JALAPENO CORNBREAD WITH CANDIED ONIONS

MINI RICE BALLS
ITALIAN ARBORIO RICE WITH PROSCIUTTO DI PARMA& FRESH MOZZARELLA
BREADED WITH SEASONED BREAD CRUMBS & LIGHTLY FRIED

SMOKED SALMON FLORET
WITH CREAM CHEESE CHIVES RED ONION & CAPERS SERVED ON HERBED RYE

SEAFOOD CONCOMBRE
A MEDLEY OF SHRIMP, SCALLOPS & CRAB PLACED ON AN ENGLISH CUCUMBER

GULF SHRIMP BENEVETES
WITH TOMATO GAZPACHO AND WASABI CREAM SERVED IN DEMITASSE CUP

OVERSIZED CARVED FRUIT PLATTER

AN UNLIMITED AND CONSTANTLY REPLENISHED SELECTION OF WATERMELON, HONEY DEW, CANTALOUPE, PINEAPPLE, SEASONAL BERRIES DISPLAYED WITH SCULPTED FRUIT AND CARVED WHOLE WATERMELONS.

GARDE MANGER TABLES

LONG STEM ARTICHOKE HEARTS
WITH FRESH HERB INFUSED OLIVE OIL

SUN BAKED TOMATOES
TOSSED WITH EXTRA VIRGIN OLIVE OIL

CAPONATA SALAD
GRILLED EGGPLANT, TOMATO, ONIONS &CAPERS WITH A GARLIC INFUSED OLIVE OIL

TOMATO BRUSCHETTA
VINE RIPENED PLUM TOMATOES DICED AND MARINATED WITH EXTRA VIRGIN OLIVE OIL AND FRESH ITALIAN HERBS SERVED WITH CRUSTINI

TORTELLINI SALAD
TRI-COLORE TORTELLINI WITH TOMATOES, BROCCOLI, BLACK OLIVES, TOPPED WITH GORGONZOLA IN A MEDITERRANEAN VINAIGRETTE

MARINATED MUSHROOMS
WITH GARLIC AND SHALLOTS IN A WHITE VINEGAR MARINADE

HEIRLOOM TOMATO SALAD
WITH BASIL, GARLIC, RED ONION, CELERY & EXTRA VIRGIN OLIVE OIL

GOLDEN BEET SALAD
TOSSED WITH A SWEET & SOUR HONEY VINAIGRETTE

ROASTED RED PEPPERS
WITH ROASTED GARLIC & EXTRA VIRGIN OLIVE OIL

GEMELLI PASTASALAD
WITH A ROASTED GARLIC INFUSED OLIVE OIL, JULIENNE OF DRIED SAUSAGE SUNDRIED TOMATOES WITH BABY ARUGALA AND GAETA OLIVES

GRILLED VEGETABLES
FARM FRESH, GRILLED SERVED WITH A LIGHT BALSAMIC REDUCTION

CARROT SALAD
TOSSED WITH A HONEY DIJON VINAIGRETTE & WALNUTS, PISTACHIOS PECANS, ALMONDS, RAISINS & SUNDRIED CRANBERRIES

Occasion Cake

(CHOICE OF TWO FILLINGS)

STRAWBERRY, RASPBERRY, CHERRY, PINEAPPLE, BANANA, CANNOLI CREAM,
CHOCOLATE MOUSSE, CHOCOLATE PUDDING, VANILLA CREAM

Or

Ice Cream Cannoli

VANILLA & CHOCOLATE ICE CREAM IN A HOMEMADE OVERSIZED CANNOLI SHELL, A SLICE OF CHOCOLATE DIPPED FRUIT, SERVED WITH DOLLOP OF FRESHLY WHIPPED CREAM & RASPBERRY SAUCE

FRESHLY BREWED REGULAR & DECAFFEINATED COFFEE & TEA
ESPRESSO & CAPPUCCINO

$48 PER PERSON PLUS *6% PLUS TAX
UNLIMITED SOFT DRINKS

$55 PER PERSON PLUS *6% PLUS TAX
UNLIMITED BEER WINE & SODA

$60 PER PERSON PLUS *6% PLUS TAX
UNLIMITED TOP SHELF LIQUOR

(Exempt with tax certificate)

ALL EVENTS ARE BASED ON 4 HOURS

*The Administrative Fee offsets costs associated with additional amenities provided by caterer including wedding planning services, kinetic lighting, video screens, valet parking, restroom amenities, cocktail hour centerpieces, coat check, linen and chair covers.

Exhibit A

COUNTY OF NASSAU

POLITICAL CAMPAIGN CONTRIBUTION DISCLOSURE FORM

1. Has the vendor or any corporate officers of the vendor provided campaign contributions pursuant to the New York State Election Law in (a) the period beginning April 1, 2016 and ending on the date of this disclosure, or (b), beginning April 1, 2018, the period beginning two years prior to the date of this disclosure and ending on the date of this disclosure, to the campaign committees of any of the following Nassau County elected officials or to the campaign committees of any candidates for any of the following Nassau County elected offices: the County Executive, the County Clerk, the Comptroller, the District Attorney, or any County Legislator? If yes, to what campaign committee?

None

2. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

The undersigned further certifies and affirms that the contribution(s) to the campaign committees identified above were made freely and without duress, threat or any promise of a governmental benefit or in exchange for any benefit or remuneration.

Dated: 9/6/16

Vendor: LI Marriott Hotel

Signed: Paul Evasick

Print Name: Paul Evasick

Title: General Manager

Rev. 3-2016

Exhibit B

COUNTY OF NASSAU

LOBBYIST REGISTRATION AND DISCLOSURE FORM

1. Name, address and telephone number of lobbyist(s)/lobbying organization. The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements. The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

None

2. List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):

None

3. Name, address and telephone number of client(s) by whom, or on whose behalf, the lobbyist is retained, employed or designated:

None

None

4. Describe lobbying activity conducted, or to be conducted, in Nassau County, and identify client(s) for each activity listed. **See page 4 for a complete description of lobbying activities.**

None

5. The name of persons, organizations or governmental entities before whom the lobbyist expects to lobby:

None

6. If such lobbyist is retained or employed pursuant to a written agreement of retainer or employment, you must attach a copy of such document; and if agreement of retainer or employment is oral, attach a written statement of the substance thereof. If the written agreement of retainer or employment does not contain a signed authorization from the client by whom you have been authorized to lobby, separately attach such a written authorization from the client.

7. Has the lobbyist/lobbying organization or any of its corporate officers provided campaign contributions pursuant to the New York State Election Law in (a) the period beginning April 1, 2016 and ending on the date of this disclosure, or (b), beginning April 1, 2018, the period beginning two years prior to the date of this disclosure and ending on the date of this disclosure, to the campaign committees of any of the following Nassau County elected officials or to the campaign committees of any candidates for any of the following Nassau County elected offices: the County Executive, the County Clerk, the Comptroller, the District Attorney, or any County Legislator? If yes, to what campaign committee?

None

I understand that copies of this form will be sent to the Nassau County Department of Information Technology ("IT") to be posted on the County's website.

I also understand that upon termination of retainer, employment or designation I must give written notice to the County Attorney within thirty (30) days of termination.

VERIFICATION: The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

The undersigned further certifies and affirms that the contribution(s) to the campaign committees listed above were made freely and without duress, threat or any promise of a governmental benefit or in exchange for any benefit or remuneration.

Dated: 9/6/2016

Signed: Paul Evasick

Print Name: Paul Evasick

Title: General Manager

The term <u>lobbying</u> shall mean any attempt to influence: any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including by not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions, department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission, with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.

The term "lobbying" or "lobbying activities" <u>does not include</u>: Persons engaged in drafting legislation, rules, regulations or rates; persons advising clients and rendering opinions on proposed legislation, rules, regulations or rates, where such professional services are not otherwise connected with legislative or executive action on such legislation or administrative action on such rules, regulations or rates; newspapers and other periodicals and radio and television stations and owners and employees thereof, provided that their activities in connection with proposed legislation, rules, regulations or rates are limited to the publication or broadcast of news items, editorials or other comment, or paid advertisements; persons who participate as witnesses, attorneys or other representatives in public rule-making or rate-making proceedings of a County agency, with respect to all participation by such persons which is part of the public record thereof and all preparation by such persons for such participation; persons who attempt to influence a County agency in an adjudicatory proceeding, as defined by § 102 of the New York State Administrative Procedure Act.

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name Paul Evasick
   Date of birth 01/07/59
   Home address 303 Main Street
   City/state/zip Hempstead NY 11550
   Business address 101 James Doolittle Blvd
   City/state/zip Uniondale NY 11553
   Telephone 516 794-3800 / 516 229-5010
   Other present address(es) _____
   City/state/zip _____
   Telephone _____
   List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)
   President ___/___/___ Treasurer ___/___/___
   Chairman of Board ___/___/___ Shareholder ___/___/___
   Chief Exec. Officer ___/___/___ Secretary ___/___/___
   Chief Financial Officer ___/___/___ Partner ___/___/___
   Vice President ___/___/___ _____ ___/___/___
   (Other) General Manager June 2014

3. Do you have an equity interest in the business submitting the questionnaire?
   YES ___ NO ✓ If Yes, provide details.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire? YES ___ NO ✓ If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or not-for-profit organization other than the one submitting the questionnaire? YES ___ NO ✓; If Yes, provide details.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer? YES ___ NO ✓ If Yes, provide details.

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency.
Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

   a. Been debarred by any government agency from entering into contracts with that agency?
   YES _____ NO ✓ If Yes, provide details for each such instance.

   b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause? YES ____ NO ✓ If Yes, provide details for each such instance.

   c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards? YES ___ NO ✓ If Yes, provide details for each such instance.

   d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract? YES ____ NO ✓ If Yes, provide details for each such instance.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated? If 'Yes', provide details for each such instance. (Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.)

   a) Is there any felony charge pending against you? YES ___ NO ✓ If Yes, provide details for each such charge.

   b) Is there any misdemeanor charge pending against you? YES ____ NO ✓ If Yes, provide details for each such charge.

   c) Is there any administrative charge pending against you? YES ____ NO ✓ If Yes, provide details for each such charge.

   d) In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? YES ___ NO ✓ If Yes, provide details for each such conviction.

e) In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?
YES ___ NO ✓ If Yes, provide details for each such conviction.

f) In the past 5 years, have you been found in violation of any administrative or statutory charges? YES ____ NO ✓ If Yes, provide details for each such occurrence.

9. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5? YES ____ NO ✓ If Yes, provide details for each such investigation.

10. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer? YES ____ NO ✓ If Yes; provide details for each such investigation.

11. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? YES ____ NO ✓ If Yes; provide details for each such instance.

12. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? YES ____ NO ✓ If Yes, provide details for each such year.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Paul Evasick, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 6th day of September 2016

Susan Mullin

Notary Public

SUSAN MULLIN
NOTARY PUBLIC, State of New York
No. 01MU6122333
Qualified in Nassau County
Commission Expires February 7, 2017

Name of submitting business

Paul Evasick

Print name

Paul Evasick

Signature

General Manager

Title

9 / 6 / 2016

Date

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Paul Evasick, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 6th day of September 2016

Susan Mullin
Notary Public

SUSAN MULLIN
NOTARY PUBLIC, State of New York
No. 01MU6122333
Qualified in Nassau County
Commission Expires February 7, 2017

Name of submitting business: Long Island Marriott

By: Paul Evasick
Print name

Paul Evasick
Signature

General Manager
Title

9 / 6 / 2016
Date

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name Ana Vignoni

   Date of birth 07 / 24 / 77

   Home address 128 Burrs Lane

   City/state/zip Dix Hills New York 11746

   Business address 101 James Doolittle Blvd

   City/state/zip Uniondale, NY 11553

   Telephone 516-794-3800 x 6663

   Other present address(es) ____

   City/state/zip ____

   Telephone ____

   List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

   President ___/___/___ Treasurer ___/___/___

   Chairman of Board ___/___/___ Shareholder ___/___/___

   Chief Exec. Officer ___/___/___ Secretary ___/___/___

   Chief Financial Officer ___/___/___ Partner ___/___/___

   Vice President ___/___/___ ___/___/___

   (Other) Director of Finance and Accounting. Date in Position 11/21/2009

3. Do you have an equity interest in the business submitting the questionnaire?
   YES ___ NO X If Yes, provide details.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire? YES ___ NO X If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or not-for-profit organization other than the one submitting the questionnaire? YES ___ NO X; If Yes, provide details.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer? YES ___ NO X If Yes, provide details.

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency.
Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

   a. Been debarred by any government agency from entering into contracts with that agency?
   YES _____ NO X If Yes, provide details for each such instance.

   b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause? YES ____ NO X If Yes, provide details for each such instance.

   c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards? YES ___ NO X If Yes, provide details for each such instance.

   d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract? YES ____ NO X If Yes, provide details for each such instance.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated? If 'Yes', provide details for each such instance. (Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.)

   a) Is there any felony charge pending against you? YES ___ NO X If Yes, provide details for each such charge.

   b) Is there any misdemeanor charge pending against you? YES ____ NO X If Yes, provide details for each such charge.

   c) Is there any administrative charge pending against you? YES ____ NO X If Yes, provide details for each such charge.

   d) In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? YES ___ NO X If Yes, provide details for each such conviction.

e) In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?
YES ___ NO _X_ If Yes, provide details for each such conviction.

f) In the past 5 years, have you been found in violation of any administrative or statutory charges? YES ____ NO _X_ If Yes, provide details for each such occurrence.

9. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5? YES ____ NO _X_ If Yes, provide details for each such investigation.

10. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer? YES ____ NO _X_ If Yes; provide details for each such investigation.

11. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? YES ____ NO _X_ If Yes; provide details for each such instance.

12. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? YES ____ NO _X_ If Yes, provide details for each such year.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Ana Vignoni, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 24th day of October 2016

Notary Public

MONICA SOOKIJEO
NOTARY PUBLIC, State of New York
No. 30-4879606
Qualified in Nassau County
Commission Expires May 11, 2019

Long Island Marriott Hotel
Name of submitting business

Ana Vignoni
Print name

Signature

Director of Finance and Accounting
Title

10 / 24 / 2016
Date

Business History Form

The contract shall be awarded to the responsible proposer who, at the discretion of the County, taking into consideration the reliability of the proposer and the capacity of the proposer to perform the services required by the County, offers the best value to the County and who will best promote the public interest.

In addition to the submission of proposals, each proposer shall complete and submit this questionnaire. The questionnaire shall be filled out by the owner of a sole proprietorship or by an authorized representative of the firm, corporation or partnership submitting the Proposal.

NOTE: All questions require a response, even if response is "none" or "not-applicable." No blanks.

(USE ADDITIONAL SHEETS IF NECESSARY TO FULLY ANSWER THE FOLLOWING QUESTIONS).

Date: 9/2/16

1) Proposer's Legal Name: Marriott Hotel Services DBA LI Marriott

2) Address of Place of Business: 101 James Doolittle Blvd, Uniondale NY 11553

List all other business addresses used within last five years: NA

3) Mailing Address (if different): NA

Phone : 516 794-3800

Does the business own or rent its facilities? Own

4) Dun and Bradstreet number: 101 203 336

5) Federal I.D. Number: 52-1052660

6) The proposer is a (check one): ____ Sole Proprietorship ____ Partnership ____ Corporation ✓ Other (Describe) _____

7) Does this business share office space, staff, or equipment expenses with any other business?
Yes ___ No ✓ If Yes, please provide details: _____

8) Does this business control one or more other businesses? Yes __ No ✓ If Yes, please provide details: _____

9) Does this business have one or more affiliates, and/or is it a subsidiary of, or controlled by, any other business? Yes ✓ No ___ If Yes, provide details. Marriott International manages the Hotel. LP owns the Hotel

10) Has the proposer ever had a bond or surety cancelled or forfeited, or a contract with Nassau County or any other government entity terminated? Yes ___ No ✓ If Yes, state the name of bonding agency, (if a bond), date, amount of bond and reason for such cancellation or forfeiture: or details regarding the termination (if a contract). _____

11) Has the proposer, during the past seven years, been declared bankrupt? Yes ___ No ✓ If Yes, state date, court jurisdiction, amount of liabilities and amount of assets _____

12) In the past five years, has this business and/or any of its owners and/or officers and/or any affiliated business, been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency? And/or, in the past 5 years, have any owner and/or officer of any affiliated business been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency, where such investigation was related to activities performed at, for, or on behalf of an affiliated business.
Yes ___ No ✓ If Yes, provide details for each such investigation. _____

13) In the past 5 years, has this business and/or any of its owners and/or officers and/or any affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies? And/or, in the past 5 years, has any owner and/or officer of an affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies, for matters pertaining to that individual's position at or relationship to an affiliated business. Yes ___ No ✓ If Yes, provide details for each such investigation. _____

14) Has any current or former director, owner or officer or managerial employee of this business had, either before or during such person's employment, or since such employment if the charges pertained to events that allegedly occurred during the time of employment by the submitting business, and allegedly related to the conduct of that business:

a) Any felony charge pending? Yes ___ No ✓ If Yes, provide details for each such charge. _____

b) Any misdemeanor charge pending? Yes ___ No ✓ If Yes, provide details for each such charge. _____

c) In the past 10 years, you been convicted, after trial or by plea, of any felony and/or any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? Yes ___ No ✓

If Yes, provide details for each such conviction _____

d) In the past 5 years, been convicted, after trial or by plea, of a misdemeanor? Yes ___ No ✓ If Yes, provide details for each such conviction. _____

e) In the past 5 years, been found in violation of any administrative, statutory, or regulatory provisions? Yes ___ No ✓ If Yes, provide details for each such occurrence. _____

15) In the past (5) years, has this business or any of its owners or officers, or any other affiliated business had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? Yes ____ No ✓; If Yes, provide details for each such instance. _____

16) For the past (5) tax years, has this business failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? Yes ___ No ✓ If Yes, provide details for each such year. Provide a detailed response to all questions checked 'YES'. If you need more space, photocopy the appropriate page and attach it to the questionnaire. _____

Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

17) Conflict of Interest:

a) Please disclose any conflicts of interest as outlined below. **NOTE: If no conflicts exist, please expressly state "No conflict exists."**

(i) Any material financial relationships that your firm or any firm employee has that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

No Conflict Exists

(ii) Any family relationship that any employee of your firm has with any County public servant that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

No Conflict Exists

(iii) Any other matter that your firm believes may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

No Conflict Exists

b) Please describe any procedures your firm has, or would adopt, to assure the County that a conflict of interest would not exist for your firm in the future.

Should a potential conflict of interest arises, I will contact the County and be guided accordingly"

A. Include a resume or detailed description of the Proposer's professional qualifications, demonstrating extensive experience in your profession. Any prior similar experiences, and the results of these experiences, must be identified.

Should the proposer be other than an individual, the Proposal **MUST** include:

i) Date of formation; March 23, 1976

ii) Name, addresses, and position of all persons having a financial interest in the company, including shareholders, members, general or limited partner; See Attachments

iii) Name, address and position of all officers and directors of the company;

iv) State of incorporation (if applicable); - Delaware

v) The number of employees in the firm; 250

vi) Annual revenue of firm; 41.8 m

vii) Summary of relevant accomplishments See Attachments

viii) Copies of all state and local licenses and permits. ALL Attachments Enclosed

B. Indicate number of years in business. 35 yrs

C. Provide any other information which would be appropriate and helpful in determining the Proposer's capacity and reliability to perform these services.

D. Provide names and addresses for no fewer than three references for whom the Proposer has provided similar services or who are qualified to evaluate the Proposer's capability to perform this work.

Company Nassau County Commission Human Rights

Contact Person Rodney Mc Rae

Address PO Box 501

City/State Hempstead NY 11552

Telephone 516 571-5977

Fax #

E-Mail Address Rmcrae@nassaucountyny.gov

Company Nassau County Office Dept Human Services
Contact Person Victoria Meyerhoefer
Address 60 Charles Lindbergh Blvd
City/State Uniondale NY 11553
Telephone 516 227 - 8987
Fax #
E-Mail Address Victoria.meyerhoefer@hhsnassaucountyny.us

Company Alpha Kappa Alpha / Pearls + Ivy Foundation
Contact Person Sharon Nichols
Address 200 Hilton Ave
City/State Hempstead NY 11550
Telephone 917 940 - 6187
Fax #
E-Mail Address emeralds66@msn.com

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Paul Evasick, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 6th day of September 2016

Susan Mullin
Notary Public

SUSAN MULLIN
NOTARY PUBLIC, State of New York
No. 01MU6122333
Qualified in Nassau County
Commission Expires February 7, 2017

Name of submitting business: LI Marriott Hotel

By: Paul Evasick
Print name

Paul Evasick
Signature

General Manager
Title

9 / 06 / 2016
Date

Marriott
HOTELS & RESORTS

MARRIOTT HOTEL SERVICES INC. DBA LONG ISLAND MARRIOTT
BUSINESS RESUME

Date of Incorporation	March 23, 1976
General Manager	Paul Evasick
Hotel Owner:	101 Uniondale LP
Asset Manager:	Eric Poretsky
State of Incorporation	Delaware
Number of Employees	250
Annual Revenue	$41.8M
Accomplishments	2016 Long Island Weddings Best Vendors 2015 Guest Review Award from Booking.com Healthy Hotel Certification – Marriott Gold Status
Licenses and Permits	NYS Certificate of Authority Multi Residential Permit Nassau County Alarm Permit NYS Liquor Permits Nassau County Dept.of Health Permit Public Assembly Permit Nassau County Certificate of Authority Multiple Signs Permits

Long Island Marriott Hotel & Conference Center
101 James Doolittle Boulevard, Uniondale, NY 11553
Telephone (516) 794 3800 Facsimile (516) 794 3825
Marriott.com/NYCLI

STATE OF NEW YORK
WORKERS' COMPENSATION BOARD
SELF-INSURANCE OFFICE
20 PARK STREET - ROOM 206
ALBANY, NY 12207

(518) 402-0247
FAX (518) 402-6199

COMPLIANCE WITH DISABILITY BENEFITS LAW

(Pursuant To Section 220, subd. 8 of the Disability Benefits Law)

EMPLOYER	FEDERAL EMPLOYER IDENTIFICATION NUMBER
Marriott Hotel Services, Inc.	52-1052660
	LOCATION OF OPERATIONS New York State
ADDRESS (HOME OR MAIN OFFICE) 10400 Fernwood Road Dept. 52/924.36 Bethesda, MD 20817	OPERATIONS TO BEGIN ON OR ABOUT: Self-Insured Status Effective: January 1, 2004 Carrier ID No.: B661387

There are on file with the Workers' Compensation Board, documents indicating that the above-named employer has complied with the Disability Benefits Law with respect to all of his or her employees in the following manner:

[X] By approved self-insurance pursuant to Section 211, subdivision 3 of the Disability Benefits Law.

[ ] By a combination of approved self-insurance pursuant to Section 211, subdivision 3 of the Disability Benefits Law and insurance with authorized insurance carrier(s).

Date: January 11, 2010

By: Nicole Snyder
Nicole Snyder
Calculation Clerk 2

DB-155 (3/04)

THIS AGENCY EMPLOYS & SERVES PEOPLE WITH DISABILITIES WITHOUT DISCRIMINATION

STATE OF NEW YORK
WORKERS' COMPENSATION BOARD
SELF-INSURANCE OFFICE
20 PARK STREET - ROOM 206
ALBANY, NY 12207

Office of the Secretary

I, **Sandra M. Olson** , Secretary to the Workers' Compensation Board of the State of New York, **DO HEREBY CERTIFY,** that

Marriott Hotel Services, Inc.
FEIN 52-1052660

has secured compensation to its employees as a self-insurer in the following manner:

[X] Pursuant to Section 50, subdivision 3 of the Workers' Compensation Law.

[ ] Pursuant to Section 50, subdivisions 3 and 4 of the Workers' Compensation Law (County, city, village, town, school district, fire district or other political subdivision).

[ ] Pursuant to Article 5 of the Workers' Compensation Law (County Self-Insurance Plan).

The status of self-insurer was effective as of **October 1, 1993** and such status still remains in full force.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Workers' Compensation Board this 8th day of **January 2010.**

STATUS CONFIRMED

By Nicole Snyder
Nicole Snyder
Self-Insurance Office

Sandra M. Olson
Secretary to the Board

SI-12 (5-09)

THIS AGENCY EMPLOYS AND SERVES PEOPLE WITH DISABILITIES WITHOUT DISCRIMINATION

STATE OF NEW YORK
WORKERS' COMPENSATION BOARD
NOTICE OF COMPLIANCE
DISABILITY BENEFITS LAW
TO EMPLOYEES

1. If you are unable to work because of an illness or injury not work-related, you may be entitled to receive weekly benefits from your employer, or his or her insurance company, or from the Special Fund for Disability Benefits.

2. To claim benefits you must file a claim form within 30 days from the first date of your disability, but in no event more than 26 weeks from such date.

3. Use one of the following claim forms:
   -If, when your disability begins, you are employed or are unemployed for four weeks or less, use claim Form DB-450, which you may obtain from your employer, his or her insurance carrier, your health provider, the Workers' Compensation Board's website (www.wcb.ny.gov) or any office of the Board, and send it to your employer or the insurance carrier named below.
   -If, when your disability begins, you have been unemployed more than four weeks, use claim Form DB-300, which you may obtain from any Unemployment Insurance Office, your health provider, the Workers' Compensation Board's website (www.wcb.ny.gov) or any office of the Board. Send completed claim form to the Workers' Compensation Board, Disability Benefits Bureau, Albany, New York 12241. **IMPORTANT:** Before filing your claim, your health provider must complete the "Health Care Provider's Statement" on the claim form, showing your period of disability.

4. You are entitled to be treated by any physician,chiropractor, dentist, nurse-midwife, podiatrist or psychologist of your choice. However, unlike workers' compensation, your medical bills will not be paid unless your employer and/or union provide for the payment of such bills under a Disability Benefits Plan or Agreement.

5. If you are ill or injured during the time you are receiving Unemployment Insurance Benefits, file a claim for Disability Benefits as soon as you sustain the injury or illness, by following the instructions outlined above.

6. If you are out of work in excess of seven days, your employer is required to send you a Disability Benefits Statement of Rights (Form DB-271S).

7. Other information about Disability Benefits may be obtained by writing or calling the Workers' Compensation Board Office.

NYS Workers' Compensation Board
Centralized Mailing
PO Box 5205
Binghamton, NY 13902-5202

Customer Service: 877-632-4996

ESTADO DE NUEVA YORK
JUNTA DE COMPENSACION OBRERA
AVISO DE CUMPLIMIENTO
LEY DE BENEFICIOS POR INCAPACIDAD
A LOS EMPLEADOS

1. Si usted no puede trabajar debido a enfermedad o lesión no relacionada con el trabajo, podría tener derecho a recibir beneficios semenales de su patrón o de la compañía de seguros de él/ella o del Fondo Especial para Beneficios por Incapacidad.

2. Para reclamar beneficios usted debe presentar una forma de reclamación, dentro de 30 días a partir de la primera fecha de su incapacidad, pero en ningun caso más de 26 semanas de dicha fecha.

3. Use una de las siguientes formas de reclamación:
   -Si, cuando comience su incapacidad usted está empleado o ha estado desempleado por cuatro semanas o menos, use la forma de reclamación (Form DB-450), la cual puede obtener de su patrón o de la compañía de seguros de él/ella, o de su proveedor de cuidados de salud, o bien de cualquier oficina de la Junta de Compensación Obrera, y enviela a su patrón o a la compañía de seguros nombreda abajo.
   -Si cuando comience su incapacidad, usted ha estado desempleado más de cuatro semanas, use la forma de reclamación (Form DB-300), la cual puede obtener en cualquier Oficina de Seguro de Desempleo, de su proveedor de salud, o bien de cualquier oficina de la Junta de Compensación Obrera. Envie la forma de reclamación, debidamente terminada, a Workers' Compensation Board, Disability Benefits Bureau, Albany, New York 12241. **IMPORTANTE:** Antes de presentat usted su reclamación, es necesario que su proveedor de salud complete la declaracion del médico ("Health Care Provider's Statement") en la forma de relamacion, indicando el periodo de su incapacidad.

4. Usted tiene derecho a ser tratado por cualquier médico, quiropráctico, dentista, enfermera-partera, podiatra o psicólogo que usted elija. Pero, contrario ala compensación obrera, sus cuentas médicas no seran pagadas a menos que su patrón y/o Unión haga el pago de tales cuentas médicas bajo un Plan o Convenio de Beneficios por Incapacidad.

5. Si estuviera usted enfermo o lesionado durante el tiempo que esté recibiendo beneficios del Seguro de Desempleo, presente una reclamación para Beneficios por Incapacidad, siguiendo las instrucciones arriba descritas, tan pronto como sufra la lesión o la enfermedad.

6. Si usted está desempleado por mas de siete dias, su patrón está obligado a enviarle la Declaración de Derechos de Beneficios por Incapacidad (Form DB-271S).

7. Otras informaciones relativas a Beneficios por Incapacidad pueden obtenerse escribiendo o llamando ala oficina más cercana de la Junta de Compensación Obrera.

Robert E. Beloten

ROBERT E. BELOTEN
CHAIR/PRESIDENTE

www.wcb.ny.gov

Employers must post DB-120s so that all classes of their employees know who will pay their Disability Benefits.
Disability Benefits, when due, will be paid by (Los Beneficios por Incapacidad, cuando debidos, seran pagados por):

Insert name, address and telephone number of carrier or main office of authorized New York self-insurer. Marriott International, Inc. (Attn: Dept. 52-924.37)
9737 Washingtonian Blvd. Suite 201
Gaithersburg, MD 20878 1-866-627-0111

Effective: From 1998 To _____
(En Vigor Desde) (Hasta)
Policy No. B661387
(Poliza No.)

The benefits provided are (Los beneficios provistos son)

[X] Statutory [ ] Under a Plan or Agreement

Class(es) of employees covered (Clase(s) de empleados amparados)
All classes of employees.

Marriott International, Inc.

Name of employer (Nombre del Patron)

THE WORKERS' COMPENSATION BOARD EMPLOYS AND SERVES PEOPLE WITH DISABILITIES WITHOUT DISCRIMINATION.

LA JUNTA DE COMPENSACION OBRERA EMPLEA Y SIRVE A PERSONAS INCAPACITADAS SIN DISCRIMINAR.

DB-120 (1-11) Prescribed by Chair Workers' Compensation Board State of New York

THIS NOTICE MUST BE POSTED CONSPICUOUSLY IN AND ABOUT THE EMPLOYER'S PLACE OR PLACES OF BUSINESS.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 9/30/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Beecher Carlson Insurance Services
6 Concourse Parkway, Suite 2300
Atlanta, GA 30328

www.beechercarlson.com

CONTACT NAME: (ATL) Kathy Black
PHONE (A/C, No, Ext): 678-539-4815 FAX (A/C, No): 770-870-3031
E-MAIL ADDRESS: kblack@beechercarlson.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : National Union Fire Ins Co of Pittsburgh, PA	19445
INSURER B : New Hampshire Insurance Co.	23841
INSURER C : AIG Specialty Insurance Company	26883
INSURER D : Ace Property & Casualty Insurance Co.	20699
INSURER E :	
INSURER F :	

INSURED
Marriott International, Inc. & Subsidiaries
Attn: Risk Management Dept. 52/924.36 (Insurance)
301-380-5685
10400 Fernwood Road
Bethesda MD 20817

COVERAGES **CERTIFICATE NUMBER:** 26693720 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
C	✓ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ✓ OCCUR ✓ Liquor Liability ✓ $500,000 SIR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ✓ LOC OTHER:			GL 3333316	10/1/2015	10/1/2016	EACH OCCURRENCE	$	4,500,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$	4,500,000
							MED EXP (Any one person)	$	
							PERSONAL & ADV INJURY	$	4,500,000
							GENERAL AGGREGATE	$	7,500,000
							PRODUCTS - COMP/OP AGG	$	4,500,000
								$	
A	AUTOMOBILE LIABILITY ✓ ANY AUTO ALL OWNED AUTOS ☐ SCHEDULED AUTOS HIRED AUTOS ☐ NON-OWNED AUTOS			CA 7469910 AOS Excl MA, VA CA 7469912 - VA CA 7469911 - MA	10/1/2015	10/1/2016	COMBINED SINGLE LIMIT (Ea accident)	$	2,000,000
							BODILY INJURY (Per person)	$	
							BODILY INJURY (Per accident)	$	
							PROPERTY DAMAGE (Per accident)	$	
								$	
D	✓ UMBRELLA LIAB ✓ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION $ N/A			XOO G2790564A 001 Prod-Comp Ops Agg $15M	10/1/2015	10/1/2016	EACH OCCURRENCE	$	15,000,000
							AGGREGATE	$	60,000,000
							Per Loc Aggregate	$	15,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		WC 67940135 OH, WI, WY	10/1/2015	10/1/2016	✓ PER STATUTE OTH-ER		
							E.L. EACH ACCIDENT	$	3,000,000
							E.L. DISEASE - EA EMPLOYEE	$	3,000,000
							E.L. DISEASE - POLICY LIMIT	$	3,000,000
	Workers Compensation				10/1/2015	10/1/2016	See Attachment for Additional Policies		

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LONG ISLAND MARRIOTT 101 JAMES DOOLITTLE BLVD UNIONDALE NY 11553 ID:33788
Additional Insured: County of Nassau

CERTIFICATE HOLDER

County of Nassau
Dept. of Social Services
60 Charles Lindbergh Blvd.
Uniondale NY 11554

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Sharon D. Brainard

© 1988-2014 ACORD CORPORATION. All rights reserved.

Attachment to Marriott International, Inc. Certificate of Insurance

DESIGNATION OF ADDITIONAL INSUREDS

It is agreed that, with respect to the insurance afforded by any policy listed on this certificate, the provisions of the policy designating who is insured thereunder have been amended to include any person or organization, the "Additional Insured", for whom the Named Insured agrees in writing to procure liability insurance, provided:

a) The coverage and limits of liability afforded to such "Additional Insured" apply only to the extent required by the agreement, but in no event for coverage not afforded by the policy, not for limits of liability greater than the insurer's liability stated in the policy declarations;

b) The inclusion of more than one insured shall not increase the limits of the insurer's liability; and

c) The designation hereunder of the "Additional Insured" as an insured shall be null and void during the term of any separate liability insurance policy not listed herein and procured by the Named Insured for such "Additional Insured".

ATTACHMENT TO MARRIOTT INTERNATIONAL, INC. 9/30/2015
CERTIFICATE OF INSURANCE
10-1-2015 To 10-1-2016

TYPE/STATES COVERED	CARRIER	POLICY NO.	COVERAGES
WORKERS COMPENSATION			
SELF-INSURED SPECIFIC EXCESS POLICY AL, AR, AZ, CA, CT, DC, DE, GA, HI, IA, IL, IN, KY, LA, MD, MI, MO, NH, NJ, NM, NV, NY, OK, OR, PA, RI, SC, TN, WV	National Union Fire Insurance Company of Pittsburgh, PA	WC 1103503	W.C. Statutory each EE for Disease W.C. Statutory each Accident Employers Liability: $2,500,000 - Each Accident $2,500,000 - Each Employee/Disease $2,500,000 - Aggregate/Disease $ 500,000 - Self Insured Retention
SELF-INSURED SPECIFIC EXCESS POLICY FL	National Union Fire Insurance Company of Pittsburgh, PA	WC 1103504	W.C. Statutory each EE for Disease W.C. Statutory each Accident Employers Liability: $2,000,000 - Each Accident $2,000,000 - Each Employee/Disease $2,000,000 - Aggregate/Disease $1,000,000 - Self Insured Retention
NORTH CAROLINA Self Insured – Specific/Agg Excess Policy – Workers' Compensation and Employer's Liability	National Union Fire Insurance of Pittsburgh, PA	WC 1103505	Statutory – Workers' Compensation / Employers Liability: $ 2,500,000 - Each Accident $ 2,500,000 - Each Employee/Disease $ 2,500,000 - Aggregate/Disease $10,000,000 - Aggregate Excess $ 5,000,000 - Aggregate Retention $ 500,000 - Self Insured Retention
INSURED STATES AR, CO, CT, ID, KS, MD, MN, MO, MT, NE, NY, RI, SD, TN, TX, WV, and AOS if any	New Hampshire Insurance Company	WC 67940129	Statutory Workers' Compensation Employers' Liability: $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATES IL, NC, UT, VT	New Hampshire Insurance Co.	WC 67940131	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATES OH, WI, WY	New Hampshire Insurance Co.	WC 67940135	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATE ME	New Hampshire Insurance Co.	WC 67940133	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATE NJ, PA	New Hampshire Insurance Co.	WC 67940134	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATE AZ, VA	New Hampshire Insurance Co.	WC 67940130	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATE MA	Insurance Company of the State of PA	WC 67940132	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
GENERAL LIABILITY			
TEXAS Non Subscriber	Illinois National Insurance Company	GL 3333313	(a) Associate Injury Benefit Plan per Plan Benefit (b) Employers' Liability: $2,000,000 - Each Accident $2,000,000 - Each Employee/Disease $2,000,000 - Aggregate/Disease $1,000,000 - Retention
USVI	AIG Insurance Company of Puerto Rico	GL 005-1002250	$5,000,000 Each Occurrence $5,000,000 Damage to Rented Premises $5,000,000 Personal & Adv Injury $7,500,000 General Aggregate $5,000,000 Products
AUTO LIABILITY/GKLL			
USVI	AIG Insurance Company of Puerto Rico	201-1002201	Automobile Liability: $2,000,000 Limit & GKLL $3,000,000 Limit

This certificate cancels and supersedes ALL previously issued certificates.

New York State Department of
Taxation and Finance
Sales Tax Registration
W A Harriman Campus
Albany NY 12227-0865

RECEIVED DEC 01 2014

141614629800-AP00

MARRIOTT HOTEL SERVICES INC
PO BOX 699
LOUISVILLE TN 37777-0699

New York State Department of Taxation and Finance

Certificate of Authority

Identification number

52-1052660 07

(Use this number on all returns and correspondence)

VALIDATED

11/21/2014

Dept of Tax
and Finance

MARRIOTT HOTEL SERVICES INC
101 JAMES DOOLITTLE BLVD
UNIONDALE NY 11553-3637

is authorized to collect sales and use taxes under Articles 28 and 29 of the New York State Tax Law

Nontransferable

This certificate must be prominently displayed at your place of business.
Fraudulent or other improper use of this certificate will cause it to be revoked.
The certificate may not be photocopied or reproduced.

4020109100098 1DB8 - 3262200 P0000300 - 01

DTF-17-A (11/14)

Town of Hempstead
Department of Buildings

One Washington Street, Hempstead, N.Y. 11550-4923
Office: (516) 812-3120 Fax: (516) 483-1573

JOHN E. ROTTKAMP
COMMISSIONER

RITA A. FISHER
SECOND DEPUTY COMMISSIONER

06/03/2015

MULTIPLE RESIDENT FEE RENEWAL

Application No.: **0343**
Annual Fee: **$6,400.00**

C B W UNIONDALE HOTEL LLC.
101 JAMES DOOLITTLE BLVD
UNIONDALE, NY 11553-3637

1. Owner : C B W UNIONDALE HOTEL LLC.
2. Home Phone: 229 5010 **3. Business:** NA **4. Cell:** NA
Property : 101 JAMES DOOLITTLE BLVD, UNIONDALE NY 11553-3637
No. of Units : 620
Description of Building: MULTIPLE DWELLING
Registry Period : 08/01/2015 to 07/31/2016
Registry Fee : $6,400.00

Please review the information above and make any necessary changes below.

CHANGE TO

1. Owner: 101 Uniondale LP
5. Owner Rep: Eric Poretsky
2. Home Phone:
6. Rep Home Phone:
3. Business Phone: (212) 672-4779
7. Rep Bus. Phone: (212) 672-4779
4. Cell Phone: (917) 856-5694
8. Rep Cell Phone: (917) 856-5694

DATE: 8/17/15 SIGNATURE: Paul Evosick

~~OWNER~~/OPERATOR Long Island Marriott General Manager

YOUR MULTIPLE RESIDENCE RENEWAL WILL REQUIRE THE FOLLOWING AFFIDAVITS:

- [X] Smoke Detector
- [ ] Carbon Monoxide Detector
- [X] Fire Sprinkler
- [X] Emergency Lights
- [ ] Required Fire Extinguishers
- [X] Fire Alarm
- [X] Elevator/Escalator
- [X] Generators

***** THESE REQUIRED AFFIDAVITS MUST BE ATTACHED TO YOUR RENEWAL APPLICATION, ALONG WITH THE REQUIRED RENEWAL FEE PAYABLE TO THE "TOWN OF HEMPSTEAD".**

*** To arrange for your yearly inspection please call (516) 812-3120 or 3023 - Hours are Mon-Fri 9-10:30 am.**

DO NOT WRITE BELOW THIS LINE

Check No.: _____ Date Filed: _____

Approved by: _____ Date Approved: _____

Nassau County Police Department

Communications Bureau, Alarm Permit Section
1490 Franklin Avenue, Mineola, New York 11501

Permit for Alarm System

LONG ISLAND MARRIOTT HOT
101 JAMES DOOLITTLE BLVD
UNIONDALE NY 11553

LOCATION OF ALARM

LONG ISLAND MARRIOTT HOTEL
101 JAMES DOOLITTLE BLVD
UNIONDALE NY 11553

Your alarm permit number and expiration date are noted below.
Your alarm company needs to be immediately notified of this permit number.
If you should have any questions or need additional information,
please call 516-573-7297

PERMIT NUMBER: **N123126**	Expires Last Day Of **April, 2017**

This permit should be posted on or near the Alarm System Panel.
This permit is non-transferable for neither location nor ownership.

Alarm Company Copy

Nassau County Police Department

Communications Bureau, Alarm Permit Section
1490 Franklin Avenue, Mineola, New York 11501

Permit for Alarm System

LOCATION OF ALARM

LONG ISLAND MARRIOTT HOT
101 JAMES DOOLITTLE BLVD
UNIONDALE NY 11553

LONG ISLAND MARRIOTT HOTEL
101 JAMES DOOLITTLE BLVD
UNIONDALE NY 11553

PERMIT NUMBER: **N123126** Expires Last Day Of **April, 2017**

This permit is non-transferable for neither location nor ownership.

ADDITIONAL BAR LICENSE

2017 1 NASS HL 466 903

LICENSE EFFECTIVE DATE 5/1/201

LICENSE EXPIRES 4/30/2017

NEW YORK STATE LIQUOR AUTHORITY

THE LICENSEE DESIGNATED BELOW IS HEREBY GRANTED PERMISSION, UNDER THE ALCOHOLIC BEVERAGE CONTROL LAW TO TRAFFIC IN ALCOHOLIC BEVERAGE PURSUANT TO THE TYPE OF LICENSE INDICATED IN THE UPPER LEFT HAND CORNER OF THIS CERTIFICATE AND ACCORDING TO THE STATUTES AND REGULATIONS PERTAINING THERETO.

THIS LICENSE SHALL NOT BE TRANSFERABLE TO ANY OTHER PERSON OR TO ANY OTHER PREMISES OR TO ANY OTHER PART OF THE BUILDING CONTAINING SUCH LICENSED PREMISES: IT SHALL NOT BE DEEMED A PROPERTY OR VESTED RIGHT AND MAY BE REVOKED AT ANY TIME PURSUANT TO LAW

SERIAL	1015747	FILING FEE	$30.00
COUNTY	NASSAU	LICENSE FEE	$1,792.00
BASE LICENSE NUMBER	1015746		
CERTIFICATE NUMBER	848149		

NEW YORK STATE LIQUOR AUTHORITY
DIVISION OF ALCOHOLIC BEVERAGE CONTROL

MARRIOTT HOTEL SERVICES INC
ADDL BAR PITCHERS/CHARDONAY RM
101 JAMES DOOLITTLE BLVD
UNIONDALE NY 11553

Dennis Rosen
Chairman

BEFORE COMMENCING OR DOING ANY BUSINESS FOR THE TIME FOR WHICH THIS LICENSE HAS BEEN ISSUED, THE SAID LICENSE SHALL BE ENCLOSED IN A SUITABLE WOOD OR METAL FRAME, HAVING A CLEAR GLASS SPACE AND A SUBSTANTIAL WOOD OR METAL BACK SO THAT THE WHOLE OF SAID LICENSE MAY BE SEEN THEREIN, AND SHALL BE POSTED UP AND AT ALL TIMES DISPLAYED IN A CONSPICUOUS PLACE IN THE ROOM WHERE SUCH BUSINESS IS CARRIED ON, SO THAT ALL PERSONS VISITING SUCH PLACE MAY READILY SEE THE SAME.

SLA FORM 180-033 (10/09)

Certificate No. B848149

FOLD AND TEAR HERE

FOLD AND TEAR HERE

HOTEL LIQUOR LICENSE
SERIAL #: 1015746
COUNTY: NASSAU

EFFECTIVE DATE: 03/20/2015
EXPIRATION DATE: 4/30/2017
CERTIFICATE #: 848148

NEW YORK STATE LIQUOR AUTHORITY

THE LICENSEE DESIGNATED BELOW IS HEREBY GRANTED PERMISSION, UNDER THE ALCOHOLIC BEVERAGE CONTROL LAW TO TRAFFIC IN ALCOHOLIC BEVERAGE PURSUANT TO THE TYPE OF LICENSE INDICATED IN THE UPPER LEFT HAND CORNER OF THIS CERTIFICATE AND ACCORDING TO THE STATUTES AND REGULATIONS PERTAINING THERETO.

THIS LICENSE SHALL NOT BE TRANSFERABLE TO ANY OTHER PERSON OR TO ANY OTHER PREMISES OR TO ANY OTHER PART OF THE BUILDING CONTAINING SUCH LICENSED PREMISES. IT SHALL NOT BE DEEMED A PROPERTY OR VESTED RIGHT AND MAY BE REVOKED AT ANY TIME PURSUANT TO LAW

METHOD OF OPERATION:
TAVERN RESTAURANT SERVING LIQUOR WINE AND BEER

MARRIOTT HOTEL SERVICES INC
LONG ISLAND MARRIOTT HOTEL
101 JAMES DOOLITTLE BLVD
UNIONDALE NY 11553

NEW YORK STATE LIQUOR AUTHORITY

FILING FEE $90.00
LICENSE FEE $1,792.00

Dennis Rosen
Chairman

BEFORE COMMENCING OR DOING ANY BUSINESS FOR THE TIME FOR WHICH THIS LICENSE HAS BEEN ISSUED, THE SAID LICENSE SHALL BE ENCLOSED IN A SUITABLE WOOD OR METAL FRAME, HAVING A CLEAR GLASS SPACE AND A SUBSTANTIAL WOOD OR METAL BACK SO THAT THE WHOLE OF SAID LICENSE MAY BE SEEN THEREIN, AND SHALL BE POSTED UP AND AT ALL TIMES DISPLAYED IN A CONSPICUOUS PLACE IN THE ROOM WHERE SUCH BUSINESS IS CARRIED ON, SO THAT ALL PERSONS VISITING SUCH PLACE MAY READILY SEE THE SAME.

SLA FORM 180-033 (10/09)

Certificate No. B848148

FOLD AND TEAR HERE

FOLD AND TEAR HERE

ADDITIONAL BAR LICENSE

2017 1 NASS HL 466 904

LICENSE EFFECTIVE DATE 5/1/201

LICENSE EXPIRES 4/30/2017

NEW YORK STATE LIQUOR AUTHORITY

THE LICENSEE DESIGNATED BELOW IS HEREBY GRANTED PERMISSION, UNDER THE ALCOHOLIC BEVERAGE CONTROL LAW TO TRAFFIC IN ALCOHOLIC BEVERAGE PURSUANT TO THE TYPE OF LICENSE INDICATED IN THE UPPER LEFT HAND CORNER OF THIS CERTIFICATE AND ACCORDING TO THE STATUTES AND REGULATIONS PERTAINING THERETO.

THIS LICENSE SHALL NOT BE TRANSFERABLE TO ANY OTHER PERSON OR TO ANY OTHER PREMISES OR TO ANY OTHER PART OF THE BUILDING CONTAINING SUCH LICENSED PREMISES; IT SHALL NOT BE DEEMED A PROPERTY OR VESTED RIGHT AND MAY BE REVOKED AT ANY TIME PURSUANT TO LAW.

SERIAL	1015748	FILING FEE	$30.00
COUNTY	NASSAU	LICENSE FEE	$1,792.00
BASE LICENSE NUMBER	1015746		
CERTIFICATE NUMBER	848150		

NEW YORK STATE LIQUOR AUTHORITY
DIVISION OF ALCOHOLIC BEVERAGE CONTROL

MARRIOTT HOTEL SERVICES INC
ADDL BAR
101 JAMES DOOLITTLE BLVD
UNIONDALE NY 11553

Dennis Rosen
Chairman

BEFORE COMMENCING OR DOING ANY BUSINESS FOR THE TIME FOR WHICH THIS LICENSE HAS BEEN ISSUED, THE SAID LICENSE SHALL BE ENCLOSED IN A SUITABLE WOOD OR METAL FRAME, HAVING A CLEAR GLASS SPACE AND A SUBSTANTIAL WOOD OR METAL BACK SO THAT THE WHOLE OF SAID LICENSE MAY BE SEEN THEREIN, AND SHALL BE POSTED UP AND AT ALL TIMES DISPLAYED IN A CONSPICUOUS PLACE IN THE ROOM WHERE SUCH BUSINESS IS CARRIED ON, SO THAT ALL PERSONS VISITING SUCH PLACE MAY READILY SEE THE SAME.

SLA FORM 180-033 (10/09)

Certificate No. B848150

FOLD AND TEAR HERE

FOLD AND TEAR HERE

EDWARD P. MANGANO
COUNTY EXECUTIVE

LAWRENCE E. EISENSTEIN, MD, FACP
COMMISSIONER

PERMIT

To Operate a

Temporary Residence

This is to certify that

101 UNIONDALE LP

the operator of

LONG ISLAND MARRIOTT HOTEL

at

101 JAMES DOOLITTLE BOULEVARD
UNIONDALE, NY 11553

Located in the ***TOWN*** of ***HEMPSTEAD*** in ***NASSAU*** County
is granted permission to operate said establishment in compliance with the provisions
of **Subpart 7-1 of the State Sanitary Code** and
under the following conditions:

(1) This permit is granted subject to any and all applicable State, Local and Municipal Laws, Ordinances, Codes, Rules and Regulations..

Interior Corridor - Four or More Story Building
Food Service Establishment - (Main Kitchen)
Food Service Establishment - (Banquet Kitchen)
Food Service Establishment - (Employee Cafeteria)
Food Service Establishment - (Champions)
Food Service Establishment - (Skylight Cafe)
Frozen Dessert Machine
Swimming Pool (Spa pool)
Swimming Pool (Indoor main pool)

NASSAU COUNTY DEPARTMENT OF HEALTH
Division of Environmental Health

Donald Irwin

Effective Date September 30, 2015
Permit is NON-TRANSFERABLE

Donald Irwin
Permit Issuing Official

This permit expires on **September 30, 2016** and may be revoked or suspended for cause.

THIS PERMIT SHOULD BE POSTED CONSPICUOUSLY

Facility Code **TR07147-06** Permit Number **TR07147-06** Operation ID 888171

No. 8,301

DEPARTMENT OF BUILDINGS - TOWN OF HEMPSTEAD, NEW YORK

Public Assembly License

The issuance and retention of this License is contingent upon the Licensee's compliance with the laws of the State of New York and the Town of Hempstead, and the rules and regulations of the Department of Buildings.

Name of Establishment *MARRIOT CORP/TA D/B/A LONG ISLAND MARRIOTT*

Address *101 JAMES DOOLITTLE BLVD*

UNIONDALE, NY 11553

EXPIRATION DATE

NOVEMBER 30, 2016

John E. Rottkamp

Commissioner

This License is not Transferable.

LICENSE MUST BE CONSPICUOUSLY DISPLAYED

Use: *RESTAURANT/HOTEL*

App. # *2964*

Occ. *2489*

CERTIFICATE OF AUTHORITY

COUNTY OF NASSAU – TREASURER'S OFFICE

BUSINESS NAME: **Long Island Marriott Hotel**

ADDRESS: 101 James Doolittle Blvd, Uniondale, NY 11553

is authorized to collect Hotel Occupancy Tax pursuant to Chapter Number 511 of the Laws of 1994 of the State of New York. This certificate must be prominently displayed in your place of business.

IDENTIFICATION NUMBER: H- 20-8184712

(USE THIS NUMBER ON ALL RETURNS AND CORRESPONDENCE)

VALIDATION: NASSAU COUNTY TREASURER

Registration Date: March, 2006

Town of Hempstead
Department of Buildings
1 Washington Street, Hempstead, N.Y. 11550-4923
(516) 538-8500

John E. Rottkamp
Commissioner
Rita A. Fisher
Second Deputy Commissioner

SIGN PERMIT RENEWAL

MARRIOTT HOTEL
101 DOOLTLE BLVD.
UNIONDALE NY 11553

THE PERMIT FOR THE SIGN BELOW WILL EXPIRE AS INDICATED.
PLEASE REVIEW THIS RENEWAL APPLICATION AND NOTE ANY CHANGES.

RETURN FORM ALONG WITH REQUIRED FEE TO THIS OFFICE SO THAT WE MAY PROCESS THE NECESSARY RENEWAL PERMIT.

ORIG. APPLICATION # **003793**

SIGN PERMIT NUMBER 3677-82
EXPIRATION DATE 10/8/2015

LESEE: MARRIOTT HOTEL
101 DOOLTLE BLVD.
UNIONDALE NY 11553

OWNER 101 Uniondale LP
130 East 59th St 18th floor
New York, NY 10022

LOCATION: W/JAMES DOOLTLE BLVD. & 643' N/HEMPSTEAD TPKE.
PROPERTY: 101 JAMES DOOLITTLE BLVD. UNIONDALE NY 11553

exp 10/8/18

TYPE OF SIGN DETACHED
SIZE OF SIGN: 10.5X3'D/F

SQUARE FEET 63

paid 10/11/15

ILLUMINATED AREA: 1

HAS THERE BEEN ANY CHANGE IN SIZE OR WORDING OF SIGN? ( ) YES (✓) NO
IF "YES", EXPLAIN:

REQUIRED FEE $94.50 3 YEAR RENEWAL ✓ $94.50
(MAKE CHECK PAYABLE TO "TOWN OF HEMPSTEAD")

Applicant's Signature

Town of Hempstead
Department of Buildings
1 Washington Street, Hempstead, N.Y. 11550-4923
(516) 538-8500

John E. Rottkamp
Commissioner
Rita A. Fisher
Second Deputy Commissioner

SIGN PERMIT RENEWAL

MARRIOTT HOTEL
101 DOOLITTLE BLVD.
UNIONDALE NY 11553

THE PERMIT FOR THE SIGN BELOW WILL EXPIRE AS INDICATED.
PLEASE REVIEW THIS RENEWAL APPLICATION AND NOTE ANY CHANGES.

RETURN FORM ALONG WITH REQUIRED FEE TO THIS OFFICE SO THAT
WE MAY PROCESS THE NECESSARY RENEWAL PERMIT.

ORIG. APPLICATION # **003792**

SIGN PERMIT NUMBER 3676-82
EXPIRATION DATE 10/8/2015

LESEE: MARRIOTT HOTEL
101 DOOLITTLE BLVD.
UNIONDALE NY 11553

OWNER 101 Uniondale LP
130 East 59th St 15th Floor
New York, NY 10022

LOCATION: W/DOOLITTLE BLVD. & 643' N/HEMPSTEAD TPKE.
PROPERTY: 101 JAMES DOOLITTLE BLVD. UNIONDALE NY 11553

ap 10/08/18

TYPE OF SIGN DETACHED
SIZE OF SIGN: 5'X3' D/F

SQUARE FEET 30

paid 10/1/15

ILLUMINATED AREA: 1

HAS THERE BEEN ANY CHANGE IN SIZE OR WORDING OF SIGN? ( ) YES (✓) NO
IF "YES", EXPLAIN:

REQUIRED FEE $45.00 3 YEAR RENEWAL $45.00
(MAKE CHECK PAYABLE TO "TOWN OF HEMPSTEAD")

Applicant's Signature

Town of Hempstead
Department of Buildings
1 Washington Street, Hempstead, N.Y. 11550-4923
(516) 538-8500

John E. Rottkamp
Commissioner
Rita A. Fisher
Second Deputy Commissioner

SIGN PERMIT RENEWAL

MARRIOTT HOTEL
101 DOOLITTLE BLVD.
UNIONDALE NY 11553

THE PERMIT FOR THE SIGN BELOW WILL EXPIRE AS INDICATED.
PLEASE REVIEW THIS RENEWAL APPLICATION AND NOTE ANY CHANGES.

RETURN FORM ALONG WITH REQUIRED FEE TO THIS OFFICE SO THAT
WE MAY PROCESS THE NECESSARY RENEWAL PERMIT.

ORIG. APPLICATION # **3791**

SIGN PERMIT NUMBER 3675-82
EXPIRATION DATE 10/8/2015

LESEE: MARRIOTT HOTEL
101 DOOLITTLE BLVD.
UNIONDALE NY 11553

OWNER 101 Uniondale LP
130 EAST 59th St 15th floor
New York, NY 10022

LOCATION: W/DOOLITTLE BLVD. & HEMPSTEAD TPKE.
PROPERTY: NASSAU COLISEUM GROUNDS UNIONDALE NY 11553

gp 10/08/18

TYPE OF SIGN DETACHED
SIZE OF SIGN: 5'X3' D/F SQUARE FEET 30

paid
10/11/15

ILLUMINATED AREA: 1

HAS THERE BEEN ANY CHANGE IN SIZE OR WORDING OF SIGN? ( ) YES (✓) NO
IF "YES", EXPLAIN:

REQUIRED FEE $45.00 3 YEAR RENEWAL ✓ $45.00
(MAKE CHECK PAYABLE TO "TOWN OF HEMPSTEAD")

Applicant's Signature

Town of Hempstead
Department of Buildings
1 Washington Street, Hempstead, N.Y. 11550-4923
(516) 538-8500

John E. Rottkamp
Commissioner
Rita A. Fisher
Second Deputy Commissioner

SIGN PERMIT RENEWAL

MARRIOTT HOTEL
101 JAMES DOOLITTLE BLVD.
UNIONDALE NY 11553

THE PERMIT FOR THE SIGN BELOW WILL EXPIRE AS INDICATED.
PLEASE REVIEW THIS RENEWAL APPLICATION AND NOTE ANY CHANGES.

RETURN FORM ALONG WITH REQUIRED FEE TO THIS OFFICE SO THAT WE MAY PROCESS THE NECESSARY RENEWAL PERMIT.

ORIG. APPLICATION # **003704** **SIGN PERMIT NUMBER 3585-82**
EXPIRATION DATE 5/24/2015

05/24/18

LESEE: MARRIOTT HOTEL
101 JAMES DOOLITTLE BLVD.
UNIONDALE NY 11553

OWNER NASSAU COLISEUM ASSOC.
896 N. BROADWAY
NO. MASSAPEQUA NY 11758

LOCATION: W/JAMES DOOLITTLE BLVD. & 643' N/HEMPSTEAD TPKE.
PROPERTY: 101 JAMES DOLITTLE BLVD. UNIONDALE NY 11553

TYPE OF SIGN WALL
SIZE OF SIGN: 39'X7.5' SQUARE FEET 293

ILLUMINATED AREA: 1

HAS THERE BEEN ANY CHANGE IN SIZE OR WORDING OF SIGN? ( ) YES ( ) NO
IF "YES", EXPLAIN:

REQUIRED FEE $439.50 3 YEAR RENEWAL $439.50
(MAKE CHECK PAYABLE TO "TOWN ~~OF HEMP~~STEAD")

0410-69105

Applicant's Signature

05/12/15

Town of Hempstead
Department of Buildings
1 Washington Street, Hempstead, N.Y. 11550-4923
(516) 538-8500

John E. Rottkamp
Commissioner
Rita A. Fisher
Second Deputy Commissioner

SIGN PERMIT RENEWAL

MARRIOTT HOTEL
101 JAMES DOOLITTLE BLVD.
UNIONDALE NY 11553

THE PERMIT FOR THE SIGN BELOW WILL EXPIRE AS INDICATED.
PLEASE REVIEW THIS RENEWAL APPLICATION AND NOTE ANY CHANGES.

RETURN FORM ALONG WITH REQUIRED FEE TO THIS OFFICE SO THAT WE MAY PROCESS THE NECESSARY RENEWAL PERMIT.

ORIG. APPLICATION # **003705**

SIGN PERMIT NUMBER 3586-82
EXPIRATION DATE 5/24/2015

LESEE: MARRIOTT HOTEL
101 JAMES DOOLITTLE BLVD.
UNIONDALE NY 11553

OWNER NASSAU COLISEUM ASSOC.
896 NO. BROADWAY
NO. MASSAPEQUA NY 11758

25/24/18

LOCATION: W/JAMES DOOLITTLE BLVD. & 643' N/HEMPSTEAD TPKE.
PROPERTY: 101 JAMES DOOLITTLE BLVD. UNIONDALE NY 11553

TYPE OF SIGN WALL
SIZE OF SIGN: 39'X7.5'
SQUARE FEET 293

ILLUMINATED AREA: 1

HAS THERE BEEN ANY CHANGE IN SIZE OR WORDING OF SIGN? ( ) YES ( ) NO
IF "YES", EXPLAIN:

REQUIRED FEE $439.50 3 YEAR RENEWAL $439.50
(MAKE CHECK PAYABLE TO "TOWN ~~OF HEM~~PSTEAD")

0490-691005
25/12/15

Applicant's Signature

Town of Hempstead
Department of Buildings
1 Washington Street, Hempstead, N.Y. 11550-4923
(516) 538-8500

John E. Rottkamp
Commissioner
Rita A. Fisher
Second Deputy Commissioner

SIGN PERMIT RENEWAL

MARRIOTT HOTEL
101 JAMES DOOLITTLE BLVD.
UNIONDALE NY 11553

THE PERMIT FOR THE SIGN BELOW WILL EXPIRE AS INDICATED.
PLEASE REVIEW THIS RENEWAL APPLICATION AND NOTE ANY CHANGES.

RETURN FORM ALONG WITH REQUIRED FEE TO THIS OFFICE SO THAT WE MAY PROCESS THE NECESSARY RENEWAL PERMIT.

ORIG. APPLICATION # **13139**

SIGN PERMIT NUMBER 13010-97
EXPIRATION DATE 11/12/2015
new exp 11/12/18

LESEE: MARRIOTT HOTEL
101 JAMES DOOLITTLE BLVD.
UNIONDALE NY 11553

OWNER ~~URGO & BUTTS~~ 101 Uniondale L.P.
~~101 JAMES DOOLITTLE BLVD.~~ 130 East 59th Street
~~UNIONDALE NY 11553~~ 15th Floor
New York, NY. 10022

LOCATION: N/S HEMPSTEAD TPKE. W/O MEADOWBROOK PKWY.
PROPERTY: 101 JAMES DOOLITTLE BLVD. UNIONDALE NY 11553

TYPE OF SIGN WALL
SIZE OF SIGN: SQUARE FEET 95

ILLUMINATED AREA: 1

HAS THERE BEEN ANY CHANGE IN SIZE OR WORDING OF SIGN? ( ) YES (✓) NO
IF "YES", EXPLAIN:

REQUIRED FEE $142.50 3 YEAR RENEWAL ✓ $142.50
(MAKE CHECK PAYABLE TO "TOWN OF HEMPSTEAD")

Applicant's Signature

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 9/30/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Beecher Carlson Insurance Services
6 Concourse Parkway, Suite 2300
Atlanta, GA 30328

www.beechercarlson.com

CONTACT NAME: (ATL) Kathy Black
PHONE (A/C, No, Ext): 678-539-4815 FAX (A/C, No): 770-870-3031
E-MAIL ADDRESS: kblack@beechercarlson.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : National Union Fire Ins Co of Pittsburgh, PA	19445
INSURER B : New Hampshire Insurance Co.	23841
INSURER C : AIG Specialty Insurance Company	26883
INSURER D : Ace Property & Casualty Insurance Co.	20699
INSURER E :	
INSURER F :	

INSURED
Marriott International, Inc. & Subsidiaries
Attn: Risk Management Dept. 52/924.36 (Insurance)
301-380-5685
10400 Fernwood Road
Bethesda MD 20817

COVERAGES **CERTIFICATE NUMBER:** 26693720 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
C	✓ COMMERCIAL GENERAL LIABILITY CLAIMS-MADE ✓ OCCUR ✓ Liquor Liability ✓ $500,000 SIR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT ✓ LOC OTHER:			GL 3333316	10/1/2015	10/1/2016	EACH OCCURRENCE	$ 4,500,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 4,500,000
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$ 4,500,000
							GENERAL AGGREGATE	$ 7,500,000
							PRODUCTS - COMP/OP AGG	$ 4,500,000
								$
A	AUTOMOBILE LIABILITY ✓ ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			CA 7469910 AOS Excl MA, VA CA 7469912 - VA CA 7469911 - MA	10/1/2015	10/1/2016	COMBINED SINGLE LIMIT (Ea accident)	$ 2,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
D	✓ UMBRELLA LIAB ✓ OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $ N/A			XOO G2790564A 001 Prod-Comp Ops Agg $15M	10/1/2015	10/1/2016	EACH OCCURRENCE	$ 15,000,000
							AGGREGATE	$ 60,000,000
							Per Loc Aggregate	$ 15,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WC 67940135 OH, WI, WY	10/1/2015	10/1/2016	✓ PER STATUTE OTH-ER	
							E.L. EACH ACCIDENT	$ 3,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 3,000,000
							E.L. DISEASE - POLICY LIMIT	$ 3,000,000
	Workers Compensation				10/1/2015	10/1/2016	See Attachment for Additional Policies	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LONG ISLAND MARRIOTT 101 JAMES DOOLITTLE BLVD UNIONDALE NY 11553 ID:33788
Additional Insured: County of Nassau

CERTIFICATE HOLDER

County of Nassau
Dept. of Social Services
60 Charles Lindbergh Blvd.
Uniondale NY 11554

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Sharon D. Brainard

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Attachment to Marriott International, Inc. Certificate of Insurance

DESIGNATION OF ADDITIONAL INSUREDS

It is agreed that, with respect to the insurance afforded by any policy listed on this certificate, the provisions of the policy designating who is insured thereunder have been amended to include any person or organization, the "Additional Insured", for whom the Named Insured agrees in writing to procure liability insurance, provided:

a) The coverage and limits of liability afforded to such "Additional Insured" apply only to the extent required by the agreement, but in no event for coverage not afforded by the policy, not for limits of liability greater than the insurer's liability stated in the policy declarations;

b) The inclusion of more than one insured shall not increase the limits of the insurer's liability; and

c) The designation hereunder of the "Additional Insured" as an insured shall be null and void during the term of any separate liability insurance policy not listed herein and procured by the Named Insured for such "Additional Insured".

ATTACHMENT TO MARRIOTT INTERNATIONAL, INC. 9/30/2015
CERTIFICATE OF INSURANCE
10-1-2015 To 10-1-2016

TYPE/STATES COVERED	CARRIER	POLICY NO.	COVERAGES
WORKERS COMPENSATION			
SELF-INSURED SPECIFIC EXCESS POLICY AL, AR, AZ, CA, CT, DC, DE, GA, HI, IA, IL, IN, KY, LA, MD, MI, MO, NH, NJ, NM, NV, NY, OK, OR, PA, RI, SC, TN, WV	National Union Fire Insurance Company of Pittsburgh, PA	WC 1103503	W.C. Statutory each EE for Disease W.C. Statutory each Accident Employers Liability: $2,500,000 - Each Accident $2,500,000 - Each Employee/Disease $2,500,000 - Aggregate/Disease $ 500,000 - Self Insured Retention
SELF-INSURED SPECIFIC EXCESS POLICY FL	National Union Fire Insurance Company of Pittsburgh, PA	WC 1103504	W.C. Statutory each EE for Disease W.C. Statutory each Accident Employers Liability: $2,000,000 - Each Accident $2,000,000 - Each Employee/Disease $2,000,000 - Aggregate/Disease $1,000,000 - Self Insured Retention
NORTH CAROLINA Self Insured – Specific/Agg Excess Policy – Workers' Compensation and Employer's Liability	National Union Fire Insurance of Pittsburgh, PA	WC 1103505	Statutory – Workers' Compensation / Employers Liability: $ 2,500,000 - Each Accident $ 2,500,000 - Each Employee/Disease $ 2,500,000 - Aggregate/Disease $10,000,000 - Aggregate Excess $ 5,000,000 - Aggregate Retention $ 500,000 - Self Insured Retention
INSURED STATES AR, CO, CT, ID, KS, MD, MN, MO, MT, NE, NY, RI, SD, TN, TX, WV, and AOS if any	New Hampshire Insurance Company	WC 67940129	Statutory Workers' Compensation Employers' Liability: $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATES IL, NC, UT, VT	New Hampshire Insurance Co.	WC 67940131	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATES OH, WI, WY	New Hampshire Insurance Co.	WC 67940135	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATE ME	New Hampshire Insurance Co.	WC 67940133	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATE NJ, PA	New Hampshire Insurance Co.	WC 67940134	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATE AZ, VA	New Hampshire Insurance Co.	WC 67940130	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
INSURED STATE MA	Insurance Company of the State of PA	WC 67940132	Statutory Workers Compensation Employers Liability $3,000,000 - Each Accident $3,000,000 - Each Employee/Disease $3,000,000 - Aggregate/Disease
GENERAL LIABILITY			
TEXAS Non Subscriber	Illinois National Insurance Company	GL 3333313	(a) Associate Injury Benefit Plan per Plan Benefit (b) Employers' Liability: $2,000,000 - Each Accident $2,000,000 - Each Employee/Disease $2,000,000 - Aggregate/Disease $1,000,000 - Retention
USVI	AIG Insurance Company of Puerto Rico	GL 005-1002250	$5,000,000 Each Occurrence $5,000,000 Damage to Rented Premises $5,000,000 Personal & Adv Injury $7,500,000 General Aggregate $5,000,000 Products
AUTO LIABILITY/GKLL			
USVI	AIG Insurance Company of Puerto Rico	201-1002201	Automobile Liability: $2,000,000 Limit & GKLL $3,000,000 Limit

This certificate cancels and supersedes ALL previously issued certificates.

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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2014
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission File No. 1-13881

MARRIOTT INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**52-2055918**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
10400 Fernwood Road, Bethesda, Maryland	**20817**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code (301) 380-3000

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

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock, $0.01 par value (276,542,350 shares outstanding as of February 6, 2015)	**Nasdaq Global Select Market** **Chicago Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of shares of common stock held by non-affiliates at June 30, 2014, was $14,399,638,158

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement prepared for the 2015 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

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MARRIOTT INTERNATIONAL, INC.

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Throughout this report, we refer to Marriott International, Inc., together with its consolidated subsidiaries, as "we," "us," or "the Company."

Beginning in 2013, we changed our financial reporting cycle to a calendar year-end reporting cycle and an end-of-month quarterly reporting cycle. Historically, our fiscal year was a 52-53 week fiscal year that ended on the Friday nearest to December 31. Unless otherwise specified, each reference to a particular year means the fiscal year ended on the date and containing the specified number of days that we show in the table under the caption "Fiscal Year" in Footnote No. 1, "Basis of Presentation," to the Notes to our Consolidated Financial Statements.

In order to make this report easier to read, we also refer throughout to (i) our Consolidated Financial Statements as our "Financial Statements," (ii) our Consolidated Statements of Income as our "Income Statements," (iii) our Consolidated Balance Sheets as our "Balance Sheets," (iv) our properties, brands or markets in the United States ("U.S.") and Canada as "North America" or "North American," and (v) our properties, brands or markets outside of the United States and Canada as "International." References throughout to numbered "Footnotes" refer to the numbered Notes to our Financial Statements that we include in the Financial Statements section of this report.

PART I

Item 1. Business.

We are a worldwide operator, franchisor, and licensor of hotels and timeshare properties under numerous brand names at different price and service points. Consistent with our focus on management, franchising, and licensing, we own very few of our lodging properties. We also operate, market, and develop residential properties and provide services to home/condominium owner associations.

We were organized as a corporation in Delaware in 1997 and became a public company in 1998 when we were "spun off" as a separate entity by the company formerly named "Marriott International, Inc." We operate, franchise, or license 4,175 properties worldwide, with 714,765 rooms as of year-end 2014 inclusive of 41 home and condominium products (4,203 units) for which we manage the related owners' associations. We believe that our portfolio of brands is the broadest of any lodging company in the world. Our principal brands are listed in the following table:

- The Ritz-Carlton®
- BVLGARI® Hotels & Resorts
- EDITION®
- JW Marriott®
- Autograph Collection® Hotels
- Renaissance® Hotels
- Marriott Hotels®
- Marriott Executive Apartments®
- Marriott Vacation Club®
- Gaylord Hotels®
- AC Hotels by Marriott®
- Courtyard by Marriott® ("Courtyard®")
- Residence Inn by Marriott® ("Residence Inn®")
- SpringHill Suites by Marriott® ("SpringHill Suites®")
- Fairfield Inn & Suites®
- TownePlace Suites by Marriott® ("TownePlace Suites®")
- Protea Hotels®
- Moxy Hotels®

As of year-end 2014, we group operations into three business segments: North American Full-Service, North American Limited-Service, and International, and provide financial information by segment for 2014, 2013, and 2012 in Footnote No. 16, "Business Segments" and Footnote No. 12, "Property and Equipment."

Company-Operated Properties

At year-end 2014, we operated 1,102 properties (291,840 rooms) under long-term management agreements with property owners, 42 properties (9,419 rooms) under long-term lease agreements with property owners (management and lease agreements together, "the Operating Agreements"), and nine properties (2,082 rooms) that we own. The figures for properties we operated under long-term management agreements include 41 home and condominium products (4,203 units) for which we manage the related owners' associations.

Terms of our management agreements vary, but we earn a management fee that is typically composed of a base management fee, which is a percentage of the revenues of the hotel, and an incentive management fee, which is based on the profits of the hotel. Our management agreements also typically include reimbursement of costs of operations (both direct and indirect). Such agreements are generally for initial periods of 20 to 30

years, with options for us to renew for up to 50 or more

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additional years. Our lease agreements also vary, but may include fixed annual rentals plus additional rentals based on a percentage of annual revenues in excess of a fixed amount. Many of our Operating Agreements are subordinated to mortgages or other liens securing indebtedness of the owners. Many of our Operating Agreements also permit the owners to terminate the agreement if we do not meet certain performance metrics and financial returns fail to meet defined levels for a period of time and we have not cured such deficiencies. In certain circumstances, some of our management agreements allow owners to convert company-operated properties to franchised properties under our brands.

For lodging facilities that we operate, we generally are responsible for hiring, training, and supervising the managers and employees who are needed to operate the facilities and for purchasing supplies, and owners are required to reimburse us for those costs. We provide centralized reservation services and national advertising, marketing, and promotional services, as well as various accounting and data processing services, and owners are also required to reimburse us for those costs.

Franchised, Licensed, and Unconsolidated Joint Venture Properties

We have franchising, licensing, and joint venture programs that permit other hotel owners and operators and Marriott Vacations Worldwide Corporation ("MVW"), our former timeshare subsidiary that we spun off in 2011, to use many of our lodging brand names and systems. Under our franchising program, we generally receive an initial application fee and continuing royalty fees, which typically range from four to six percent of room revenues for all brands, plus two to three percent of food and beverage revenues for certain full-service hotels. We are a partner in unconsolidated joint ventures that manage hotels. Some of these joint ventures also provide services to franchised hotels. We recognize our share of these joint ventures' net income or loss. Franchisees and joint ventures contribute to our national marketing and advertising programs and pay fees for use of our centralized reservation systems. Under license agreements with us, MVW is both the exclusive developer and operator of timeshare, fractional, and related products under the Marriott brand and the exclusive developer of fractional and related products under The Ritz-Carlton brand. We receive license fees under licensing agreements with MVW consisting of a fixed annual fee, adjusted for inflation, of $50 million plus two percent of the gross sales price paid to MVW for initial developer sales of interests in vacation ownership units and residential real estate units and one percent of the gross sales price paid to MVW 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.

At year-end 2014, we had 2,882 franchised properties (388,679 rooms), 82 unconsolidated joint venture properties (9,879 rooms), and 58 licensed timeshare, fractional, and related properties (12,866 units).

Residential

We use or license our trademarks for the sale of residential real estate, typically in conjunction with hotel development and receive branding fees for sales of such branded residential real estate by others. Residences are typically constructed and sold by third-party owners with limited amounts, if any, of our capital at risk. We have used or licensed our The Ritz-Carlton, EDITION, Autograph Collection Hotels, JW Marriott, and Marriott Hotels brand names and trademarks for residential real estate sales. While the worldwide residential market is very large, we believe the luxurious nature of our residential properties, the quality and exclusivity associated with our brands, and the hospitality services that we provide, all serve to make our residential properties distinctive.

Seasonality

In general, business at company-operated and franchised properties fluctuates only moderately with the seasons and is relatively stable. Business at some resort properties may be seasonal depending on location.

Relationship with Major Customer

We operate a number of properties under long-term management agreements that are owned or leased by Host Hotels & Resorts, Inc. ("Host"). In addition, Host is a partner in several partnerships that own properties operated by us under long-term management agreements. See Footnote No. 18, "Relationship with Major Customer," for more information.

Intellectual Property

We operate in a highly competitive industry and our brand names, trademarks, service marks, trade names, and logos are very important to the sales and marketing of our properties and services. We believe that our 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. Accordingly, we register and protect our intellectual property where we deem appropriate and otherwise protect against its unauthorized use.

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Properties by Brand

At year-end 2014, we operated, franchised, or licensed the following properties by brand:

	Company-Operated		Franchised / Licensed		Other [3]	
Brand	**Properties**	**Rooms**	**Properties**	**Rooms**	**Properties**	**Rooms**
U.S. Locations						
Marriott Hotels	128	68,140	186	56,546	—	—
Marriott Conference Centers	10	2,915	—	—	—	—
JW Marriott	15	9,735	8	3,239	—	—
Renaissance Hotels	33	14,881	43	12,358	—	—
Renaissance ClubSport	—	—	2	349	—	—
Gaylord Hotels	5	8,098	—	—	—	—
Autograph Collection Hotels	1	181	43	9,901	—	—
The Ritz-Carlton	39	11,424	—	—	—	—
The Ritz-Carlton Residences [1]	30	3,598	—	—	—	—
EDITION	1	295	—	—	—	—
EDITION Residences [1]	1	25	—	—	—	—
AC Hotels by Marriott	—	—	—	—	1	220
Courtyard	274	43,138	587	77,756	—	—
Fairfield Inn & Suites	4	1,200	700	63,162	—	—
SpringHill Suites	28	4,450	286	32,518	—	—
Residence Inn	106	15,828	542	62,690	—	—
TownePlace Suites	15	1,743	225	22,230	—	—
Timeshare [2]	—	—	45	10,605	—	—
Total U.S. Locations	690	185,651	2,667	351,354	1	220
Non-U.S. Locations						
Marriott Hotels	144	42,452	41	12,083	—	—
JW Marriott	42	15,877	4	1,016	—	—
Renaissance Hotels	53	17,437	28	7,931	—	—
Autograph Collection Hotels	3	584	23	6,496	5	348
Moxy Hotels	—	—	1	162	—	—
Protea Hotels	53	6,141	59	3,966	—	—
The Ritz-Carlton	48	14,090	—	—	—	—
The Ritz-Carlton Residences [1]	9	575	1	55	—	—
The Ritz-Carlton Serviced Apartments	4	579	—	—	—	—
EDITION	1	173	1	78	—	—
Bulgari Hotels & Resorts	2	117	1	85	—	—
Bulgari Residences [1]	1	5	—	—	—	—
Marriott Executive Apartments	27	4,261	—	—	—	—
AC Hotels by Marriott	—	—	—	—	76	9,311
Courtyard	66	14,153	61	10,753	—	—
Fairfield Inn & Suites	2	276	15	1,813	—	—
SpringHill Suites	—	—	2	299	—	—
Residence Inn	8	970	19	2,675	—	—
TownePlace Suites	—	—	4	518	—	—
Timeshare [2]	—	—	13	2,261	—	—

Total Non-U.S. Locations	463	117,690	273	50,191	81	9,659
Total	1,153	303,341	2,940	401,545	82	9,879

(1) Represents projects where we manage the related owners' association. We include residential products once they possess a certificate of occupancy.

(2) Timeshare properties licensed by MVW under the Marriott Vacation Club, The Ritz-Carlton Destination Club, The Ritz-Carlton Residences, and Grand Residences by Marriott brand names. Includes products that are in active sales as well as those that are sold out. MVW reports its property and room counts on a fiscal year basis for the MVW fiscal year ended January 2, 2015.

(3) Results for these properties are presented in the "Equity in earnings (losses)" caption of our Income Statements.

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Properties by Country

At year-end 2014, we operated, franchised or licensed properties in the following 79 countries and territories:

Country	Properties	Rooms
Americas		
Aruba	5	1,955
Bahamas	1	3,412
Barbados	1	118
Brazil	6	1,405
British Virgin Islands	1	58
Canada	86	16,741
Cayman Islands	5	772
Chile	3	666
Colombia	4	738
Costa Rica	7	1,222
Curaçao	2	484
Dominican Republic	3	595
Ecuador	2	401
El Salvador	1	133
Honduras	1	153
Mexico	25	5,984
Panama	5	1,001
Peru	2	453
Puerto Rico	9	2,226
Saint Kitts and Nevis	2	479
Suriname	1	140
Trinidad and Tobago	1	119
United States	3,358	537,225
U.S. Virgin Islands	5	1,095
Venezuela	3	688
Total Americas	3,539	578,263
United Kingdom and Ireland		
Ireland	2	460
United Kingdom (England, Scotland, and Wales)	64	12,203
Total United Kingdom and Ireland	66	12,663
Middle East and Africa		

Algeria	1	204
Bahrain	3	537
Egypt	6	3,062
Jordan	3	644
Kuwait	3	720
Malawi	1	117
Namibia	10	373
Nigeria	11	760
Oman	2	495
Pakistan	2	508
Qatar	4	1,487
Saudi Arabia	8	1,878
South Africa	76	8,029
Tanzania	5	153
Uganda	2	143
United Arab Emirates	13	4,534

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Zambia	7	532
Total Middle East and Africa	157	24,176
Asia		
China	76	28,256
India	26	6,250
Indonesia	13	2,869
Japan	15	4,328
Malaysia	7	3,070
Philippines	2	657
Singapore	3	1,059
South Korea	7	2,203
Thailand	19	3,946
Vietnam	2	786
Total Asia	170	53,424
Australia	6	1,716
Continental Europe		
Armenia	2	359
Austria	7	1,808
Azerbaijan	3	574
Belarus	1	267
Belgium	5	881
Bosnia and Herzegovina	1	75
Czech Republic	6	1,088
Denmark	2	1,214
France	24	4,658
Georgia	2	245
Germany	29	6,717
Hungary	4	891

Israel	3	539
Italy	22	3,563
Kazakhstan	6	905
Netherlands	4	1,120
Poland	2	759
Portugal	5	1,150
Romania	1	401
Russia	15	3,616
Spain	74	9,391
Sweden	2	406
Switzerland	5	979
Turkey	12	2,917
Total Continental Europe	237	44,523
Total	4,175	714,765

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Our Brand Portfolio

The Ritz-Carlton's vision is to inspire life's most meaningful journeys. Established in 1983 with the purchase of The Ritz-Carlton, Boston and the rights to the name, the brand has grown to over 85 hotels and 40 residences worldwide. The Ritz-Carlton enjoys a global reputation for setting the gold standard (the values and philosophies by which the brand operates) with award-winning luxury hotels, residences, golf communities, elegant spas, innovative retail outlets and acclaimed restaurants. At year-end 2014, there were 87 The Ritz-Carlton hotel properties (25,514 rooms), 40 home and condominium projects (4,228 units) for which we manage the related owners' associations, and 4 serviced apartments (579 units) operating in 29 countries and territories.

The Ritz-Carlton Geographic Distribution at Year-End 2014 [1]	**Properties**	
United States (18 states and the District of Columbia)	69	(15,022 rooms)
Non-U.S. (28 countries and territories)		
Americas	15	
Continental Europe	12	
Asia	26	
Middle East and Africa	9	
Total Non-U.S.	62	(15,299 rooms)

[1] Includes 40 home and condominium projects (4,228 units) and 4 serviced apartments (579 units).

Bulgari Hotels & Resorts. Bulgari Hotels & Resorts is the product of a joint venture between us and Italian jeweler and luxury goods designer Bulgari SpA. The Bulgari Hotels & Resorts brand offers distinctive luxury hotel properties located in gateway cities and exclusive resorts around the world. These innovative hotels combine Bulgari style with incredible service in an informal yet impeccable setting. At year-end 2014, there were three Bulgari hotel properties in Milan, Italy, Bali, and London, England. We also operate two restaurants, co-located with two Bulgari retail stores, in Tokyo and Osaka, Japan. The hotels are designed by renowned Italian firm Antonio Citterio Patricia Viel and partners. We operate all of the Bulgari Hotels & Resorts brand properties and restaurants other than the hotel in London, which is franchised. Other projects are currently in various stages of development in Europe, Asia, the Middle East, and North America.

EDITION. In collaboration with hotel innovator Ian Schrager, EDITION combines the personal, individualized, and unique hotel experience that Ian Schrager is known for, with the global reach, operational expertise, and scale of Marriott. EDITION showcases the finest dining and entertainment offerings for guests and locals in the know. At year-end 2014, the brand operated EDITION hotels in Istanbul, central London, and Miami Beach. Scheduled EDITION hotel openings over the next few years include New York (Madison Square Park) (2015), Gurgaon, India (2016), Sanya, China (2016), Bangkok, Thailand (2016), Shanghai, China (2016), Abu Dhabi, U.A.E. (2017), Wuhan, China (2017), New York (Times Square) (2017), and West Hollywood (2018).

The EDITION hotel in New York (Madison Square Park) is currently under construction and owned by Marriott. In January of 2014, we sold

The London EDITION to a third party and simultaneously entered into agreements to sell The Miami Beach and The New York (Madison Square Park) EDITION hotels to the same party once construction was complete. Under those agreements we sold The Miami Beach EDITION during the first quarter of 2015, and expect to sell The New York (Madison Square Park) EDITION in the first half of 2015. We will retain long-term management agreements for each of these three EDITION hotels. See Footnote No. 3, "Acquisitions and Dispositions" for additional information on this transaction.

JW Marriott is a global luxury brand made up of a collection of beautiful properties and resorts that cater to accomplished, discerning travelers seeking an elegant environment with discreet personal service. JW Marriott's elegant yet approachable positioning provides a differentiated offering in the luxury hotel market, bridging the gap between full service hotel brands and the super luxury brands at the top of the tier. At year-end 2014, there were 69 properties (29,867 rooms) primarily located in gateway cities and upscale locations throughout the world. JW Marriott offers anticipatory service and exceptional amenities, many with world-class golf and spa facilities. Facilities and amenities at JW Marriott properties normally include larger guest rooms, high-end décor and furnishings, upgraded in-room amenities, upgraded executive lounges, business centers and fitness centers, and 24-hour room service.

Marriott Hotels is our global flagship premium brand, primarily serving business and leisure upper-upscale travelers and meeting groups. Marriott Hotels properties are "Advancing the Art of Hosting" to deliver premium choices, sophisticated style, and well-crafted details. Properties are located in downtown, urban, and suburban areas, near airports, and at resort locations. Typically, properties offer well-appointed guest rooms, convention and banquet facilities, destination-driven restaurants and lounges, room service, concierge lounges, fitness centers, swimming pools, and wireless Internet access. Seventeen properties

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have over 1,000 rooms. Many resort properties have additional recreational facilities, such as tennis courts, golf courses, additional restaurants and lounges, and spa facilities. At year-end 2014, there were 499 Marriott Hotels properties (179,221 rooms), excluding JW Marriott and Marriott Conference Centers.

At year-end 2014, there were 10 ***Marriott Conference Centers*** (2,915 rooms) throughout the United States. Some of the centers are used exclusively by employees of sponsoring organizations, while others are marketed to outside meeting groups and individuals. In addition to the features found in a typical Marriott Hotels property, conference centers include expanded meeting room space, banquet and dining facilities, and recreational facilities.

JW Marriott, Marriott Hotels, and Marriott Conference Centers Geographic Distribution at Year-End 2014	**Properties**	
United States (43 states and the District of Columbia)	347	(140,575 rooms)
Non-U.S. (58 countries and territories)		
Americas	52	
Continental Europe	44	
United Kingdom and Ireland	51	
Asia	60	
Middle East and Africa	20	
Australia	4	
Total Non-U.S.	231	(71,428 rooms)

Autograph Collection Hotels celebrate individuality by curating one-of-a kind travel experiences found in the world's most desirable destinations. Each hotel is hand selected for its distinction as an iconic landmark, remarkable design, or for its best-in-class resort amenities. Autograph Collection is designed to attract guests who prefer original, locally authentic, and unique hotel experiences that other conventional brands do not offer. The Collection provides owners of high-quality independent hotels with access to our leading reservations and marketing platforms including Marriott Rewards®, our award-winning loyalty program. At year-end 2014, there were 75 Autograph Collection properties (17,510 rooms) operating in 21 countries and territories.

Autograph Collection Hotels Geographic Distribution at Year-End 2014	**Properties**	
United States (22 states)	44	(10,082 rooms)
Non-U.S. (20 countries and territories)		
Americas	6	
Continental Europe	18	
United Kingdom and Ireland	4	
Asia	2	

Australia	1	
Total Non-U.S.	31	(7,428 rooms)

Renaissance Hotels is a global, full-service brand that targets lifestyle-oriented business travelers. Each Renaissance hotel offers its own personality, local flavor, and distinctive style. Innovations include the Navigator program, which helps guests discover authentic establishments in the locale, and RLife® LIVE, which helps guests discover emerging talent in music, films, arts, and more in the comfort of the hotel lobby bars and lounges.

Renaissance Hotels' diverse portfolio includes historic icons, modern boutiques, exotic resorts, and convention hotels. Most properties feature modern chic design, lively bars and lounges, and creative meeting and banquet facilities. At year-end 2014, there were 159 Renaissance Hotels properties (52,956 rooms), including two Renaissance ClubSport properties (349 rooms).

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Renaissance Hotels **Geographic Distribution at Year-End 2014**	**Properties**	
United States (29 states and the District of Columbia)	78	(27,588 rooms)
Non-U.S. (34 countries and territories)		
Americas	11	
Continental Europe	33	
United Kingdom and Ireland	4	
Asia	30	
Middle East and Africa	3	
Total Non-U.S.	81	(25,368 rooms)

Marriott Executive Apartments provides luxury serviced apartments with five-star amenities and services for business executives and those on leisure who require accommodations outside their home country, usually for 30 or more days. These apartments are designed with upscale finishes and a wide variety of amenities including on-site gyms and other recreational facilities, a 24-hour front desk, weekly housekeeping services, laundry facilities within the apartment, and often on-site restaurants. At year-end 2014, 25 Marriott Executive Apartments and two other Serviced Apartments properties (4,261 rooms total) were located in 15 countries and territories. All Marriott Executive Apartments are located outside the United States.

Gaylord Hotels. With its world-class group and convention-oriented hotels, Gaylord Hotels is a leader in the group and meetings business and complements our existing network of large convention hotels. Gaylord Hotels properties, which are located near Washington, D.C., Nashville, Tennessee, Orlando, Florida, and Dallas, Texas, are designed to celebrate the heritage of their destinations. Properties typically have between approximately 1,400 rooms and 2,900 rooms, 400,000 to 600,000 square feet meeting and convention space, and 4 to 15 restaurants, eateries and bars, and retail outlets serving groups and leisure travelers. Fueled by the brand's hallmark "Everything in one place" concept, each Gaylord Hotels resort blends magnificent settings, luxurious rooms, and world-class dining and entertainment offerings. At year-end 2014, there were five Gaylord Hotels properties (8,098 rooms, including the 303-room Inn at Opryland) operating in the United States.

AC Hotels by Marriott. We are a partner in joint ventures that created the "AC Hotels by Marriott" co-brand in 2011. AC Hotels by Marriott is designed to attract the upper-moderate, design-conscious guest looking for a cosmopolitan hotel in a great city location, and features stylish, sleek designs with limited food and beverage offerings. AC Hotels by Marriott hotels are typically located in destination, downtown, and lifestyle centers. AC Hotels by Marriott features the "AC Lounge" offering cocktails, appetizers and sharable plates where guests can relax and unwind, and fitness centers with state-of-the-art exercise equipment. Small meeting rooms can be found in most hotels for private board meetings or intimate social gatherings. Based on location, other hotel amenities include a mini-bar, 24-hour room service, laundry service, exclusive bathroom amenities, writing desk, and free wireless high-speed Internet access (Wi-Fi). At year-end 2014, there were 77 AC Hotels by Marriott properties (9,531 rooms) in Spain, Italy, France, and Portugal. In November 2014, AC Hotels by Marriott opened its first hotel in the U.S., with the opening of the AC Hotel New Orleans Bourbon. The brand has a very strong pipeline for growth in the Americas with future openings scheduled for locations including Chicago, Miami, Kansas City, and Washington D.C.

Courtyard is our hotel product designed for the upper-moderate price tier, and is focused primarily on transient business travel. Hotels feature functionally designed guest rooms and meeting rooms, and typically offer free Wi-Fi, a swimming pool, an exercise room, and *The Market* (a self-serve food store open 24 hours a day). At year-end 2014, over 90 percent of our North American Courtyard hotels completed the Courtyard Refreshing Business lobby design. The multifunctional lobby space enables guests to work, relax, eat, drink, and socialize at their own pace. At year-end 2014, there were 988 Courtyard properties (145,800 rooms) operating in 38 countries and territories.

Courtyard Geographic Distribution at Year-End 2014	Properties	
United States (50 states and the District of Columbia)	861	(120,894 rooms)
Non-U.S. (37 countries and territories)		
Americas	47	
Continental Europe	41	
United Kingdom and Ireland	2	
Asia	31	
Middle East and Africa	5	
Australia	1	
Total Non-U.S.	127	(24,906 rooms)

Residence Inn is the leading upscale extended-stay hotel brand designed for frequent and extended stay business and leisure travelers staying five or more nights. Residence Inn provides upscale design and style with spacious suites that feature separate living, sleeping, and working areas, as well as kitchens with full-size appliances. Guests can maintain their own pace and routines through free Wi-Fi, on-site exercise options, and comfortable places to work and relax. Additional amenities include free hot breakfast and evening social events, free grocery shopping services, 24-hour friendly and knowledgeable staffing, and laundry facilities. At year-end 2014, there were 675 Residence Inn properties (82,163 rooms) operating in 9 countries and territories.

Residence Inn Geographic Distribution at Year-End 2014	Properties	
United States (48 states and the District of Columbia)	648	(78,518 rooms)
Non-U.S. (8 countries and territories)		
Americas	21	
Continental Europe	2	
United Kingdom and Ireland	1	
Middle East and Africa	3	
Total Non-U.S.	27	(3,645 rooms)

SpringHill Suites is our all-suite brand in the upper-moderate price tier primarily targeting business travelers. These properties typically have suites with approximately 25 percent more space than a traditional hotel guest room with separate areas for sleeping, working, and relaxing. The brand offers a broad range of amenities, including free Wi-Fi, *The Market* (a self-serve food/beverage store open 24 hours a day), complimentary hot breakfast buffet, lobby computer and on-site business services (copying, faxing, and printing), exercise facilities, and a swimming pool. At year-end 2014, there were 314 properties (36,968 rooms) operating in the United States and two properties (299 rooms) in Canada.

Fairfield Inn & Suites (which includes Fairfield Inn, Fairfield Inn & Suites and Fairfield by Marriott[SM]) is an established leader in the moderate-price tier and is targeted primarily at value-conscious business travelers looking to maintain their balance and momentum while traveling. Fairfield Inn & Suites typically offer a wide range of amenities, including free Wi-Fi, a business center/lobby computer with Internet access and print capability, free hot breakfast, *The Market* (a self-serve food store open 24 hours a day), exercise facilities, a swimming pool, and guest laundry. Additionally, suite rooms (approximately 25 percent of the rooms at a typical Fairfield Inn & Suites) provide guests with separate areas for sleeping, working, and relaxing. At year-end 2014, there were 553 Fairfield Inn & Suites properties and 168 Fairfield Inn properties (66,451 rooms combined total) operating in the United States, Canada, Mexico and India.

Fairfield Inn & Suites Geographic Distribution at Year-End 2014	Properties	
United States (48 states and the District of Columbia)	704	(64,362 rooms)
Non-U.S. Americas (3 countries and territories)		
Americas	16	
Asia	1	
Total Non-U.S.	17	(2,089 rooms)

TownePlace Suites is our moderately priced extended-stay hotel brand designed to appeal to business and leisure travelers who stay for five nights or more. Each suite provides functional spaces for living and working, including a full kitchen

and a home office. Each hotel specializes in delivering service that helps guests make the best of long trips by helping them stay productive and upbeat. Additional amenities include daily housekeeping services, breakfast, exercise facilities, a pool, 24-hour In A Pinch (food and beverage) Market, laundry facilities, and free Wi-Fi. At year-end 2014, there were 240 properties (23,973 rooms) operating in the United States and four properties (518 rooms) operating in Canada.

Protea Hotels is the leading hospitality brand in Africa and boasts the highest hospitality brand awareness in the continent. With 112 properties (10,107 rooms) in South Africa and six other Sub-Saharan African countries at year-end 2014, Protea Hotels has the largest strategic footprint throughout the continent and is highly committed to delivering every guest with a personalized service experience. Competing in the moderate and upper moderate tier categories, Protea Hotels is ideal for both business and leisure travelers by offering properties in major and secondary business centers and leisure destinations. Protea Hotels offers updated facilities, a unique service culture and consistent amenities such as full service restaurants, meeting spaces, free Wi-Fi, and well-appointed rooms to ensure a comfortable, relaxed, and successful stay.

Moxy Hotels. In 2013, we announced a collaboration with Vastint, a holding company within the Inter IKEA Group, to develop our newest brand, Moxy Hotels. Moxy is a design-led, lifestyle budget hotel developed around the needs of Generation X and Y travelers. The brand offers a vibrant, communal, and stylish public space and a fun, energetic, and edgy personality. The brand opened its first hotel in Milan Malpensa in September of 2014.

Licensed Brands

On November 21, 2011, we spun off our timeshare operations and timeshare development business through a special tax-free dividend to our shareholders of all of the issued and outstanding common stock of our then wholly owned subsidiary MVW. Before the spin-off, we developed, operated, marketed, and sold timeshare interval, fractional ownership, and residential properties as part of our former Timeshare segment under the brand names discussed below, and in conjunction with the spin-off, we entered into licensing agreements with MVW for those brands.

Under those licensing agreements, MVW 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. MVW is 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. We receive license fees under the licensing agreements with MVW for the following brands:

Marriott Vacation Club is MVW's signature offering in the upscale tier of the vacation ownership industry. Marriott Vacation Club resorts typically combine spacious accommodations with one-, two-, and three-bedroom options, living and dining areas, and in-unit kitchens and laundry facilities, with resort amenities.

Grand Residences by Marriott is an upscale tier vacation ownership and whole ownership residence brand. MVW's vacation ownership products under this brand include multi-week ownership interests. The ownership structure and physical products for these locations are similar to those MVW offers to Marriott Vacation Club owners, although the time period for each Grand Residences by Marriott ownership interest ranges between three and 13 weeks. MVW also offers whole ownership residential products under this brand.

The Ritz-Carlton Destination Club is MVW's vacation ownership offering in the luxury tier of the industry. The Ritz-Carlton Destination Club provides luxurious vacation experiences commensurate with The Ritz-Carlton brand. The Ritz-Carlton Destination Club resorts typically feature luxurious two-, three- and four-bedroom units, and luxury resort amenities. We deliver on-site services, which usually include daily housekeeping service, valet, in-residence dining, and access to fitness facilities as well as spa and sports facilities as appropriate for each destination, through our Ritz-Carlton subsidiary. MVW also has the non-exclusive right to develop, market and sell whole ownership residential products under The Ritz-Carlton Residences brand. The Ritz-Carlton Residences provide whole-ownership, luxury living in many of the world's most vibrant cities and stunning resort destinations, including co-locations with certain The Ritz-Carlton Destination Club resorts. Residents can avail themselves of the services and facilities on an a la carte basis that are associated with the co-located The Ritz-Carlton Destination Club resort.

MVW offers Marriott Rewards® Points and The Ritz-Carlton Rewards® Points to its 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. MVW buys these points from our Marriott Rewards and Ritz-Carlton Rewards programs.

At year-end 2014, MVW operated 58 properties, primarily in the United States, but also in other countries and territories. Many of MVW's resorts are located adjacent to hotels we operate, such as Marriott Hotels and The Ritz-Carlton, and owners have access to certain hotel facilities during their vacation.

Other Activities

Credit Card Programs. At year-end 2014, we had six credit card programs in the United States, Canada, and the United Kingdom, which

include both Marriott Rewards and The Ritz-Carlton Rewards credit cards. We earn licensing fees based on card usage, and the cards are designed to encourage loyalty to our brands.

Sales and Marketing, Loyalty Programs, and Reservation Systems. We focus on increasing value for the consumer and "selling the way the customer wants to buy." Our Look No Further® Best Rate Guarantee gives customers access to the same rates whether they book through our telephone reservation system, our website, or any other Marriott reservation channel. Marriott's Look No Further Guarantee ensures best rate integrity, strengthening consumer confidence in our brand. Our strong Marriott Rewards and The Ritz-Carlton Rewards guest recognition programs and our information-rich and easy-to-use Marriott.com website and mobile app are also integral to our success.

With over 50 million visitors each month, Marriott.com remains one of the largest online retail sites in the world, and continues to experience unprecedented growth. In 2014, we successfully expanded the deployment of Mobile Check-In and Check-Out to our portfolio of over 4,000 hotels globally. Design and usability improvements to Marriott.com made it easier for our guests to discover our properties on every device available. We continue to explore and implement more personalized elements to enhance the experience for our online guests.

At year-end 2014, we operated 15 systemwide hotel reservation centers, six in the United States and Canada and nine in other countries and territories, which handle reservation requests for our lodging brands worldwide, including franchised properties. We own one of the U.S. facilities and either lease the others or share space with an existing Marriott property. While pricing is set by our hotels, our reservation system manages and controls inventory and allows us to utilize third party agents where cost effective. With 4,175 properties in our system, economies of scale enable us to minimize costs per occupied room, drive profits for our owners and franchisees, and enhance our fee revenue.

We believe our global sales and revenue management organization is a key competitive advantage due to our unrelenting focus on optimizing our investment in people, processes, and systems. Our above-property sales deployment strategy aligns our sales efforts around the customer, reducing duplication of sales efforts by individual hotels and allowing us to cover a larger number of accounts. We also utilize innovative sophisticated revenue management systems, many of which are proprietary, which we believe provide a competitive advantage in pricing decisions, increase efficiency in analysis and decision making, and produce increased property-level revenue for the hotels in our system. Most of the hotels in our system utilize web-based programs to effectively manage the rate set up and modification processes which provides for greater pricing flexibility, reduces time spent on rate program creation and maintenance, and increases the speed to market of new products and services.

Our customer loyalty programs, Marriott Rewards and The Ritz-Carlton Rewards, have over 49 million members and 15 participating brands. MVW and other program partners also participate in our rewards programs. The rewards programs yield repeat guest business by rewarding frequent stays with points toward free hotel stays and other rewards, or airline miles with any of 39 participating airline programs. We believe that our rewards programs generate substantial repeat business that might otherwise go to competing hotels. In 2014, rewards program members purchased over 50 percent of our room nights. We continue to enhance our rewards program offerings and strategically market to this large and growing customer base. Our loyal rewards member base provides a low cost and high impact vehicle for our revenue generation efforts. See the "Rewards Programs" caption in Footnote No. 2, "Summary of Significant Accounting Policies" for more information.

As we further discuss in Part I, Item 1A "Risk Factors" later in this report, we utilize sophisticated technology and systems in our reservation, revenue management, and property management systems, in our Marriott Rewards and The Ritz-Carlton Rewards programs, and in other aspects of our business. We also make certain technologies available to our guests. Keeping pace with developments in technology is important for our operations and our competitive position. Furthermore, the integrity and protection of customer, employee, and company data is critical to us as we use such data for business decisions and to maintain operational efficiency.

Environmental Responsibility and "Green" Hotels. Our sustainability strategy supports business growth and reaches beyond our hotels to preserve and protect our planet's natural resources. Marriott's environmental goals are to: (1) further reduce energy and water consumption by 20 percent by 2020; (2) empower our hotel development partners to build green hotels; (3) green our multi-billion dollar supply chain; (4) educate and inspire associates and guests to conserve and preserve; and (5) address environmental challenges through innovative conservation initiatives including rainforest protection and water conservation.

We recognize our responsibility to reduce consumption of water, waste and energy in our hotels and corporate offices and are focused on integrating greater environmental sustainability throughout our business. We were the first major hotel chain to calculate our carbon footprint and launch a plan to improve energy efficiency, conserve water and support projects that

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reduce deforestation. We use Energy and Environmental Action (EEAP) plans, our best-practice auditing tool, to help our properties achieve energy and water reduction goals. Working in partnership with the U.S. Green Building Council (USGBC) for Leadership in Energy and Environmental Design (LEED®) and the Green Building Certification Institute (GBCI), Marriott is empowering our hotel development partners to build green hotels. In 2011, we developed the first LEED Volume Program (LVP) to provide a streamlined path to certification for the hospitality industry through a green hotel prototype. The LEED Volume Program that Marriott offers can save our owners 25 percent in energy and water consumption for the life of their buildings and should recover their initial investment in two to six years. Marriott has more than 110 LEED-certified buildings, with more in the development pipeline.

Global Design Division. Our Global Design (formerly known as Architecture and Construction) division provides design, development,

construction, refurbishment, and procurement services to owners and franchisees of lodging properties on a voluntary basis outside the scope of and separate from our management or franchise contracts. Similar to third-party contractors, Global Design provides these services on a fee basis to owners and franchisees of Marriott-branded properties.

Marriott Golf. At year-end 2014, Marriott Golf managed 33 golf course facilities as part of our management of hotels and for other golf course owners. In addition, we provide similar services to four facilities operated by others.

Competition

We encounter strong competition both as a lodging operator and as a franchisor. There are approximately 875 lodging management companies in the United States, including approximately 10 that operate more than 100 properties. These operators are primarily private management firms, but also include several large national and international chains that own and operate their own hotels and also franchise their brands. Our management contracts are typically long-term in nature, but most allow the hotel owner to replace the management firm if it does not meet certain financial or performance criteria.

During the last recession demand for hotel rooms declined significantly, particularly in 2009, and we took steps to reduce operating costs and improve efficiency. Due to the competitive nature of our industry, we focused these efforts on areas that had limited or no impact on the guest experience. While demand trends globally improved from 2010 through 2014, cost reductions could again become necessary if demand trends reverse. We would expect to implement any such efforts in a manner designed to maintain customer loyalty, owner preference, and associate satisfaction, in order to help maintain or increase our market share.

Affiliation with a national or regional brand is prevalent in the U.S. lodging industry, and we believe that our brand recognition gives us a competitive advantage in attracting and retaining guests, owners and franchisees. In 2014, approximately 69 percent of U.S. hotel rooms were brand-affiliated. Most of the branded properties are franchises, under which the operator pays the franchisor a fee for use of its hotel name and reservation system. The franchising business is concentrated, with the six largest franchisors operating multiple brands accounting for a significant proportion of all U.S. rooms.

Outside the United States, branding is much less prevalent and most markets are served primarily by independent operators, although branding is more common for new hotel development. We believe that chain affiliation will increase in overseas markets as local economies grow, trade barriers decline, international travel accelerates, and hotel owners seek the economies of centralized reservation systems and marketing programs.

Based on lodging industry data, we have more than a 10 percent share of the U.S. hotel market (based on number of rooms) and we estimate less than a two percent share of the lodging market outside the United States. We believe that our hotel brands are attractive to hotel owners seeking a management company or franchise affiliation because our hotels typically generate higher Revenue per Available Room ("RevPAR") than our direct competitors in most market areas. We attribute this performance premium to our success in achieving and maintaining strong customer preference. We believe that the location and quality of our lodging facilities, our marketing programs, our reservation systems, and our emphasis on guest service and guest and associate satisfaction contribute to customer preference across all of our brands.

Properties that we operate, franchise, or license are regularly upgraded to maintain their competitiveness. Most of our management agreements provide for the allocation of funds to be set aside, generally a fixed percentage of revenue, for periodic renovation of buildings and replacement of furnishings. These ongoing refurbishment programs, along with periodic brand initiatives, are generally adequate to preserve or enhance the competitive position and earning power of the properties. Properties converting to one of our brands typically complete renovations as needed in conjunction with the conversion.

Employee Relations

At year-end 2014, we had approximately 123,500 employees, approximately 11,000 of whom were represented by labor unions. We believe relations with our employees are positive.

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Environmental Compliance

The properties we operate 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. Those environmental provisions 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 operation and development of properties complies, in all material respects, with environmental laws and regulations. Compliance with such provisions has not materially impacted our capital expenditures, earnings, or competitive position, and we do not anticipate that it will have a material impact in the future.

Internet Address and Company SEC Filings

Our Internet address is Marriott.com. On the investor relations portion of our website, Marriott.com/investor, we provide a link to our

electronic filings with the U.S. Securities and Exchange Commission (the "SEC"), including our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and any amendments to these reports. We make all such filings available free of charge as soon as reasonably practicable after filing. The information found on our website is not part of this or any other report we file with or furnish to the SEC.

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Item 1A. Risk Factors.

Forward-Looking Statements

We make forward-looking statements in Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report based on the beliefs and assumptions of our management and on information currently available to us. Forward-looking statements include information about our possible or assumed future results of operations, which follow under the headings "Business and Overview," "Liquidity and Capital Resources," and other statements throughout this report preceded by, followed by or that include the words "believes," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions.

Any number of risks and uncertainties could cause actual results to differ materially from those we express in our forward-looking statements, including the risks and uncertainties we describe below and other factors we describe from time to time in our periodic filings with the U.S. Securities and Exchange Commission (the "SEC"). We therefore caution you not to rely unduly on any forward-looking statement. The forward-looking statements in this report speak only as of the date of this report, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise.

Risks and Uncertainties

We are subject to various risks that could have a negative effect on us or on our financial condition. You should understand that these risks could cause results to differ materially from those we express in forward-looking statements contained in this report or in other Company communications. Because there is no way to determine in advance whether, or to what extent, any present uncertainty will ultimately impact our business, you should give equal weight to each of the following:

Our industry is highly competitive, which may impact our ability to compete successfully with other hotel properties for customers. We operate in markets that contain many competitors. Each of our hotel brands competes with major hotel chains in national and international venues and with independent companies in regional markets. Our ability to remain competitive and to attract and retain business and leisure travelers depends on our success in distinguishing the quality, value, and efficiency of our lodging products and services, including our loyalty programs and consumer-facing technology platforms and services, from those offered by others. If we cannot compete successfully in these areas, our operating margins could contract, our market share could decrease, and our earnings could decline. Further, new lodging supply in individual markets could have a negative impact on the hotel industry and hamper our ability to increase room rates or occupancy in those markets.

Economic uncertainty could continue to impact our financial results and growth. Weak economic conditions in Europe and other parts of the world, the strength or continuation of recovery in countries that have experienced improved economic conditions, changes in oil prices and currency values, potential disruptions in the U.S. economy as a result of governmental action or inaction on the federal deficit, budget, and related issues, including for example the 2013 U.S. federal government shutdown, political instability in some areas, and the uncertainty over how long any of these conditions will continue, could continue to have a negative impact on the lodging industry. U.S. government travel is also a significant part of our business, and this aspect of our business may continue to suffer due to U.S. federal spending cuts and any further limitations that may result from congressional action or inaction. As a result of such current economic conditions and uncertainty, we continue to experience weakened demand for our hotel rooms in some markets. Recent improvements in demand trends in other markets may not continue, and our future financial results and growth could be further harmed or constrained if the recovery stalls or conditions worsen.

Operational Risks

Premature termination of our management or franchise agreements could hurt our financial performance. Our hotel management and franchise agreements may be subject to premature termination in certain circumstances, such as the bankruptcy of a hotel owner or franchisee, or a failure under some agreements to meet specified financial or performance criteria that are subject to the risks described in this section, which we fail or elect not to cure. In addition, some courts have applied principles of agency law and related fiduciary standards to managers of third-party hotel properties, including us (or have interpreted hotel management agreements as "personal services contracts"). This means, among other things, that property owners may assert the right to terminate management agreements even where the agreements provide otherwise, and some courts have upheld such assertions about our management agreements and may do so in the future. If such terminations occur, we may need to enforce our right to damages for breach of contract and related claims, which may cause us to incur significant legal fees and expenses. Any damages we ultimately collect could be less than the projected future value of the fees and other amounts we would have otherwise collected under the management agreement. A significant loss of agreements due to premature terminations could hurt our financial performance or our ability to grow our business.

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Our lodging operations are subject to global, regional, and national conditions. Because we conduct our business on a global platform, changes in global and regional economies impact our activities. In recent years, decreases in travel resulting from weak economic conditions and the heightened travel security measures that have resulted from the threat of further terrorism have hurt our business. Our future performance could be similarly affected by the economic environment in each of our operating regions, the resulting unknown pace of business travel, and any future incidents in those regions.

The growing significance of our operations outside of the United States makes us increasingly susceptible to the risks of doing business internationally, which could lower our revenues, increase our costs, reduce our profits, disrupt our business, or damage our reputation. We currently operate or franchise hotels and resorts in 79 countries, and our operations outside the United States represented approximately 18 percent of our revenues in 2014. We expect that our international revenues will continue to grow. As a result, we are increasingly exposed to the challenges and risks of doing business outside the United States, many of which are outside of our control, and which could reduce our revenues or profits, increase our costs, result in significant liabilities or sanctions, otherwise disrupt our business, or damage our reputation. These challenges include: (1) compliance with complex and changing laws, regulations and government policies that may impact our operations, such as foreign ownership restrictions, import and export controls, and trade restrictions; (2) compliance with U.S. and foreign laws that affect the activities of companies abroad, such as competition laws, currency regulations, and other laws affecting dealings with certain nations; (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 in the Middle East and elsewhere, acts of terrorism, or the threat of international boycotts or U.S. anti-boycott legislation; and (7) currency exchange rate fluctuations, which may impact the results and cash flows of our international operations.

Any failure by our international operations to comply with anti-corruption laws or trade sanctions could increase our costs, reduce our profits, limit our growth, harm our reputation, or subject us to broader liability. We are subject to restrictions imposed by the U.S. Foreign Corrupt Practices Act and anti-corruption laws and regulations of other countries applicable to our operations, such as the UK Bribery Act. Anti-corruption laws and regulations generally prohibit companies and their intermediaries from making improper payments to government officials or other persons in order to receive or retain business. The compliance programs, internal controls and policies we maintain and enforce to promote compliance with applicable anti-bribery and anti-corruption laws may not prevent our associates, contractors or agents from acting in ways prohibited by these laws and regulations. We are also subject to trade sanctions administered by the Office of Foreign Assets Control and the U.S. Department of Commerce. Our compliance programs and internal controls also may not prevent conduct that is prohibited under these rules. The United States may impose additional sanctions at any time against any country in which or with whom we do business. Depending on the nature of the sanctions imposed, our operations in the relevant country could be restricted or otherwise adversely affected. Any violations of anti-corruption laws and regulations or trade sanctions could result in significant civil and criminal penalties, reduce our profits, disrupt our business or damage our reputation. In addition, an imposition of further restrictions in these areas could increase our cost of operations, reduce our profits or cause us to forgo development opportunities that would otherwise support growth.

Exchange rate fluctuations and foreign exchange hedging arrangements could result in significant foreign currency gains and losses and affect our business results. We earn revenues and incur expenses in foreign currencies as part of our operations outside of the United States. Accordingly, fluctuations in currency exchange rates may significantly increase the amount of U.S. dollars required for foreign currency expenses or significantly decrease the U.S. dollars we receive from foreign currency revenues. We are also exposed to currency translation risk because the results of our business outside of the U.S. are generally reported in local currency, which we then translate to U.S. dollars for inclusion in our consolidated financial statements. As a result, changes between the foreign exchange rates and the U.S. dollar affect the amounts we record for our foreign assets, liabilities, revenues and expenses, and could have a negative effect on our financial results. We expect that our exposure to foreign currency exchange rate fluctuations will grow as the relative contribution of our non-U.S. operations increases. Our efforts to mitigate some of our foreign currency exposure by entering into foreign exchange hedging agreements with financial institutions to reduce exposures to some of the principal currencies in which we receive management and franchise fees may not be successful. In this regard, these hedging agreements do not cover all currencies in which we do business, do not eliminate foreign currency risk entirely for the currencies that they do cover, and involve costs and risks of their own in the form of transaction costs, credit requirements and counterparty risk.

Some of our management agreements and related contracts require us to make payments to owners if the hotels do not achieve specified levels of operating profit. Some of our contracts with hotel owners require that we fund shortfalls if the hotels do not attain specified levels of operating profit. We may not be able to recover any fundings of such performance guarantees, which could lower our profits and reduce our cash flows.

Our new programs and new branded products may not be successful. We cannot assure you that recently launched, newly acquired, or recently announced brands, such as EDITION, AC Hotels by Marriott in the Americas, Protea Hotels, Moxy

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Hotels, and, upon completion of the acquisition, Delta Hotels and Resorts, or any other new programs or products we may launch in the future will be accepted by hotel owners, potential franchisees, or the traveling public or other customers. We also cannot be certain that we will recover the costs we incurred in developing or acquiring the brands or any new programs or products, or that the brands or any new programs or products will be successful. In addition, some of our new brands involve or may involve cooperation and/or consultation with one or more third parties, including

some shared control over product design and development, sales and marketing, and brand standards. Disagreements with these third parties could slow the development of these new brands and/or impair our ability to take actions we believe to be advisable for the success and profitability of such brands.

Risks relating to natural or man-made disasters, contagious disease, terrorist activity, and war could reduce the demand for lodging, which may adversely affect our revenues. So called "Acts of God," such as hurricanes, earthquakes, tsunamis, and other natural disasters, such as Hurricane Sandy in the Northeastern United States, the earthquake and tsunami in Japan, and man-made disasters in recent years and the potential spread of contagious diseases such as Ebola in locations where we own, manage, or franchise significant properties and areas of the world from which we draw a large number of customers, could cause a decline in business or leisure travel and reduce demand for lodging. Actual or threatened war, terrorist activity, political unrest, or civil strife, such as recent events in Ukraine and Russia, the Middle East, and other geopolitical uncertainty could have a similar effect. Any one or more of these events may reduce the overall demand for hotel rooms and corporate apartments or limit the prices that we can obtain for them, both of which could adversely affect our profits.

Disagreements with owners of hotels that we manage or franchise may result in litigation or may delay implementation of product or service initiatives. Consistent with our focus on management and franchising, we own very few of our lodging properties. The nature of our responsibilities under our management agreements to manage each hotel and enforce the standards required for our brands under both management and franchise agreements may be subject to interpretation and will from time to time give rise to disagreements, which may include disagreements over the need for or payment for new product or service initiatives and the timing and amount of capital investments. Such disagreements may be more likely when hotel returns are weaker. We seek to resolve any disagreements in order to develop and maintain positive relations with current and potential hotel owners and joint venture partners, but we are not always able to do so. Failure to resolve such disagreements has resulted in litigation, and could do so 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, or our future ability to operate our business could be constrained.

Our business depends on the quality and reputation of our 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. Events that may be beyond our control could affect the reputation of one or more of our properties or more generally impact the reputation of our brands. If the reputation or perceived quality of our brands declines, our market share, reputation, business, financial condition, or results of operations could be affected.

Actions by our franchisees and licensees could adversely affect our image and reputation. We franchise and license many of our brand names and trademarks to third parties in connection with lodging, timeshare, residential services, and our credit card programs. Under the terms of their agreements with us, our franchisees and licensees interact directly with customers and other third parties under our brand and trade names. If these franchisees or licensees fail to maintain or act in accordance with applicable brand standards; experience operational problems, including any data breach involving customer information; or project a brand image inconsistent with ours, our image and reputation could suffer. Although our franchise and license agreements provide us with recourse and remedies in the event of a breach by the franchisee or licensee, including termination of the agreements under certain circumstances, pursuing any such recourse, remedy, or termination could be expensive and time consuming. In addition, we cannot assure you that a court would ultimately enforce our contractual termination rights in every instance.

Damage to, or losses involving, properties that we own, manage, or franchise may not be covered by insurance. We have comprehensive property and liability insurance policies for our managed, leased, and owned properties with coverage features and insured limits that we believe are customary, and require our franchisees to maintain similar levels of insurance. Market forces beyond our control may nonetheless limit the scope of the insurance coverage we or our franchisees can obtain, or our or their 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, or liabilities that result from breaches in the security of our information systems, may be uninsurable or too expensive to justify obtaining insurance. As a result, we and our franchisees may not be successful in obtaining insurance without increases in cost or decreases in coverage levels. In addition, in the event of a substantial loss, the insurance coverage we or our franchisees carry may not be sufficient to pay the full market value or replacement cost of any lost investment or in some cases could result in certain losses being totally uninsured. As a result, we could lose some or all of any capital that we have invested in a property, as well as the anticipated future revenue from the property, and we could remain obligated for guarantees, debt, or other financial obligations for the property.

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Development and Financing Risks

While we are predominantly a manager and franchisor of hotel properties, our hotel owners depend on capital to buy, develop, and improve hotels, and our hotel owners may be unable to access capital when necessary. In order to fund new hotel investments, as well as refurbish and improve existing hotels, both we and current and potential hotel owners must periodically spend money. The availability of funds for new investments and improvement of existing hotels by our current and potential hotel owners depends in large measure on capital markets and liquidity factors, over which we can exert little control. The difficulty of obtaining financing on attractive terms may be constrained by the capital markets for hotel and real estate investments. In addition, owners of existing hotels that we franchise or manage may have difficulty meeting required debt service payments or refinancing loans at maturity.

Our growth strategy depends upon third-party owners/operators, and future arrangements with these third parties may be less favorable. Our growth strategy for development of additional lodging facilities entails entering into and maintaining various arrangements with property owners.

The terms of our management agreements, franchise agreements, and leases for each of our lodging facilities are influenced by contract terms offered by our competitors, among other things. We cannot assure you that any of our current arrangements will continue or that we will be able to enter into future collaborations, renew agreements, or enter into new agreements in the future on terms that are as favorable to us as those that exist today.

Our ability to grow our management and franchise systems is subject to the range of risks associated with real estate investments. Our ability to sustain continued growth through management or franchise agreements for new hotels and the conversion of existing facilities to managed or franchised Marriott brands is affected, and may potentially be limited, by a variety of factors influencing real estate development generally. These include site availability, financing, planning, zoning and other local approvals, and other limitations that may be imposed by market and submarket factors, such as projected room occupancy, changes in growth in demand compared to projected supply, territorial restrictions in our management and franchise agreements, costs of construction, and anticipated room rate structure.

Our development activities expose us to project cost, completion, and resale risks. We develop new hotel and residential properties, both directly and through partnerships, joint ventures, and other business structures with third parties. As demonstrated by the impairment charges that we recorded in the 2014 first half in connection with our development and construction of three EDITION hotels, our ongoing involvement in the development of properties 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 that have commenced or for development of future properties; (2) properties that we develop could become less attractive due to decreases in demand for hotel and residential properties, market absorption or oversupply, with the result that we may not be able to sell such properties for a profit or at the prices or selling pace we anticipate, potentially requiring additional changes in our pricing strategy that could result in further charges; (3) construction delays, cost overruns, lender financial defaults, or so called "Acts of God" such as earthquakes, hurricanes, floods, or fires may increase overall project costs or result in project cancellations; and (4) we may be unable to recover development costs we incur for any projects that we do not pursue to completion.

Development activities that involve our co-investment with third parties may result in disputes that could increase project costs, impair project operations, or increase project completion risks. Partnerships, joint ventures, and other business structures involving our co-investment with third parties generally include some form of shared control over the operations of the business and create added risks, including the possibility that other investors in such ventures could become bankrupt or otherwise lack the financial resources to meet their obligations, or could have or develop business interests, policies, or objectives that are inconsistent with ours. Although we actively seek to minimize such risks before investing in partnerships, joint ventures, or similar structures, actions by another investor may present additional risks of project delay, increased project costs, or operational difficulties following project completion. Such disputes may also be more likely in difficult business environments.

Risks associated with development and sale of residential properties associated with our lodging properties or brands may reduce our profits. In certain hotel and timeshare projects we participate, directly or through noncontrolling interests and/or licensing agreements, in the development and sale of residential properties associated with our brands, including residences and condominiums under our The Ritz-Carlton, EDITION, JW Marriott, Autograph Collection, and Marriott brand names and trademarks. Such projects pose further risks beyond those generally associated with our lodging business, which may reduce our profits or compromise our brand equity, including the following: (1) weakness in residential real estate and demand generally may reduce our profits and could make it more difficult to convince future hotel development partners of the value added by our brands; (2) increases in interest rates, reductions in mortgage availability, or increases in the costs of residential ownership could prevent potential customers from buying residential products or reduce the prices they are willing to pay; and (3) residential construction may be subject to warranty and liability claims, and the costs of resolving such claims may be significant.

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Some hotel openings in our existing development pipeline and approved projects may be delayed or not result in new hotels, which could adversely affect our growth prospects. We report a significant number of hotels in our development pipeline, including hotels under construction and under signed contracts, as well as hotels approved for development but not yet under signed contracts. The eventual opening of such pipeline hotels and, in particular, the hotels approved for development that are not yet under contract, is subject to numerous risks, including in some cases the owner's or developer's ability to obtain adequate financing or governmental or regulatory approvals. Accordingly, we cannot assure you that our development pipeline, and in particular hotels not yet under contract, will result in new hotels that enter our system, or that those hotels will open when we anticipate.

If we incur losses on loans or loan guarantees that we have made to third parties, our profits could decline. At times, we make loans for hotel development or renovation expenditures in connection with entering into or amending management or franchise agreements. From time to time we also provide third-party lenders financial guarantees for the timely repayment of all or a portion of debt related to hotels that we manage or franchise, generally subject to an obligation that the owner reimburse us for any fundings. We could suffer losses if hotel owners or franchisees default on loans that we provide or fail to reimburse us for loan guarantees that we have funded.

If owners of hotels that we manage or franchise cannot repay or refinance mortgage loans secured by their properties, our revenues and profits could decrease and our business could be harmed. The owners of many of our managed or franchised properties have pledged their hotels as collateral for mortgage loans that they entered into when those properties were purchased or refinanced. If those owners cannot repay or refinance maturing indebtedness on favorable terms or at all, the lenders could declare a default, accelerate the related debt, and repossess the property. Such sales or repossessions could, in some cases, result in the termination of our management or franchise agreements and eliminate our anticipated income and cash flows, which could negatively affect our results of operations.

Planned transactions that we announce may be delayed, not occur at all, or involve unanticipated costs. From time to time we announce transactions that we expect will close at a future date, such as the disposition of The New York (Madison Square Park) EDITION hotel upon completion of construction or the acquisition of Delta Hotels. If the conditions to consummating these transactions are neither satisfied nor waived by the time we expect, the closings could be delayed or not occur at all. In addition, the EDITION contract is for a fixed purchase price based upon the estimated total development costs for the hotel and we will not recover any development costs in excess of the agreed purchase price, so we will bear those development costs to the extent that they are higher than we anticipated when we agreed to the transaction.

Technology, Information Protection, and Privacy Risks

A failure to keep pace with developments in technology could impair our operations or competitive position. The lodging industry continues to demand the use of sophisticated technology and systems, including those used for our reservation, revenue management, and property management systems, our Marriott Rewards and The Ritz-Carlton Rewards programs, and technologies we make available to our guests. These technologies and systems must be refined, updated, and/or replaced with more advanced systems on a regular basis, and 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 impair our operating results.

An increase in the use of third-party Internet services to book online hotel reservations could adversely impact our business. Some of our hotel rooms are booked through Internet travel intermediaries such as Expedia.com®, Priceline.com®, Booking.com™, Travelocity.com®, and Orbitz.com®, as well as lesser-known online travel service providers. These intermediaries initially focused on leisure travel, but now also provide offerings for corporate travel and group meetings. Although Marriott's Look No Further® Best Rate Guarantee has helped prevent customer preference shift to the intermediaries and greatly reduced the ability of intermediaries to undercut the published rates at our hotels, intermediaries continue to use a variety of aggressive online marketing methods to attract customers, including the purchase, by certain companies, of trademarked online keywords such as "Marriott" from Internet search engines such as Google®, Bing®, Yahoo®, and Baidu® to steer customers toward their websites (a practice that has been challenged by various trademark owners in federal court). Although Marriott has successfully limited these practices through contracts with key online intermediaries, the number of intermediaries and related companies that drive traffic to intermediaries' websites is too large to permit us to eliminate this risk entirely. In addition, recent regulatory investigations outside of the U.S. challenge the legality under antitrust law of contract provisions that support programs such as Marriott's Look No Further® Best Rate Guarantee, and we cannot assure you that the courts will ultimately uphold such provisions. Our business and profitability could be harmed if online intermediaries succeed in significantly shifting loyalties from our lodging brands to their travel services, diverting bookings away from Marriott.com, or through their fees increasing the overall cost of Internet bookings for our hotels.

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Failure to maintain the integrity of and protect internal or customer data could result in faulty business decisions, operational inefficiencies, damage to our reputation and/or subject us to costs, fines, or lawsuits. Our businesses require collection and retention of large volumes of internal and customer data, including credit card numbers and other personally identifiable information of our customers in various information systems that we maintain and in those maintained by third parties with whom we contract to provide services, including in areas such as human resources outsourcing, website hosting, and various forms of electronic communications. We and third parties who provide services to us also maintain personally identifiable information about our employees. The integrity and protection of that customer, employee, and company data is critical to us. If that data is inaccurate or incomplete, we could make faulty decisions. Our customers and employees also have a high expectation that we and our service providers will adequately protect their personal information. The information, security, and privacy requirements imposed by governmental regulation and the requirements of the payment card industry are also increasingly demanding, in both the United States and other jurisdictions where we operate. Our systems or our franchisees' systems may not be able to satisfy these changing requirements and employee and customer expectations, or may require significant additional investments or time in order to do so. Efforts to hack or breach security measures, failures of systems or software to operate as designed or intended, viruses, operator error, or inadvertent releases of data may materially impact our and our service providers' information systems and records. Our reliance on computer, Internet-based and mobile systems and communications and the frequency and sophistication of efforts by hackers to gain unauthorized access to such systems have increased significantly in recent years. A significant theft, loss, or fraudulent use of customer, employee, or company data could adversely impact our reputation and could result in remedial and other expenses, fines, or litigation. Breaches in the security of our information systems or those of our franchisees or service providers or other disruptions in data services could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits.

Changes in privacy law could adversely affect our ability to market our products effectively. We rely on a variety of direct marketing techniques, including email marketing, online advertising, and postal mailings. Any further restrictions in laws such as the CANSPAM Act, and various U.S. state laws, or new federal laws on marketing and solicitation or international data protection laws that govern these activities could adversely affect the continuing effectiveness of email, online advertising, and postal mailing techniques and could force 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 certain 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 company's marketing materials. If access to these lists was prohibited or otherwise restricted, our ability to develop new customers and introduce them to our products could be impaired.

Any disruption in the functioning of our reservation system could adversely affect our performance and results. We manage a global reservation system that communicates reservations to our branded hotels that individuals make directly with us online, through our mobile app, or through our telephone call centers, or through intermediaries like travel agents, Internet travel web sites and other distribution channels. The cost, speed, accuracy and efficiency of our reservation system are critical aspects of our business and are important considerations for hotel owners when choosing our brands. Our business may suffer if we fail to maintain, upgrade, or prevent disruption to our reservation system.

Other Risks

Changes in laws and regulations could reduce our profits or increase our costs. We are subject to a wide variety of laws, regulations, and policies in jurisdictions around the world, including those for financial reporting, taxes, healthcare, and the environment. Changes to these laws, regulations, or policies, including those associated with health care, tax or financial reforms, could reduce our profits. We also anticipate that many of the jurisdictions where we do business will continue to review taxes and other revenue raising measures, and any resulting changes could impose new restrictions, costs, or prohibitions on our current practices or reduce our profits. In particular, governments may revise tax laws, regulations, or official interpretations in ways that could significantly impact 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 in which they are structured. 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 significantly increase the tax rates on non-U.S. income, our effective tax rate could increase and our profits could be reduced. If such increases resulted from our status as a U.S. company, those changes could place us at a disadvantage to our non-U.S. competitors if those competitors remain subject to lower local tax rates.

If we cannot attract and retain talented associates, our business could suffer. We compete with other companies both within and outside of our industry for talented personnel. If we cannot recruit, train, develop, and retain sufficient numbers of talented associates, we could experience increased associate turnover, decreased guest satisfaction, low morale, inefficiency, or internal control failures. Insufficient numbers of talented associates could also limit our ability to grow and expand our

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businesses. Any shortage of skilled labor could also require higher wages that would increase our labor costs, which could reduce our profits.

Delaware law and our governing corporate documents contain, and our Board of Directors could implement, anti-takeover provisions that could deter takeover attempts. Under the Delaware business combination statute, a stockholder holding 15 percent or more of our outstanding voting stock could not acquire us without Board of Director consent for at least three years after the date the stockholder first held 15 percent or more of the voting stock. Our governing corporate documents also, among other things, require supermajority votes for mergers and similar transactions. In addition, our Board of Directors could, without stockholder approval, implement other anti-takeover defenses, such as a stockholder rights plan.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We describe our company-operated properties in Part I, Item 1. "Business" earlier in this report, and under the "Properties by Segment" caption in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations." We believe our properties are in generally good physical condition with the need for only routine repairs and maintenance and periodic capital improvements. Most of our regional offices and reservation centers are located in leased facilities. We also lease space in a number of buildings with combined space of approximately 1.1 million square feet in Maryland where our corporate and The Ritz-Carlton headquarters are located.

Item 3. Legal Proceedings.

See the information under "Legal Proceedings" in Footnote No. 7, "Commitments and Contingencies" which we incorporate here by reference.

From time to time, we are also subject to other 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 inherently uncertain, and unfavorable rulings could, individually or in aggregate, have a material adverse effect on our business, financial condition, or operating results.

Item 4. Mine Safety Disclosures.

Not applicable.

Executive Officers of the Registrant

See the information under "Executive Officers of the Registrant" in Part III, Item 10 of this report for information about our executive officers, which we incorporate here by reference.

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information and Dividends

The table below presents the price range of our Class A Common Stock (our "common stock") and the per share cash dividends we declared for each fiscal quarter during the last two years.

	Stock Price		Dividends Declared per Share
	High	Low	
2014 First Quarter	$ 56.20	$ 47.21	$ 0.1700
Second Quarter	64.31	55.00	0.2000
Third Quarter	73.28	63.37	0.2000
Fourth Quarter	79.25	59.61	0.2000

	Stock Price		Dividends Declared per Share
	High	Low	
2013 First Quarter	$ 42.27	$ 36.24	$ 0.1300
Second Quarter	44.45	38.17	0.1700
Third Quarter	43.99	39.58	0.1700
Fourth Quarter	49.84	41.26	0.1700

At February 6, 2015, 276,542,350 shares of our common stock were outstanding and were held by 34,458 shareholders of record. Since October 21, 2013, our common stock has traded on the NASDAQ Global Select Market ("NASDAQ") and the Chicago Stock Exchange. Before October 21, 2013, our common stock traded on the New York Stock Exchange and the Chicago Stock Exchange. The fiscal year-end closing price for our stock was $78.03 on December 31, 2014, and $49.35 on December 31, 2013. All prices are reported on the consolidated transaction reporting system.

Fourth Quarter 2014 Issuer Purchases of Equity Securities

(in millions, except per share amounts)

Period	Total Number of Shares Purchased	Average Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [1]	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs [1]
October 1, 2014-October 31, 2014	3.9	65.23	3.9	18.9
November 1, 2014-November 30, 2014	2.0	76.13	2.0	16.9
December 1, 2014-December 31, 2014	1.8	77.56	1.8	15.1

[1] On February 14, 2014, we announced that our Board of Directors had increased the authorization to repurchase our common stock by 25 million shares as part of an ongoing share repurchase program. At year-end 2014, 15.1 million shares remained available for repurchase under previous authorizations. In addition, on February 12, 2015, we announced that our Board of Directors further increased our common stock repurchase authorization by 25 million shares. We repurchase shares in the open market and in privately negotiated transactions.

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Item 6. Selected Financial Data.

The following table presents a summary of our selected historical financial data derived from our last 10 years of Financial Statements. Because this information is only a summary and does not provide all of the information contained in our Financial Statements, including the related notes, you should read "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Financial Statements for each year for more detailed information including, among other items, restructuring costs and other charges we incurred in 2008 and 2009, timeshare strategy-impairment charges we incurred in 2009 and 2011, and our 2011 spin-off of our former timeshare operations and timeshare development business. For periods before the 2011 spin-off, we continue to include our former Timeshare segment in our historical financial results as a component of continuing operations because of our significant continuing involvement in MVW's future operations.

	Fiscal Year [1]									
($ in millions, except per share data)	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Income Statement Data:										
Revenues [2]	$13,796	$12,784	$11,814	$12,317	$11,691	$10,908	$12,879	$12,990	$11,995	$11,129
Operating income (loss) [2]	$ 1,159	$ 988	$ 940	$ 526	$ 695	$ (152)	$ 765	$ 1,183	$ 1,089	$ 671
Income (loss) from continuing operations attributable to Marriott	$ 753	$ 626	$ 571	$ 198	$ 458	$ (346)	$ 359	$ 697	$ 712	$ 543
Cumulative effect of change in accounting principle [3]	—	—	—	—	—	—	—	—	(109)	—
Discontinued operations [4]	—	—	—	—	—	—	3	(1)	5	126
Net income (loss) attributable to Marriott	$ 753	$ 626	$ 571	$ 198	$ 458	$ (346)	$ 362	$ 696	$ 608	$ 669
Per Share Data [5]:										
Diluted earnings (losses) per share from continuing operations attributable to Marriott shareholders	$ 2.54	$ 2.00	$ 1.72	$ 0.55	$ 1.21	$ (0.97)	$ 0.97	$ 1.73	$ 1.64	$ 1.16
Diluted losses per share from cumulative effect of accounting change	—	—	—	—	—	—	—	—	(0.25)	—
Diluted earnings per share from discontinued operations attributable to Marriott shareholders	—	—	—	—	—	—	0.01	—	0.01	0.27
Diluted earnings (losses) per share attributable to Marriott shareholders	$ 2.54	$ 2.00	$ 1.72	$ 0.55	$ 1.21	$ (0.97)	$ 0.98	$ 1.73	$ 1.40	$ 1.43
Cash dividends declared per share	$0.7700	$0.6400	$0.4900	$0.3875	$0.2075	$0.0866	$0.3339	$0.2844	$0.2374	$0.1979
Balance Sheet Data (at year-end):										
Total assets	$ 6,865	$ 6,794	$ 6,342	$ 5,910	$ 8,983	$ 7,933	$ 8,903	$ 8,942	$ 8,588	$ 8,530
Long-term debt	3,457	3,147	2,528	1,816	2,691	2,234	2,975	2,790	1,818	1,681
Shareholders' (deficit) equity	(2,200)	(1,415)	(1,285)	(781)	1,585	1,142	1,380	1,429	2,618	3,252
Other Data:										
Base management fees	$ 672	$ 621	$ 581	$ 602	$ 562	$ 530	$ 635	$ 620	$ 553	$ 497
Franchise fees	745	666	607	506	441	400	451	439	390	329
Incentive management fees	302	256	232	195	182	154	311	369	281	201
Total fees	$ 1,719	$ 1,543	$ 1,420	$ 1,303	$ 1,185	$ 1,084	$ 1,397	$ 1,428	$ 1,224	$ 1,027

Fee Revenue-Source:

North America [6]	$ 1,319	$ 1,186	$ 1,074	$ 970	$ 878	$ 806	$ 1,038	$ 1,115	$ 955	$ 809
Total Outside North America [7]	400	357	346	333	307	278	359	313	269	218
Total fees	$ 1,719	$ 1,543	$ 1,420	$ 1,303	$ 1,185	$ 1,084	$ 1,397	$ 1,428	$ 1,224	$ 1,027

(1) In 2013, we changed to a calendar year-end reporting cycle. All fiscal years presented before 2013 included 52 weeks, except for 2008 which included 53 weeks.

(2) Balances do not reflect the impact of discontinued operations. Also, for periods prior to 2009, we reclassified our provision for loan losses associated with our lodging operations to the "General, administrative, and other" caption of our Income Statements to conform to our presentation for periods beginning in 2009. This reclassification only affected operating income.

(3) We adopted certain provisions of Accounting Standards Certification Topic 978 (previously Statement of Position 04-2, "Accounting for Real Estate Time Sharing Transactions"), in 2006, which we reported in our Income Statements as a cumulative effect of change in accounting principle.

(4) The following businesses became discontinued operations in the year we announced that we would sell or exit them: senior living services (2002), distribution services (2002), and synthetic fuel (2007).

(5) We issued stock dividends in the third and fourth quarters of 2009, and a stock split in the form of a stock dividend on June 9, 2006. We have adjusted all per share data retroactively to reflect those stock dividends.

(6) Represents fee revenue from the United States (but not Hawaii before 2011) and Canada.

(7) Represents fee revenue outside of North America, as defined in footnote (6) above.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

BUSINESS AND OVERVIEW

Overview

We are a worldwide operator, franchisor, and licensor of hotels and timeshare properties in 79 countries and territories under numerous brand names. We also develop, operate, and market residential properties and provide services to home/condominium owner associations. Under our business model, we typically manage or franchise hotels, rather than own them. At year-end 2014, of the total population of hotel rooms in our system worldwide, we operated 41 percent under management agreements; our franchisees operated 56 percent under franchise agreements; and we owned or leased only two percent. The remainder represented our interest in unconsolidated joint ventures that manage hotels and provide services to franchised properties. We group our operations into three business segments: North American Full-Service, North American Limited-Service, and International.

We earn base management fees and in many cases incentive management fees from the properties that we manage, and we earn franchise fees on the properties that others operate under franchise agreements with us. Base fees typically consist of a percentage of property-level revenue while incentive fees typically consist of a percentage of net house profit adjusted for a specified owner return. Net house profit is calculated as gross operating profit (house profit) less non-controllable expenses such as insurance, real estate taxes, capital spending reserves, and the like.

Our emphasis on long-term management contracts and franchising tends to provide more stable earnings in periods of economic softness, while adding new hotels to our system generates growth, typically with little or no investment by the Company. This strategy has driven substantial growth while minimizing financial leverage and risk in a cyclical industry. In addition, we believe minimizing our capital investments and adopting a strategy of recycling the investments that we do make maximizes and maintains our financial flexibility.

We remain focused on doing the things that we do well; that is, selling rooms, taking care of our guests, and making sure we control costs both at company-operated properties and at the corporate level ("above-property"). Our brands remain strong as a result of skilled management teams, dedicated associates, superior customer service with an emphasis on guest and associate satisfaction, significant distribution, our Marriott Rewards and The Ritz-Carlton Rewards loyalty programs, a multichannel reservations system, and desirable property amenities. We strive to effectively leverage our size and broad distribution.

We, along with owners and franchisees, continue to invest in our brands by means of new, refreshed, and reinvented properties, new room and public space designs, and enhanced amenities and technology offerings. We address, through various means, hotels in the system that do not meet standards. We continue to enhance the appeal of our proprietary, information-rich, and easy-to-use website, Marriott.com, and of our associated mobile smartphone applications and mobile website that connect to Marriott.com, through functionality and service improvements, and we expect to continue capturing an increasing proportion of property-level reservations via this cost-efficient channel.

Our profitability, as well as that of owners and franchisees, has benefited from our approach to property-level and above-property productivity. Properties in our system continue to maintain very tight cost controls. We also control above-property costs, some of which we allocate to hotels, by remaining focused on systems, processing, and support areas.

Performance Measures

We believe Revenue per Available Room ("RevPAR"), which we calculate by dividing room sales for comparable properties by room nights

available for the period, is a meaningful indicator of our performance because it measures the period-over-period change in room revenues for comparable properties. RevPAR may not be comparable to similarly titled measures, such as revenues. We also believe occupancy and average daily rate ("ADR"), which are components of calculating RevPAR, are meaningful indicators of our performance. Occupancy, which we calculate by dividing occupied rooms by total rooms available, measures the utilization of a property's available capacity. ADR, which we calculate by dividing property room revenue by total rooms sold, measures average room price and is useful in assessing pricing levels.

References to year-end 2014 RevPAR statistics throughout this report, including occupancy and ADR, reflect the twelve months ended December 31, 2014, as compared to the twelve months ended December 31, 2013. For the properties located in countries that use currencies other than the U.S. dollar, the comparisons to the prior year period are on a constant U.S. dollar basis. We calculate constant dollar statistics by applying exchange rates for the current period to the prior comparable period.

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We define our comparable properties as those that were open and operating under one of our brands for at least one full calendar year as of the beginning of the current period and have not, in either the current or previous periods presented, (i) undergone significant room or public space renovations or expansions, (ii) been converted between company-operated and franchised, or (iii) sustained substantial property damage or business interruption. Comparable properties represented the following percentages of our properties for each year indicated: (1) 87% of North American properties in 2014, 89% in 2013, and 93% in 2012; (2) 57% of International properties (71% excluding Protea Hotels) in 2014, 75% in 2013, and 78% in 2012; and (3) 82% of total properties (85% excluding Protea Hotels) in 2014, 87% in 2013, and 91% in 2012.

We also believe company-operated house profit margin, which is the ratio of property-level gross operating profit (also known as house profit) to total property-level revenue, is a meaningful indicator of our performance because this ratio measures our overall ability as the operator to produce property-level profits by generating sales and controlling the operating expenses over which we have the most direct control. House profit includes room, food and beverage, and other revenue and the related expenses including payroll and benefits expenses, as well as repairs and maintenance, utility, general and administrative, and sales and marketing expenses. House profit does not include the impact of management fees, furniture, fixtures and equipment replacement reserves, insurance, taxes, or other fixed expenses.

Business Trends

Our 2014 results reflected a favorable economic climate and demand for our brands in many markets around the world, reflecting generally low supply growth in the U.S. and Europe, improved pricing in most North American markets, and a year-over-year increase in the number of properties in our system. Comparable worldwide systemwide RevPAR for 2014 increased 6.6 percent to $110.09, average daily rates increased 3.7 percent on a constant dollar basis to $150.23, and occupancy increased 2.0 percentage points to 73.3 percent, compared to 2013.

The properties in our system serve transient and group customers, which drive both business and leisure demand. In 2014, three-quarters of property group room revenue was contracted before 2014 and one-quarter was contracted in 2014. As group demand has improved, meeting planners have been booking such meetings earlier to ensure available space.

Strong U.S. group business and transient demand contributed to increased room rate growth in 2014. Transient demand continued to be strong in the western U.S. during 2014, and was stronger beginning in the third quarter in the eastern U.S. when compared to the first half of the year, as we eliminated discounts, shifted business into higher rated price categories, and raised room rates. In New York City, new lodging supply continued to constrain rate growth, while in Washington D.C., demand strengthened in the second half of the year due to increased city-wide events and a favorable comparison to the 2013 government sequestration and shutdown.

In 2014, bookings for future group business in the U.S. improved. As of year-end 2014, the group revenue pace for stays in 2015 for company-operated full service hotels (Marriott, JW Marriott, Renaissance, The Ritz-Carlton, and Gaylord brands) in North America was up about 5 percent, compared to the 2013 year-end group revenue booking pace for stays in 2014. The higher pace reflected improved group demand and greater pricing power.

The Europe region experienced increased demand throughout 2014, most predominately in the United Kingdom and Central Europe primarily due to increased business travel and special events, whereas results in France reflected the impact of a weaker economy. Eastern Europe was impacted by lower demand, constrained by continued economic deterioration due to the Russia/Ukraine conflict. In the Asia Pacific region, 2014 demand continued to increase, led by growth from corporate and other transient business in Japan, Indonesia, India, and Singapore. Demand increased in Greater China in the first three quarters of 2014 but was also constrained by supply growth in certain Southern China markets and government austerity in Beijing. In the fourth quarter, demand moderated in Greater China due to political disruption in Hong Kong. Demand in Malaysia was weak in 2014 due to slower leisure travel from Greater China. Thailand demand was weak due to political instability through most of 2014 but increased in the fourth quarter. Demand for our hotels in our Middle East and Africa regions remained strong throughout 2014. In particular, demand in Egypt improved due to improved political stability. Demand in the United Arab Emirates was constrained mainly by new supply and, to a lesser extent, a reduction in travelers from Russia in the second half of the year, while Kuwait experienced weakness due to reduced government spending. In the Caribbean and Latin America, strong demand throughout the region in 2014 was driven by increased leisure travel to our Caribbean and Mexican resorts, constrained somewhat by oversupply of hotels in Panama.

We monitor market conditions and carefully price our rooms daily in accordance with individual property demand levels, generally adjusting room rates as demand changes. We also modify the mix of our business to increase revenue as demand changes. Demand for higher rated rooms improved in most markets in 2014, which allowed us to reduce discounting and special offers for transient business in many markets. This mix improvement benefited average daily rates. For our company-

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operated properties, we continue to focus on enhancing property-level house profit margins and making productivity improvements.

CONSOLIDATED RESULTS

The following discussion presents an analysis of results of our operations for 2014, 2013, and 2012.

Revenues

2014 Compared to 2013

Revenues increased by $1,012 million (8 percent) to $13,796 million in 2014 from $12,784 million in 2013 as a result of higher cost reimbursements revenue ($764 million), higher franchise fees ($79 million), higher owned, leased, and other revenue ($72 million), higher base management fees ($51 million), and higher incentive management fees ($46 million). We estimate that the three fewer days of activity in 2014 compared to 2013 reduced fee revenues by approximately $5 million.

Cost reimbursements revenue represents reimbursements of costs incurred on behalf of managed and franchised properties and relates, predominantly, to payroll costs at managed properties where we are the employer. As we record cost reimbursements based upon costs incurred with no added markup, this revenue and related expense has no impact on either our operating or net income. The $764 million increase in total cost reimbursements revenue, to $11,055 million in 2014 from $10,291 million in 2013, reflected the impact of higher occupancies at our properties and growth across the system.

The $51 million increase in total base management fees, to $672 million in 2014 from $621 million in 2013, largely reflected stronger RevPAR due to increased demand ($34 million), the impact of unit growth across the system ($21 million), and increased recognition of previously deferred fees ($16 million), partially offset by a decrease in fees from terminated units ($8 million), decreased fees due to properties that converted from managed to franchised ($8 million), unfavorable foreign exchange rates ($6 million), and three fewer days of activity ($2 million). The $79 million increase in total franchise fees, to $745 million in 2014 from $666 million in 2013, reflected stronger RevPAR due to increased demand ($35 million), new unit growth across the system ($35 million), increased relicensing fees ($10 million), and fees from properties that converted to franchised from managed ($7 million), partially offset by a decrease in fees from terminated units ($4 million) and three fewer days of activity ($3 million). The $46 million increase in incentive management fees to $302 million in 2014 from $256 million in 2013 largely reflected higher net house profit at our North American and International managed hotels in addition to unit growth in International markets, partially offset by the impact of unfavorable foreign exchange rates ($5 million) and higher North American Full-Service deferred fees recognized in 2013 ($5 million).

The $72 million increase in owned, leased, and other revenue, to $1,022 million in 2014 from $950 million in 2013 predominantly reflected $56 million of higher owned and leased revenue, $17 million in revenue from various Protea Hotels programs, $9 million in higher branding fees, and $2 million in other program revenue, partially offset by $14 million lower termination fee revenue in 2014. Higher owned and leased revenue reflected $43 million from Protea Hotel leases associated with the acquisition, $30 million in revenue from a North American Full-Service managed property that we acquired in the 2013 fourth quarter, and stronger performance across our new and existing owned and leased properties primarily from the International segment, partially offset by $37 million attributable to five International segment properties that converted to managed or franchised properties. Combined branding fees for credit card endorsements and the sale of branded residential real estate by others totaled $127 million in 2014 and $118 million in 2013.

2013 Compared to 2012

Revenues increased by $970 million (8 percent) to $12,784 million in 2013 from $11,814 million in 2012 as a result of: higher cost reimbursements revenue ($886 million), higher franchise fees ($59 million), higher base management fees ($40 million), and higher incentive management fees ($24 million, comprised of a $27 million increase for North America and a $3 million decrease outside of North America), partially offset by lower owned, leased, and other revenue ($39 million). We estimate that the $970 million increase in revenues included $8 million of combined base management fee, franchise fee, and incentive management fee revenues due to the additional four days of activity in 2013 compared to 2012.

Cost reimbursements revenue represents reimbursements of costs incurred on behalf of managed and franchised properties and relates, predominantly, to payroll costs at managed properties where we are the employer. As we record cost reimbursements based upon costs incurred

with no added markup, this revenue and related expense has no impact on either our operating or net income. The $886 million increase in total cost reimbursements revenue, to $10,291 million in 2013 from $9,405 million in 2012, reflected the impact of higher property-level demand and growth across the system.

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The $40 million increase in total base management fees, to $621 million in 2013 from $581 million in 2012, mainly reflected stronger RevPAR due to increased demand ($18 million), the impact of unit growth across the system ($18 million), primarily driven by Gaylord brand properties we began managing in the fourth quarter of 2012, and the additional four days of activity (approximately $3 million). The $59 million increase in total franchise fees, to $666 million in 2013 from $607 million in 2012, primarily reflected stronger RevPAR due to increased demand ($22 million), the impact of unit growth across the system ($23 million), increased relicensing fees primarily for certain North American Limited-Service properties ($8 million), and the additional four days of activity (approximately $5 million). The $24 million increase in incentive management fees from $232 million in 2012 to $256 million in 2013 largely reflected higher property-level income at managed hotels ($33 million), particularly full-service hotels in North America, partially offset by unfavorable foreign exchange rates ($3 million) and unfavorable variances from the following 2012 items: recognition of incentive management fees due to contract revisions for certain International segment properties ($3 million) and recognition of previously deferred fees in conjunction with an International segment property's change in ownership ($3 million).

The $39 million decrease in owned, leased, and other revenue, to $950 million in 2013 from $989 million in 2012, primarily reflected $35 million of lower corporate housing revenue due to the sale of the ExecuStay corporate housing business in the 2012 second quarter and $28 million of lower owned and leased revenue, partially offset by $12 million of higher branding fees, $8 million of higher hotel agreement termination fees, and $2 million of higher other revenue. Lower owned and leased revenue primarily reflected fewer International segment leased properties due to three leases that we terminated in 2013 and weaker demand at one leased property in London, as well as a $2 million business interruption payment received in the 2012 second quarter from a utility company. Combined branding fees for credit card endorsements and the sale of branded residential real estate by others totaled $118 million in 2013 and $106 million in 2012.

Operating Income

2014 Compared to 2013

Operating income increased by $171 million to $1,159 million in 2014 from $988 million in 2013. The $171 million increase in operating income reflected a $79 million increase in franchise fees, a $51 million increase in base management fees, a $46 million increase in incentive management fees, and $26 million of higher owned, leased, and other revenue, net of direct expenses, partially offset by a $21 million increase in depreciation, amortization, and other expense, and a $10 million increase in general, administrative, and other expense. We discuss the reasons for the increases in base management fees, franchise fees, and incentive management fees compared to 2013 in the preceding "Revenues" section.

The $26 million (12 percent) increase in owned, leased, and other revenue, net of direct expenses was largely attributable to $23 million of higher owned and leased revenue, net of direct expenses, $9 million in higher branding fees, $4 million from various programs at Protea Hotels, and $2 million in other program revenue, partially offset by $14 million in higher termination fees in 2013. Higher owned and leased revenue, net of direct expenses of $23 million primarily reflects $14 million in net favorable results at several leased properties, $10 million of revenue, net of direct expenses for a North American Full-Service managed property that we acquired in the 2013 fourth quarter, and $7 million of revenue, net of direct expenses for new Protea Hotel leases, partially offset by $6 million attributable to International segment properties that converted to managed or franchised.

Depreciation, amortization and other expense increased by $21 million (17 percent) to $148 million in 2014 from $127 million in 2013. The increase reflected the $25 million net impairment charge on the EDITION hotels discussed in Footnote No. 3, "Acquisitions and Dispositions," $5 million in accelerated amortization related to contract terminations, $5 million in higher contract amortization primarily from Protea Hotels, and $3 million in higher depreciation related to a North American Full-Service property that we acquired in the 2013 fourth quarter, partially offset by $13 million of accelerated amortization related to contract terminations in 2013 and $5 million of 2013 depreciation for two International properties that converted to managed contracts.

General, administrative, and other expenses increased by $10 million (2 percent) to $659 million in 2014 from $649 million in 2013. The increase largely reflected $9 million from the addition of Protea Hotels and related transition costs, $7 million from net unfavorable foreign exchange rates, and $6 million of increased guarantee funding, partially offset by $8 million litigation settlements recognized in 2013, and a $5 million performance cure payment in 2013 for an International segment property.

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2013 Compared to 2012

Operating income increased by $48 million to $988 million in 2013 from $940 million in 2012. The $48 million increase in operating income reflected a $59 million increase in franchise fees, a $40 million increase in base management fees, a $24 million increase in incentive management fees, and $17 million of higher owned, leased, and other revenue, net of direct expenses, partially offset by a $67 million increase in general, administrative and other expenses and a $25 million increase in depreciation, amortization, and other expenses. Approximately $7 million of the net increase in operating income was due to the additional four days of activity in 2013. We discuss the reasons for the increases in base management fees, franchise fees, and incentive management fees compared to 2012 in the preceding "Revenues" section.

The $17 million (8 percent) increase in owned, leased, and other revenue, net of direct expenses was largely attributable to $12 million of higher branding fees, $8 million of higher hotel agreement termination fees, and $2 million of higher other revenue, partially offset by $6 million of lower owned and leased revenue, net of direct expenses. Lower owned and leased revenue, net of direct expenses was due to $7 million in costs related to three International segment leases we terminated, $5 million in lower results at one leased property in London, $7 million in pre-opening expenses for the London and Miami Beach EDITION hotels, and a $2 million business interruption payment received in the 2012 second quarter from a utility company for our leased property in Japan, partially offset by $16 million in net favorable results at several leased properties.

Depreciation, amortization, and other expenses increased by $25 million (25 percent) to $127 million in 2013 from $102 million in 2012. The $25 million increase largely reflected $18 million of impairment and accelerated amortization expense for deferred contract acquisition costs primarily for properties that left our system or which had cash flow shortfalls, $5 million in higher depreciation at two leased International properties due to an asset write-off and the impact of renovations, $4 million of higher amortization expense year over year for deferred contract acquisition costs related to our 2012 acquisition of the Gaylord brand and hotel management company, $2 million in higher depreciation for two newly acquired properties, and $2 million in higher depreciation for an International property following a conversion to franchised. These increases were partially offset by a favorable variance from the accelerated amortization of $8 million of deferred contract acquisition costs in 2012 for a property that exited our system.

General, administrative, and other expenses increased by $67 million (12 percent) to $649 million in 2013 from $582 million in 2012. The $67 million increase reflected $32 million in higher other expenses primarily associated with higher costs in international markets, higher costs for hotel development, and higher costs for branding and service initiatives to enhance and grow our brands globally, $26 million of higher compensation and other overhead expenses including increases in hotel development staffing and bonus compensation, $5 million performance cure payment for an International segment property, and a $4 million increase in legal expenses, primarily due to favorable litigation settlements in 2012.

Gains and Other Income

We present our gains and other income for 2014, 2013, and 2012 in the following table:

($ in millions)	2014	2013	2012
Gains on sales of real estate and other	$ 4	$ 2	$ 27
Gain on sale of joint venture and other investments	—	9	21
Income from cost method investments	4	—	2
Impairment of cost method investments and equity securities	—	—	(8)
	$ 8	$ 11	$ 42

2014 Compared to 2013

Gains and other income decreased by $3 million (27 percent) to $8 million in 2014 compared to $11 million in 2013. This decrease in gains and other income reflected a gain of $8 million on the sale of a portion of our shares of a publicly traded company in the 2013 second quarter, partially offset by $4 million in net distribution from cost method investments (not allocated to any of our segments) in 2014. See Footnote No. 14, "Fair Value of Financial Instruments" for additional information on the 2013 sale.

2013 Compared to 2012

Gains and other income decreased by $31 million (74 percent) to $11 million in 2013 compared to $42 million in 2012. This decrease in gains and other income principally reflected an unfavorable variance from the $41 million gain we recognized in 2012 on the sale of the equity interest in a North American Limited-Service joint venture, and a $2 million impairment loss

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we recognized in 2013 as a result of measuring certain assets at fair value less the costs we incurred to sell those assets. See Footnote No. 3, "Acquisitions and Dispositions" for more information on the reclassification of these assets to held for sale. The decrease in gains and other income was partially offset by a gain of $8 million we recognized in 2013 on the sale of a portion of our shares of a publicly traded company and a

favorable variance from an other-than-temporary $7 million impairment we recorded in 2012.

Interest Expense

2014 Compared to 2013

Interest expense decreased by $5 million (4 percent) to $115 million in 2014 compared to $120 million in 2013. This decrease was principally from $8 million in higher debt premium accretion which included a true-up, $2 million in lower interest on an exited lease obligation, $2 million decrease due to lower interest rates on our Marriott Rewards program, and a $2 million increase in capitalized interest primarily related to development of EDITION hotels in Miami Beach and New York, offset by completion of The London EDITION in the 2013 fourth quarter. This was partially offset by a net $8 million increase due to the issuance of higher net senior note borrowings.

2013 Compared to 2012

Interest expense decreased by $17 million (12 percent) to $120 million in 2013 compared to $137 million in 2012. This decrease in interest expense principally reflected a net $13 million decrease due to net Senior Note retirements and new Senior Note issuances at lower interest rates; and $3 million of increased capitalized interest primarily related to developing two EDITION hotels, partially offset by completion of The London EDITION in the 2013 fourth quarter.

Interest Income

2014 Compared to 2013

Interest income increased by $7 million (30 percent) to $30 million in 2014 compared to $23 million in 2013. The increase was primarily due to $6 million earned on the $85 million mezzanine loan (net of a $15 million discount) provided to an owner in conjunction with entering into a franchise agreement for an International property in the 2014 second quarter, and $2 million earned on the mandatorily redeemable preferred equity ownership interest acquired in the 2013 second quarter. See Footnote No. 13, "Notes Receivable" for more information on the mezzanine loan.

2013 Compared to 2012

Interest income increased by $6 million (35 percent) to $23 million in 2013 compared to $17 million in 2012, primarily reflecting $5 million earned on the $65 million mandatorily redeemable preferred equity ownership interest we acquired in the 2013 second quarter. See Footnote No. 14, "Fair Value of Financial Instruments" for more information on the acquisition.

Equity in Earnings (Losses)

2014 Compared to 2013

Equity in earnings of $6 million in 2014 improved by $11 million from equity in losses of $5 million in 2013. The increase was driven by a $9 million reversal of deferred tax liabilities associated with a tax law change in a country in which two of our International joint ventures operate, $9 million in higher earnings from three of our International and one of our North American Full-Service joint ventures, and a favorable variance from a $4 million impairment charge in the 2013 second quarter associated with a corporate investment (not allocated to any of our segments) that we determined was fully impaired because we do not expect to recover the investment. This was partially offset by an $11 million litigation reserve associated with another corporate investment (not allocated to any of our segments).

2013 Compared to 2012

Equity in losses of $5 million in 2013 improved by $8 million from equity in losses of $13 million in 2012. The change primarily reflected a favorable variance from the following 2012 items: (1) $8 million in losses at a North American Full-Service segment joint venture for the impairment of certain underlying residential properties; and (2) a $2 million loan loss provision for certain notes receivable due from an International segment joint venture. These favorable variances were partially offset by a $4 million impairment charge in the 2013 second quarter associated with a corporate joint venture (not allocated to one of our segments) that we determined was fully impaired because we did not expect to recover the investment.

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Provision for Income Tax

2014 Compared to 2013

Our tax provision increased by $64 million (24 percent) to $335 million in 2014 from $271 million in 2013. The increase was primarily due to higher pre-tax earnings, unrealized foreign exchange gains that were taxed within a foreign jurisdiction, and non-recurring favorable foreign true-ups in 2013. The increase was partially offset by the favorable resolution of a U.S. federal tax issue relating to a guest marketing program ($21 million), the release of an international valuation allowance ($7 million), and the resolution of an international financing activity tax issue ($5 million).

2013 Compared to 2012

Our tax provision decreased by $7 million (3 percent) to $271 million in 2013 from $278 million in 2012. The decrease resulted from a lower effective tax rate (30.2 percent in 2013 compared to 32.7 percent in 2012), favorable tax provision to tax return adjustments in 2013, favorable variance from a reserve recorded for an international tax issue in 2012, a favorable state tax adjustment in 2013, and higher income before income taxes in jurisdictions outside of the U.S. with lower tax rates, partially offset by higher income tax expense in the U.S.

Net Income

2014 Compared to 2013

Net income increased by $127 million to $753 million in 2014 from $626 million in 2013, and diluted earnings per share increased by $0.54 per share (27 percent) to $2.54 per share from $2.00 per share in 2013. As discussed in more detail in the preceding sections beginning with "Revenues," or as shown in the Income Statement, the $127 million increase in net income was due to higher franchise fees ($79 million), higher base management fees ($51 million), higher incentive management fees ($46 million), higher owned, leased, and other revenue, net of direct expenses ($26 million), higher equity in earnings ($11 million), higher interest income ($7 million), and lower interest expense ($5 million). These increases were partially offset by higher income taxes ($64 million), higher depreciation, amortization, and other expense ($21 million), higher general, administrative, and other expenses ($10 million) and lower gains and other income ($3 million).

2013 Compared to 2012

Net income increased by $55 million to $626 million in 2013 from $571 million in 2012, and diluted earnings per share increased by $0.28 per share (16 percent) to $2.00 per share from $1.72 per share in 2012. As discussed in more detail in the preceding sections beginning with "Revenues," or as shown in the Income Statement, the $55 million increase in net income was due to higher franchise fees ($59 million), higher base management fees ($40 million), higher incentive management fees ($24 million), lower interest expense ($17 million), lower equity in losses ($8 million), lower income taxes ($7 million), higher owned, leased, and other revenue, net of direct expenses ($6 million), and higher interest income ($6 million). These increases were partially offset by higher general, administrative, and other expenses ($81 million) and lower gains and other income ($31 million).

Earnings Before Interest Expense, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA

EBITDA, a financial measure not required by, or presented in accordance with U.S. generally accepted accounting principles ("GAAP"), reflects net income excluding the impact of interest expense, provision for income taxes, and depreciation and amortization. We believe that EBITDA is a meaningful indicator of operating performance because 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, to evaluate companies 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 expense which we report under "Depreciation, amortization, and other," as well as depreciation included under "Reimbursed costs" in our Income Statements, 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.

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We also believe that Adjusted EBITDA, another non-GAAP financial measure, is a meaningful indicator of operating performance. Our Adjusted EBITDA reflects adjustments to exclude (1) pre-tax impairment charges of $25 million in 2014 which we recorded in the "Depreciation, amortization, and other" caption of our Income Statements following an evaluation of our EDITION hotels and residences for recovery and determination that our cost estimates exceeded our total fixed sales price, and (2) share-based compensation expense for all periods presented. We excluded share-based compensation expense to address considerable variability among companies in recording compensation expense because companies use share-based payment awards differently, both in the type and quantity of awards granted. We believe that Adjusted EBITDA that excludes these items is a meaningful measure of our operating performance because it permits period-over-period comparisons of our ongoing core operations before these items and facilitates our comparison of results before these items with results from other lodging companies.

EBITDA and Adjusted EBITDA have limitations and should not be considered in isolation or as substitutes for performance measures calculated under 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 EBITDA and in particular Adjusted EBITDA differently than we do or may not calculate them at all, limiting the usefulness of EBITDA and Adjusted EBITDA as comparative measures.

We show our 2014 and 2013 EBITDA and Adjusted EBITDA calculations that reflect the changes we describe above and reconcile those measures with Net Income in the following table:

($ in millions)	2014	2013
Net Income	**$ 753**	**$ 626**
Interest expense	115	120
Tax provision	335	271
Depreciation and amortization	123	127
Depreciation classified in Reimbursed costs	51	48
Interest expense from unconsolidated joint ventures	3	4
Depreciation and amortization from unconsolidated joint ventures	10	13
EBITDA	**$ 1,390**	**$ 1,209**
EDITION impairment charge	25	—
Share-based compensation (including share-based compensation reimbursed by third-party owners)	109	116
Adjusted EBITDA	**$ 1,524**	**$ 1,325**

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BUSINESS SEGMENTS

During the 2014 first quarter, we modified the information that our President and Chief Executive Officer reviews to be consistent with our continent structure. This structure aligns our business around geographic regions and is designed to enable us to operate more efficiently and to accelerate our worldwide growth. As a result of modifying our reporting information, we revised our operating segments to eliminate our former Luxury segment, which we allocated between our existing North American Full-Service operating segment, and the following four new operating segments: Asia Pacific, Caribbean and Latin America, Europe, and Middle East and Africa.

Although our North American Full-Service and North American Limited-Service segments meet the applicable accounting criteria to be reportable business segments, the four new operating segments do not meet the criteria to be reportable and we therefore combined them into an "all other" category, which we refer to as "International." We have revised our business segment information for earlier periods. See Footnote No. 16, "Business Segments," to our Financial Statements for further information on our segment changes and other information about each segment, including revenues and a reconciliation of segment results to net income.

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Properties by Segment

At year-end 2014, we operated, franchised, and licensed the following properties by segment:

	Properties			Rooms		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
North American Full-Service Segment [1]						
Marriott Hotels	314	15	329	124,686	5,355	130,041
Marriott Conference Centers	10	—	10	2,915	—	2,915
JW Marriott	23	1	24	12,974	221	13,195
Renaissance Hotels	76	3	79	27,239	1,003	28,242
Renaissance ClubSport	2	—	2	349	—	349

Gaylord Hotels	5	—	5	8,098	—	8,098
Autograph Collection Hotels	44	1	45	10,082	233	10,315
The Ritz-Carlton	39	1	40	11,424	267	11,691
The Ritz-Carlton Residences [2]	30	2	32	3,598	214	3,812
EDITION	1	—	1	295	—	295
EDITION Residences [2]	1	—	1	25	—	25
	545	23	568	201,685	7,293	208,978
North American Limited-Service Segment [1]						
Courtyard	861	23	884	120,894	4,096	124,990
Fairfield Inn & Suites	704	14	718	64,362	1,607	65,969
SpringHill Suites	314	2	316	36,968	299	37,267
AC Hotels by Marriott [3]	1	—	1	220	—	220
Residence Inn	648	20	668	78,518	2,928	81,446
TownePlace Suites	240	4	244	23,973	518	24,491
	2,768	63	2,831	324,935	9,448	334,383
International Segment [1]						
Marriott Hotels	—	170	170	—	49,180	49,180
JW Marriott	—	45	45	—	16,672	16,672
Renaissance Hotels	—	78	78	—	24,365	24,365
Autograph Collection Hotels [3]	—	30	30	—	7,195	7,195
Protea Hotels	—	112	112	—	10,107	10,107
Courtyard	—	104	104	—	20,810	20,810
Fairfield Inn & Suites	—	3	3	—	482	482
Residence Inn	—	7	7	—	717	717
AC Hotels by Marriott [3]	—	76	76	—	9,311	9,311
Moxy Hotels	—	1	1	—	162	162
Marriott Executive Apartments	—	27	27	—	4,261	4,261
The Ritz-Carlton	—	47	47	—	13,823	13,823
Bulgari Hotels & Resorts	—	3	3	—	202	202
Bulgari Residences [2]	—	1	1	—	5	5
EDITION	—	2	2	—	251	251
The Ritz-Carlton Residences [2]	—	8	8	—	416	416
The Ritz-Carlton Serviced Apartments	—	4	4	—	579	579
	—	718	718	—	158,538	158,538
Timeshare [4]	45	13	58	10,605	2,261	12,866
Total	3,358	817	4,175	537,225	177,540	714,765

(1) North American includes properties located in the United States and Canada. International includes properties located outside the United States and Canada.

(2) Represents projects where we manage the related owners' association. We include residential products once they possess a certificate of occupancy.

(3) Results for all AC Hotels by Marriott properties and five Autograph Collection properties are presented in the "Equity in earnings (losses)" caption of our Income Statements.

(4) Timeshare properties licensed by MVW under the Marriott Vacation Club, The Ritz-Carlton Destination Club, The Ritz-Carlton Residences, and Grand Residences by Marriott brand names. Includes products that are in active sales as well as those that are sold out. MVW reports its property and room counts to us on a fiscal year basis for the MVW fiscal year ended January 2, 2015.

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The following discussion reflects all three of our segments. We consider total segment revenues and total segment profits (as defined in Footnote No. 16, "Business Segments") to be meaningful indicators of our performance because they measure our growth in profitability and enable investors to compare the revenues and profits of our operations to our competitors.

2014 Compared to 2013

We added 311 properties (46,050 rooms) and 52 properties (6,418 rooms) exited our system in 2014. These figures do not include residential units. During 2014, we also added two residential properties (30 units) and no residential properties or units exited the system.

Total segment revenues increased by $1,022 million to $13,540 million in 2014, an 8 percent increase from revenues of $12,518 million in 2013, and total segment profits increased by $196 million to $1,393 million in 2014 from $1,197 million in 2013.

The year-over-year increase in segment revenues of $1,022 million was a result of a $787 million increase in cost reimbursements revenue, an $80 million increase in franchise fees, a $58 million increase in owned, leased, and other revenue, a $51 million increase in base management fees, and a $46 million increase in incentive management fees. The year-over-year increase of $196 million in segment profits reflected an $80 million increase in franchise fees, a $51 million increase in base management fees, a $46 million increase in incentive management fees, $19 million of lower joint venture equity losses, a $11 million increase in owned, leased, and other revenue, net of direct expenses, and $4 million of lower depreciation, amortization, and other expense, partially offset by a $16 million increase in general, administrative and other expense. For more information on the variances, see the preceding sections beginning with "Revenues."

In 2014, 50 percent of our managed properties paid incentive management fees to us versus 38 percent in 2013. Managed properties that paid incentive management fees in 2014 represented 36 percent of properties in North America and 73 percent outside of North America, compared to 21 percent in North America and 70 percent outside of North America in 2013. In addition, in 2014, 56 percent of our incentive fees came from properties outside of North America versus 58 percent in 2013. Further, we earned $24 million in incentive management fees in 2014 from properties that did not earn any incentive management fees in 2013.

Compared to 2013, worldwide comparable company-operated house profit margins in 2014 increased by 120 basis points and worldwide comparable company-operated house profit per available room ("HP-PAR") increased by 9.7 percent on a constant U.S. dollar basis, reflecting higher occupancy, rate increases, improved productivity, and solid cost controls. These same factors contributed to North American company-operated house profit margins increasing by 150 basis points compared to 2013. HP-PAR at those same properties increased by 11.4 percent. International company-operated house profit margins increased by 70 basis points, and HP-PAR at those properties increased by 6.6 percent reflecting increased demand and higher RevPAR in most locations and improved productivity. Note that 2014 had three fewer days of activity when compared to 2013.

See "Statistics" below for detailed information on Systemwide RevPAR and Company-operated RevPAR by segment, region, and brand.

2013 Compared to 2012

We added 161 properties (25,420 rooms) and 51 properties (10,299 rooms) exited our system in 2013. These figures do not include residential units. During 2013, we also added five residential properties (301 units) and no residential properties or units exited the system.

Total segment revenues increased by $992 million to $12,518 million in 2013, a 9 percent increase from revenues of $11,526 million in 2012, and total segment profits increased by $32 million to $1,197 million in 2013 from $1,165 million in 2012.

The year-over-year increase in segment revenues of $992 million was a result of a $923 million increase in cost reimbursements revenue, a $59 million increase in franchise fees, a $40 million increase in base management fees, and a $24 million increase in incentive management fees, partially offset by a $54 million decrease in owned, leased, and other revenue. The year-over-year increase of $32 million in segment profits reflected a $59 million increase in franchise fees, a $40 million increase in base management fees, a $24 million increase in incentive management fees, and $8 million of lower joint venture equity losses, partially offset by a $46 million increase in general, administrative, and other expenses, $44 million of lower gains and other income, and a $9 million decrease in owned, leased, and other revenue, net of direct expenses. For more information on the variances, see the preceding sections beginning with "Revenues."

In 2013, 38 percent of our managed properties paid incentive management fees to us versus 33 percent in 2012. Managed properties that paid incentive management fees in 2013 represented 21 percent of properties in North America and 70 percent

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outside of North America, compared to 15 percent in North America and 70 percent outside of North America in 2012. In addition, in 2013, 58 percent of our incentive fees came from properties outside the United States versus 65 percent in 2012. Further, we earned $14 million in incentive management fees in 2013 from properties that did not earn any incentive management fees in 2012.

Compared to 2012, worldwide comparable company-operated house profit margins in 2013 increased by 90 basis points and HP-PAR increased by 6.2 percent on a constant U.S. dollar basis, reflecting higher occupancy, rate increases, improved productivity, and lower energy costs. Note that 2013 had four additional days of activity when compared to 2012.

See "Statistics" below for detailed information on Systemwide RevPAR and Company-operated RevPAR by segment, region, and brand.

Development

We added 311 properties, totaling 46,050 rooms, across our brands in 2014, and 52 properties (6,418 rooms) left the system, not including residential products. We also added two residential properties (30 units) and no residential properties left the system. Highlights of the year included:

- Converting 32 properties (8,885 rooms), or 19 percent of our gross room additions for the year, to our brands;
- Adding approximately 60 percent of all the new rooms outside the United States; and
- Adding 120 properties (13,928 rooms) to our North American Limited-Service brands.

We have nearly 240,000 hotel rooms in our development pipeline as of year-end 2014, which includes hotel rooms under construction and under signed contracts, as well as nearly 30,000 hotel rooms approved for development but not yet under signed contracts. We expect the number of our hotel rooms (gross) to increase approximately 7 percent in 2015.

We believe that we have access to sufficient financial resources to finance our growth, as well as to support our ongoing operations and meet debt service and other cash requirements. Nonetheless, our ability to develop and update our brands and the ability of hotel developers to build or acquire new Marriott-branded properties, both of which are important parts of our growth plan, depend in part on capital access; availability and cost for other hotel developers and third-party owners. These growth plans are subject to numerous risks and uncertainties, many of which are outside of our control. See the "Forward-Looking Statements" and "Risks and Uncertainties" captions earlier in this report and the "Liquidity and Capital Resources" caption later in this report.

Statistics

The following tables show occupancy, average daily rate, and RevPAR for comparable properties, for each of the brands in our North American Full-Service and North American Limited-Service segments, and for our International segment by region. Systemwide statistics include data from our franchised properties, in addition to our owned, leased, and managed properties.

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	Comparable Company-Operated North American Properties [1]		Comparable Systemwide North American Properties [1]	
	2014	Change vs. 2013	2014	Change vs. 2013
Marriott Hotels				
Occupancy	75.1%	1.6% pts.	72.6%	1.5 % pts.
Average Daily Rate	$ 188.39	3.5%	$ 171.43	4.0 %
RevPAR	$ 141.42	5.7%	$ 124.49	6.2 %
Renaissance Hotels				
Occupancy	73.1%	1.1% pts.	72.6%	1.9 % pts.
Average Daily Rate	$ 177.42	3.7%	$ 160.77	3.9 %
RevPAR	$ 129.76	5.2%	$ 116.69	6.7 %
Autograph Collection Hotels				
Occupancy	*	* pts.	75.4%	(1)% pts.
Average Daily Rate	*	*	$ 229.58	8.9 %
RevPAR	*	*	$ 173.04	7.5 %
The Ritz-Carlton North America				
Occupancy	72.9%	1.5% pts.	72.9%	1.5 % pts.
Average Daily Rate	$ 338.48	4.0%	$ 338.48	4.0 %

RevPAR	$	246.89	6.2%	$	246.89	6.2 %
Composite North American Full-Service						
Occupancy		74.5%	1.6% pts.		72.8%	1.5 % pts.
Average Daily Rate	$	200.77	3.6%	$	182.00	4.1 %
RevPAR	$	149.48	5.8%	$	132.44	6.4 %
Residence Inn						
Occupancy		78.4%	2.2% pts.		79.3%	1.9 % pts.
Average Daily Rate	$	135.58	4.4%	$	130.82	4.2 %
RevPAR	$	106.24	7.4%	$	103.79	6.7 %
Courtyard						
Occupancy		71.8%	3.0% pts.		72.5%	2.3 % pts.
Average Daily Rate	$	129.72	5.0%	$	129.32	4.5 %
RevPAR	$	93.18	9.6%	$	93.77	7.8 %
Fairfield Inn & Suites						
Occupancy		nm	nm pts.		70.1%	2.2 % pts.
Average Daily Rate		nm	nm	$	102.80	3.9 %
RevPAR		nm	nm	$	72.11	7.3 %
TownePlace Suites						
Occupancy		72.6%	6.3% pts.		74.7%	3.2 % pts.
Average Daily Rate	$	95.23	8.7%	$	96.84	5.3 %
RevPAR	$	69.09	19.0%	$	72.38	9.9 %
SpringHill Suites						
Occupancy		73.8%	1.9% pts.		74.6%	2.6 % pts.
Average Daily Rate	$	112.14	4.8%	$	112.16	3.9 %
RevPAR	$	82.78	7.5%	$	83.65	7.6 %
Composite North American Limited-Service						
Occupancy		73.7%	2.8% pts.		74.0%	2.3 % pts.
Average Daily Rate	$	128.82	4.9%	$	120.36	4.2 %
RevPAR	$	94.95	9.0%	$	89.11	7.5 %
Composite North American - All						
Occupancy		74.2%	2.0% pts.		73.6%	2.0 % pts.
Average Daily Rate	$	173.11	3.8%	$	143.27	4.1 %
RevPAR	$	128.39	6.7%	$	105.39	7.0 %

* There are no company-operated comparable properties.
nm means not meaningful as the brand is predominantly franchised.

(1) Statistics include only properties located in the United States.

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	Comparable Company-Operated Properties (1)			Comparable Systemwide Properties (1)		
		2014	Change vs. 2013		2014	Change vs. 2013
Caribbean and Latin America						
Occupancy		73.6%	2.7 % pts.		71.3%	2.2 % pts.
Average Daily Rate	$	239.95	6.9 %	$	205.88	5.9 %
RevPAR	$	176.66	11.0 %	$	146.83	9.4 %
Europe						

Occupancy		74.9%	1.4 % pts.		73.1%	1.3 % pts.
Average Daily Rate	$	193.20	1.3 %	$	185.06	0.9 %
RevPAR	$	144.61	3.2 %	$	135.28	2.7 %
Middle East and Africa						
Occupancy		60.1%	5.8 % pts.		60.3%	5.4 % pts.
Average Daily Rate	$	190.60	(2.5)%	$	186.19	(1.6)%
RevPAR	$	114.47	7.9 %	$	112.26	8.1 %
Asia Pacific						
Occupancy		73.7%	1.9 % pts.		74.1%	1.8 % pts.
Average Daily Rate	$	176.48	2.1 %	$	176.43	2.4 %
RevPAR	$	130.04	4.8 %	$	130.71	5.0 %
Total International [2]						
Occupancy		72.6%	2.2 % pts.		71.9%	2.0 % pts.
Average Daily Rate	$	192.04	2.2 %	$	185.39	2.1 %
RevPAR	$	139.35	5.4 %	$	133.37	5.1 %
Total Worldwide [3]						
Occupancy		73.7%	2.1 % pts.		73.3%	2.0 % pts.
Average Daily Rate	$	178.96	3.3 %	$	150.23	3.7 %
RevPAR	$	131.83	6.3 %	$	110.09	6.6 %

(1) Statistics are in constant dollars. International includes properties located outside the United States and Canada, except for worldwide, which includes the United States.

(2) Company-operated statistics include the Marriott Hotels, Renaissance Hotels, Autograph Collection, The Ritz-Carlton, Bulgari Hotels & Resorts, Courtyard, and Residence Inn brands. In addition to the foregoing brands, systemwide statistics also include the Fairfield Inn & Suites brand.

(3) Company-operated and systemwide statistics include properties worldwide for the Marriott Hotels, Renaissance Hotels, Autograph Collection, Gaylord Hotels, The Ritz-Carlton, Bulgari Hotels & Resorts, Courtyard, Residence Inn, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites brands.

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	Comparable Company-Operated North American Properties [1]			Comparable Systemwide North American Properties [1]		
		2013	Change vs. 2012		2013	Change vs. 2012
Marriott Hotels						
Occupancy		73.6%	0.8 % pts.		71.3%	1.0 % pts.
Average Daily Rate	$	179.44	4.3 %	$	164.37	4.0 %
RevPAR	$	132.03	5.4 %	$	117.20	5.4 %
Renaissance Hotels						
Occupancy		73.4%	0.4 % pts.		71.3%	0.7 % pts.
Average Daily Rate	$	170.98	3.1 %	$	153.33	3.2 %
RevPAR	$	125.55	3.6 %	$	109.30	4.2 %
Autograph Collection Hotels						
Occupancy		*	* pts.		76.6%	1.7 % pts.
Average Daily Rate		*	*	$	207.34	6.4 %
RevPAR		*	*	$	158.87	8.8 %
The Ritz-Carlton North America						
Occupancy		71.3%	1.4 % pts.		71.3%	1.4 % pts.
Average Daily Rate	$	323.83	6.6 %	$	323.83	6.6 %

RevPAR	$	230.82	8.7 %	$	230.82	8.7 %
Composite North American Full-Service						
Occupancy		73.3%	0.8 % pts.		71.5%	1.0 % pts.
Average Daily Rate	$	192.70	4.6 %	$	173.37	4.3 %
RevPAR	$	141.30	5.7 %	$	123.89	5.7 %
Residence Inn						
Occupancy		76.2%	0.7 % pts.		77.4%	0.4 % pts.
Average Daily Rate	$	127.35	2.3 %	$	125.04	3.5 %
RevPAR	$	97.09	3.2 %	$	96.76	3.9 %
Courtyard						
Occupancy		68.6%	0.9 % pts.		70.2%	0.9 % pts.
Average Daily Rate	$	122.07	3.8 %	$	123.07	3.6 %
RevPAR	$	83.75	5.3 %	$	86.35	4.9 %
Fairfield Inn & Suites						
Occupancy		nm	nm pts.		67.9%	0.6 % pts.
Average Daily Rate		nm	nm	$	98.58	3.3 %
RevPAR		nm	nm	$	66.95	4.3 %
TownePlace Suites						
Occupancy		68.7%	(1.9)% pts.		71.5%	(0.5)% pts.
Average Daily Rate	$	88.37	6.4 %	$	91.64	2.4 %
RevPAR	$	60.74	3.6 %	$	65.50	1.8 %
SpringHill Suites						
Occupancy		71.9%	1.2 % pts.		72.2%	1.3 % pts.
Average Daily Rate	$	106.75	2.4 %	$	107.42	3.3 %
RevPAR	$	76.73	4.1 %	$	77.57	5.2 %
Composite North American Limited-Service						
Occupancy		71.0%	0.8 % pts.		71.8%	0.7 % pts.
Average Daily Rate	$	120.98	3.5 %	$	115.00	3.4 %
RevPAR	$	85.85	4.7 %	$	82.52	4.4 %
Composite North American - All						
Occupancy		72.3%	0.8 % pts.		71.6%	0.8 % pts.
Average Daily Rate	$	163.24	4.2 %	$	136.05	3.8 %
RevPAR	$	118.08	5.4 %	$	97.48	5.0 %

* There are no company-operated comparable properties.
nm means not meaningful as the brand is predominantly franchised.

(1) Statistics include only properties located in the United States.

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	Comparable Company-Operated Properties			Comparable Systemwide Properties		
		2013	Change vs. 2012		2013	Change vs. 2012
Caribbean and Latin America [1]						
Occupancy		73.5%	0.5 % pts.		72.0%	1.5 % pts.
Average Daily Rate	$	209.79	6.2 %	$	181.95	4.0 %
RevPAR	$	154.28	7.0 %	$	130.98	6.2 %
Europe [1]						

Occupancy		73.5%	1.7 % pts.		72.5%	1.7 % pts.
Average Daily Rate	$	172.01	(1.5)%	$	167.33	(1.0)%
RevPAR	$	126.47	0.8 %	$	121.34	1.5 %
Middle East and Africa [1]						
Occupancy		55.7%	(2.5)% pts.		56.3%	(2.1)% pts.
Average Daily Rate	$	147.63	2.0 %	$	144.18	2.2 %
RevPAR	$	82.22	(2.4)%	$	81.20	(1.5)%
Asia Pacific [1]						
Occupancy		73.0%	1.5 % pts.		73.4%	1.6 % pts.
Average Daily Rate	$	142.76	0.9 %	$	146.49	1.1 %
RevPAR	$	104.27	3.0 %	$	107.59	3.4 %
Total International [2]						
Occupancy		70.7%	1.1 % pts.		70.7%	1.3 % pts.
Average Daily Rate	$	185.74	1.5 %	$	179.28	1.4 %
RevPAR	$	131.27	3.2 %	$	126.72	3.4 %
Total Worldwide [3]						
Occupancy		71.8%	0.9 % pts.		71.5%	0.9 % pts.
Average Daily Rate	$	170.35	3.3 %	$	143.33	3.4 %
RevPAR	$	122.32	4.6 %	$	102.46	4.6 %

(1) Company-operated and systemwide statistics for the continental regions noted do not include properties located outside of the United States and Canada for The Ritz-Carlton, Bulgari Hotels & Resorts, and EDITION brands.

(2) Company-operated statistics include properties located outside of the United States and Canada for the Marriott Hotels, Renaissance Hotels, The Ritz-Carlton, Bulgari Hotels & Resorts, EDITION, Courtyard, and Residence Inn brands. In addition to the foregoing brands, systemwide statistics also include properties located outside of the United States and Canada for Autograph Collection and Fairfield Inn & Suites brands.

(3) Company-operated statistics include properties worldwide for Marriott Hotels, Renaissance Hotels, The Ritz-Carlton, Bulgari Hotels & Resorts, EDITION, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites brands. In addition to the foregoing brands, systemwide statistics also include properties worldwide for the Autograph Collection brand.

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North American Full-Service includes The Ritz-Carlton, EDITION, JW Marriott, Autograph Collection Hotels, Renaissance Hotels, Marriott Hotels, and Gaylord Hotels located in the United States and Canada.

($ in millions)				Annual Change	
	2014	2013	2012	Change 2014/2013	Change 2013/2012
Segment revenues	$ 8,323	$ 7,978	$ 7,276	4%	10%
Segment profits	$ 524	$ 490	$ 442	7%	11%

2014 Compared to 2013

In 2014, across our North American Full-Service segment we added 23 properties (5,093 rooms) and no properties (zero rooms) left the system.

For the twelve months ended December 31, 2014, compared to the twelve months ended December 31, 2013, RevPAR for comparable systemwide North American Full-Service properties increased by 6.4% to $132.44, occupancy for these properties increased by 1.5% percentage points to 72.8%, and average daily rates increased by 4.1% to $182.00.

The $34 million increase in segment profits, compared to 2013, was driven by $30 million of higher base management and franchise fees, $17 million of higher incentive management fees, and $5 million of lower depreciation, amortization, and other expense, partially offset by $11 million of lower owned, leased, and other revenue, net of direct expenses, and $8 million of higher general, administrative, and other expenses.

Higher base management and franchise fees were due to stronger RevPAR as a result of increased demand and unit growth, partially offset by $7 million from terminated units. The increase in incentive management fees were primarily driven by higher net house profit at managed hotels,

partially offset by $5 million in deferred fees recognized in 2013.

The decrease in depreciation, amortization, and other expense primarily reflected $11 million of accelerated amortization related to contract terminations in 2013, partially offset by $3 million of higher depreciation for a property that we acquired in the 2013 fourth quarter and $2 million in higher accelerated amortization related to contract terminations in 2014.

The decrease in owned, leased, and other revenue, net of direct expenses primarily reflected $7 million of lower termination fees, $6 million of lower branding fees, and $6 million of pre-opening costs, partially offset by $10 million in revenue, net of direct expenses, for a property we acquired in the 2013 fourth quarter.

The increase in general, administrative, and other expenses was primarily due to a $4 million increase in guarantee funding and $3 million of other property expenses.

Cost reimbursements revenue and expenses for our North American Full-Service segment properties totaled $7,465 million in 2014, compared to $7,190 million in 2013.

2013 Compared to 2012

In 2013, across our North American Full-Service segment we added 13 properties (2,977 rooms) and 15 properties (5,473 rooms) left the system.

For the twelve months ended December 31, 2013, compared to the twelve months ended December 31, 2012, RevPAR for comparable systemwide North American Full-Service properties increased by 5.7 percent to $123.89, occupancy for these properties increased by 1.0 percentage points to 71.5 percent, and average daily rates increased by 4.3 percent to $173.37.

The $48 million increase in segment profits, compared to 2012, was driven by $39 million of higher base management and franchise fees, $23 million of higher incentive management fees, $10 million of lower joint venture losses and $3 million of higher owned, leased, and other revenue, net of direct expenses, partially offset by $16 million of higher general, administrative, and other expenses and $11 million of higher depreciation, amortization, and other expense.

Higher base management and franchise fees stemmed from both higher RevPAR due to increased demand and unit growth, including the Gaylord brand properties we began managing in 2012, a favorable variance from $2 million of fee reversals in 2012 for a property with a contract revision, and also reflected fees for the additional four days of activity. The increase in incentive management fees primarily reflected higher property-level income resulting from higher property-level revenue and margins.

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Higher owned, leased, and other revenue, net of direct expenses was primarily driven by our recognition in 2013 of $7 million in termination fees for five properties, $6 million of stronger earnings at two leased and one owned property, and $5 million of higher branding fees and other revenue, partially offset by our recognition in 2012 of a $14 million termination fee for one property and $2 million in pre-opening expenses for The Miami Beach EDITION in 2013.

The increase in depreciation, amortization, and other expense resulted from an $11 million impairment of deferred contract acquisition costs primarily related to three properties that left the system and one property that converted to a franchised property, $5 million of higher amortization of deferred contract acquisition costs associated with the Gaylord brand and hotel management company and depreciation from the acquisition of a property, partially offset by a favorable variance from the 2012 accelerated amortization of $8 million of deferred contract acquisition costs for a property that exited our system and for which we earned the $14 million termination fee mentioned in the preceding paragraph.

General, administrative, and other expenses reflected an unfavorable variance from $9 million in other net miscellaneous cost increases and $8 million in reversals of guarantee accruals in 2012 for three properties.

The decrease in joint venture equity losses reflected a favorable variance from $8 million in losses in 2012 at a North American Full-Service segment joint venture for the impairment of certain underlying residential properties.

Cost reimbursements revenue and expenses for our North American Full-Service segment properties totaled $7,190 million in 2013, compared to $6,563 million in 2012.

North American Limited-Service includes AC Hotels by Marriott, Courtyard, Residence Inn, SpringHill Suites, Fairfield Inn & Suites, and TownePlace Suites located in the United States and Canada.

($ in millions)	Annual Change

	2014	2013	2012	Change 2014/2013	Change 2013/2012
Segment revenues	$ 2,962	$ 2,583	$ 2,456	15%	5%
Segment profits	$ 574	$ 479	$ 472	20%	1%

2014 Compared to 2013

In 2014, across our North American Limited-Service segment we added 120 properties (13,928 rooms) and 32 properties (3,030 rooms) left the system. The majority of the properties that left the system were Fairfield Inn & Suites and Residence Inn properties.

For the twelve months ended December 31, 2014, compared to the twelve months ended December 31, 2013, RevPAR for comparable systemwide North American Limited-Service properties increased by 7.5 percent to $89.11, occupancy for these properties increased by 2.3 percentage points to 74.0 percent, and average daily rates increased by 4.2 percent to $120.36.

The $95 million increase in segment profits, compared to 2013, primarily reflected $80 million of higher base management and franchise fees, $11 million of higher owned, leased, and other revenue, net of direct expenses, and $7 million of higher incentive management fees.

Higher base management and franchise fees were primarily driven by higher RevPAR for comparable properties and unit growth, and included $15 million of higher deferred management fees and $10 million of higher relicensing fees. Increased incentive management fees resulted from net house profit growth at managed hotels.

The increase in owned, leased, and other revenue, net of direct expenses, primarily reflected $5 million of higher net earnings at several leased properties and $4 million of higher termination fees.

Cost reimbursements revenue and expenses for our North American Limited-Service segment properties totaled $2,217 million in 2014, compared to $1,939 million in 2013.

2013 Compared to 2012

In 2013, across our North American Limited-Service segment we added 108 properties (12,927 rooms) and 22 properties (2,427 rooms) left the system. The majority of the properties that left the system were Courtyard and Fairfield Inn & Suites properties. In the 2012 second quarter, we completed the sale of our ExecuStay corporate housing business. The revenues,

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results of operations, assets, and liabilities of our ExecuStay business were not material to the Company's financial position, results of operations or cash flows for any of the periods presented.

For the twelve months ended December 31, 2013, compared to the twelve months ended December 31, 2012, RevPAR for comparable systemwide North American Limited-Service properties increased by 4.4 percent to $82.52, occupancy for these properties increased by 0.7 percentage points to 71.8 percent, and average daily rates increased by 3.4 percent to $115.00.

The $7 million increase in segment profits, compared to 2012, primarily reflected $45 million of higher base management and franchise fees and $4 million of higher incentive management fees, partially offset by $43 million of lower gains and other income.

Higher base management and franchise fees were primarily driven by higher RevPAR due to increased demand, some of which was attributable to the favorable effect of property renovations, and higher relicensing fees, as well as the additional four days of activity, partially offset by an unfavorable variance from the 2012 recognition of $7 million of deferred base management fees in conjunction with the sale of our equity interest in a joint venture. The increase in incentive management fees primarily reflected higher property-level revenue which resulted in higher property-level income and margins. Lower gains and other income primarily reflected an unfavorable variance from a $41 million gain on the sale of our equity interest in a joint venture in 2012. See the "Gains and Other Income" caption earlier in this report for more information on the sale of this equity interest.

Cost reimbursements revenue and expenses for our North American Limited-Service segment properties totaled $1,939 million in 2013, compared to $1,832 million in 2012.

International includes properties, regardless of brand, that are located outside the United States and Canada.

($ in millions)				Annual Change	
	2014	2013	2012	Change 2014/2013	Change 2013/2012
Segment revenues	$ 2,255	$ 1,957	$ 1,794	15%	9 %

Segment profits	$ 295	$ 228	$ 251	29%	(9)%

2014 Compared to 2013

In 2014, across our International segment we added 170 properties (26,737 rooms) and 16 properties (3,130 rooms) left the system.

For the twelve months ended December 31, 2014, compared to the twelve months ended December 31, 2013, RevPAR for comparable systemwide international properties increased by 5.1 percent to $133.37, occupancy for these properties increased by 2.0 percentage points to 71.9 percent, and average daily rates increased by 2.1 percent to $185.39. See "Business and Overview" for a discussion of results in the various International segment regions.

The $67 million increase in segment profits in 2014, compared to 2013, primarily consisted of $22 million in higher incentive management fees, $21 million of higher base management and franchise fees, $17 million of higher equity in earnings, and $11 million of higher owned, leased, and other revenue, net of direct expenses, partially offset by $6 million higher general, administrative, and other expenses.

The increase in base management and franchise fees was driven by unit growth and higher RevPAR, partially offset by the impact of $3 million in unfavorable foreign exchange rates and $4 million from terminated units. Increased incentive management fees were primarily driven by higher net house profit at managed hotels and unit growth, partially offset by the impact of $4 million in unfavorable foreign exchange rates.

The increase of equity in earnings was driven by a $9 million reversal of deferred tax liabilities associated with a tax law change in a country in which two of our International joint ventures operate and $7 million in increased earnings at three of our joint ventures.

The increase in owned, leased, and other revenue, net of direct expenses largely reflected $10 million from Protea Hotels programs and leases acquired in the 2014 second quarter, $5 million in higher costs in 2013 related to three leases we terminated, $5 million of pre-opening costs in 2013, $4 million from new units, and $4 million of favorable operating profits, partially offset by an unfavorable variance of $12 million in termination fees recognized in 2013, and $6 million in earnings from properties that converted to managed or franchised.

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The increase in general, administrative, and other expenses was primarily due to $5 million related to the Protea Hotels acquisition and $5 million in higher compensation, partially offset by a $5 million performance cure payment for one property in 2013.

Cost reimbursements revenue and expenses for our International segment properties totaled $1,305 million in 2014, compared to $1,071 million in 2013.

2013 Compared to 2012

In 2013, across our International segment we added 45 properties (9,817 rooms) and 11 properties (2,199 rooms) left the system.

For the twelve months ended December 31, 2013, compared to the twelve months ended December 31, 2012, RevPAR for comparable systemwide international properties increased by 3.4 percent to $126.72, occupancy for these properties increased by 1.3 percentage points to 70.7 percent, and average daily rates increased by 1.4 percent to $179.28.

The $23 million decrease in segment profits in 2013, compared to 2012, predominantly reflected $17 million of higher general, administrative, and other expenses, $9 million of higher depreciation, amortization, and other expense, $5 million of lower owned, leased, and other revenue, net of direct expenses, $3 million of lower incentive management fees, and $3 million of increased joint venture equity losses, partially offset by $15 million of higher base management and franchise fees.

The increase in base management and franchise fees largely reflected new unit growth and higher RevPAR due to increased demand. The decrease in incentive management fees was primarily driven by a $3 million unfavorable impact from a contract revision for a property, a $2 million unfavorable variance from the 2012 recognition of previously deferred fees in conjunction with a property's change in ownership, and a $3 million unfavorable foreign exchange rate impact. These were partially offset by higher property-level revenue which resulted in higher property-level income and margins and net new unit growth.

The decrease in owned, leased, and other revenue, net of direct expenses largely reflected $7 million in costs related to three International segment leases we terminated, $5 million in weaker earnings at one leased property in London, and $5 million of pre-opening expenses for The London EDITION, partially offset by $12 million of higher termination fees principally associated with three properties.

Higher depreciation, amortization, and other expense resulted primarily from $4 million of assets written off at two properties and $3 million due to new unit growth and renovations at two properties.

The increase in general, administrative, and other expenses primarily reflected $14 million of increased expenses for initiatives to enhance and grow our brands globally, $7 million of higher accounts receivable reserves primarily related to two properties, and a $5 million performance

cure payment for one property, partially offset by a favorable variance from a $5 million guarantee accrual for one property in 2012.

Higher joint venture equity losses were primarily driven by a renovation at a hotel in one joint venture and lower earnings at two other joint ventures.

Cost reimbursements revenue and expenses for our International segment properties totaled $1,071 million in 2013, compared to $882 million in 2012.

SHARE-BASED COMPENSATION

Under our Stock and Cash Incentive Plan, we award: (1) stock options to purchase our common stock; (2) stock appreciation rights ("SARs") for our common stock; (3) restricted stock units ("RSUs") of our common stock; and (4) deferred stock units.

During 2014, we granted 1.9 million RSUs, 0.3 million service and performance RSUs, 0.3 million Employee SARs, and 0.1 million stock options. See Footnote No. 5, "Share-Based Compensation," for more information.

NEW ACCOUNTING STANDARDS

See Footnote No. 2 "Summary of Significant Accounting Policies," to our Financial Statements for information on our anticipated adoption of recently issued accounting standards.

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LIQUIDITY AND CAPITAL RESOURCES

Cash Requirements and Our Credit Facilities

On July 18, 2013, we amended and restated our multicurrency revolving credit agreement (the "Credit Facility") to extend the facility's expiration to July 18, 2018 and increase the facility size to $2,000 million of aggregate effective borrowings. The material terms of the amended and restated Credit Facility otherwise did not change. The facility supports general corporate needs, including working capital, capital expenditures, and letters of credit. The availability of the Credit Facility also supports our commercial paper program. Borrowings under the Credit Facility bear interest at LIBOR (the London Interbank Offered Rate), plus a spread based on our public debt rating. We also pay quarterly fees on the Credit Facility at a rate based on our public debt rating. For more information on our Credit Facility, see Exhibit 10, "Third Amended and Restated Credit Agreement," to our Current Report on Form 8-K that we filed with the SEC on July 19, 2013.

The Credit Facility contains certain covenants, including a single financial covenant that limits our maximum leverage (consisting of the ratio of Adjusted Total Debt to Consolidated EBITDA, each as defined in the Credit Facility) to not more than 4 to 1. Our outstanding public debt does not contain a corresponding financial covenant or a requirement that we maintain certain financial ratios. We currently satisfy the covenants in our Credit Facility and public debt instruments, including the leverage covenant under the Credit Facility, and do not expect that the covenants will restrict our ability to meet our anticipated borrowing and guarantee levels, or increase those levels should we decide to do so in the future.

We believe the Credit Facility and our access to capital markets, together with cash we expect to generate from operations, will remain adequate to meet our short-term and long-term liquidity requirements, finance our long-term growth plans, meet debt service, and fulfill our other cash requirements.

We issue commercial paper in the United States. We do not have purchase commitments from buyers for our commercial paper; therefore, our ability to issue commercial paper is subject to market demand. We classify any outstanding commercial paper and Credit Facility borrowings as long-term debt based on our ability and intent to refinance them on a long-term basis. We reserve unused capacity under our Credit Facility to repay outstanding commercial paper borrowings in the event that the commercial paper market is not available to us for any reason when outstanding borrowings mature. We do not expect that fluctuations in the demand for commercial paper will affect our liquidity, given our borrowing capacity under the Credit Facility.

At year-end 2014, our available borrowing capacity amounted to $1,032 million and reflected borrowing capacity of $928 million under our Credit Facility and our cash balance of $104 million. We calculated that borrowing capacity by taking $2,000 million of effective aggregate bank commitments under our Credit Facility and subtracting $1,072 million of outstanding commercial paper (there being no outstanding letters of credit under our Credit Facility).

We monitor the status of the capital markets and regularly evaluate the effect that changes in capital market conditions may have on our ability to execute our announced growth plans. We expect to continue meeting part of our financing and liquidity needs primarily through commercial paper borrowings, issuances of senior notes, and access to long-term committed credit facilities. If conditions in the lodging industry deteriorate, or if disruptions in the capital markets take place as they did in the immediate aftermath of both the 2008 worldwide financial crisis and the events of September 11, 2001, we may be unable to place some or all of our commercial paper on a temporary or extended basis and may have to rely more on borrowings under the Credit Facility, which we believe will be adequate to fund our liquidity needs, including repayment of debt obligations, but which may or may not carry a higher cost than commercial paper. Since we continue to have ample flexibility under the Credit

Facility's covenants, we expect that undrawn bank commitments under the Credit Facility will remain available to us even if business conditions were to deteriorate markedly.

Cash from Operations

Cash from operations and non-cash items for the last three fiscal years are as follows:

($ in millions)	2014	2013	2012
Cash from operations	$ 1,224	$ 1,140	$ 989
Non-cash items [1]	328	316	420

[1] Includes depreciation, amortization, impairments, share-based compensation, and deferred income taxes.

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Our ratio of current assets to current liabilities was 0.6 to 1.0 at year-end 2014 and 0.7 to 1.0 at year-end 2013. We minimize working capital through cash management, strict credit-granting policies, and aggressive collection efforts. We also have significant borrowing capacity under our Credit Facility should we need additional working capital.

Our ratios of earnings to fixed charges for the last five fiscal years, the calculations of which we detail in Exhibit 12 to this 2014 Annual Report on Form 10-K, are as follows:

Fiscal Years				
2014	2013	2012	2011	2010
6.2x	5.1x	4.6x	2.3x	2.9x

Spin-off Cash Tax Benefits

Tax matters that could affect our cash tax benefits related to the 2011 spin-off of our timeshare operations and timeshare development business were resolved in 2013, and we expect that the spin-off will result in our realization through 2015 of approximately $480 million of cash tax benefits, relating to the value of the timeshare business. We realized $447 million of those benefits through 2014 and expect to realize approximately $33 million of cash tax benefits in 2015.

Investing Activities Cash Flows

Capital Expenditures and Other Investments. We made capital expenditures of $411 million in 2014, $296 million in 2013, and $437 million in 2012. These included expenditures related to the development and construction of new hotels and acquisitions of hotel properties, improvements to existing properties, and systems initiatives. Capital expenditures in 2014 increased by $115 million compared to 2013, primarily related to developing two EDITION hotels and our 2014 acquisition of a property in our International Segment, partially offset by the completion of The London EDITION in the 2013 fourth quarter (see Footnote No. 3, "Acquisitions and Dispositions" for more information). Capital expenditures in 2013 decreased by $141 million compared to 2012, primarily due to the 2012 acquisition of land and a building that we used to develop an EDITION hotel.

We expect 2015 investment spending will total approximately $600 million to $800 million, including approximately $125 million for maintenance capital spending and approximately $135 million (C$168 million) for the expected acquisition of Delta Hotels. Investment spending also includes other capital expenditures (including property acquisitions, construction, and renovations), loan advances, contract acquisition costs, and equity and other investments.

Over time, we have sold lodging properties, both completed and under development, subject to long-term management agreements. The ability of third-party purchasers to raise the debt and equity capital necessary to acquire such properties depends in part on the perceived risks inherent in the lodging industry and other constraints inherent in the capital markets as a whole. We monitor the status of the capital markets and regularly evaluate the potential impact of changes in capital market conditions on our business operations. We expect to continue making selective and opportunistic investments to add units to our lodging business, which may include loans and noncontrolling equity investments.

Fluctuations in the values of hotel real estate generally have little impact on our overall business results because: (1) we own less than one percent of hotels that we operate or franchise; (2) management and franchise fees are generally based upon hotel revenues and profits rather than current hotel property values; and (3) our management agreements generally do not terminate upon hotel sale or foreclosure.

Dispositions. Property and asset sales generated $435 million cash proceeds in 2014 and $65 million in 2012. See Footnote No. 3, "Acquisitions and Dispositions," for more information on completed dispositions and planned dispositions.

Loan Activity. From time to time we make loans to owners of hotels that we operate or franchise. Loan advances, net of loan collections, amounted to $69 million in 2014 compared to net collections of $70 million in 2013. At year-end 2014, we had a $3 million senior loan and $239 million of mezzanine and other loans ($215 million noncurrent and $24 million current) outstanding, compared with a $3 million senior loan and $175 million of mezzanine and other loans ($142 million noncurrent and $36 million current) outstanding at year-end 2013. In 2014, our notes receivable balance for senior, mezzanine, and other loans increased by $64 million, primarily reflecting the issuance of the $85 million mezzanine loan (net of a $15 million discount) described in Footnote No. 13, "Notes Receivable," partially offset by $31 million of collections on MVW notes receivable issued to us in 2011 in conjunction with our Timeshare spin-off.

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Equity and Cost Method Investments. Cash outflows of $6 million in 2014, $16 million in 2013, and $15 million in 2012 for equity and cost method investments primarily reflects our investments in a number of joint ventures.

Cash from Financing Activities

Debt. Debt increased by $582 million in 2014, to $3,781 million at year-end 2014 from $3,199 million at year-end 2013, and reflected our 2014 fourth quarter issuance of $394 million (book value) of Series N Notes and a $238 million increase in commercial paper borrowings, partially offset by a $53 million reduction in other debt. Debt increased by $264 million in 2013, to $3,199 million at year-end 2013 from $2,935 million at year-end 2012, and reflected our 2013 third quarter issuance of $348 million (book value) of Series M Notes and a $333 million increase in commercial paper borrowings, partially offset by the $400 million (book value) retirement, at maturity, of our Series J Notes, $15 million in decreased borrowings under our Credit Facility, and a $2 million reduction in other debt. See Footnote No. 10, "Long-Term Debt" for additional information on the debt issuances.

Our financial objectives include diversifying our financing sources, optimizing the mix and maturity of our long-term debt, and reducing our working capital. At year-end 2014, our long-term debt had an average interest rate of 3.0 percent and an average maturity of approximately 4.6 years. The ratio of our fixed-rate long-term debt to our total long-term debt was 0.7 to 1.0 at year-end 2014.

See the "Cash Requirements and Our Credit Facilities," caption in this "Liquidity and Capital Resources" section for more information on our Credit Facility.

Share Repurchases. We purchased 24.2 million shares of our common stock in 2014 at an average price of $62.09 per share, 20.0 million shares in 2013 at an average price of $41.46 per share, and 31.2 million shares in 2012 at an average price of $37.15 per share. At year-end 2014, 15.1 million shares remained available for repurchase under authorizations from our Board of Directors. On February 12, 2015, we announced that our Board of Directors increased, by 25 million shares, the authorization to repurchase our common stock. We purchase shares in the open market and in privately negotiated transactions.

Dividends. Our Board of Directors declared and paid the following quarterly cash dividends in 2014: (1) $0.17 per share declared February 14 and paid March 28 to shareholders of record as of February 28; (2) $0.20 per share declared May 9 and paid June 27 to shareholders of record as of May 23; (3) $0.20 per share declared August 7 and paid September 26 to shareholders of record as of August 21; and (4) $0.20 per share declared November 7 and paid December 26 to shareholders of record on November 20. Our Board of Directors declared a cash dividend of $0.20 per share on February 12, 2015, payable on March 27, 2015 to shareholders of record on February 27, 2015.

Contractual Obligations and Off Balance Sheet Arrangements

Contractual Obligations

The following table summarizes our contractual obligations at year-end 2014:

		Payments Due by Period			
($ in millions)	Total	Less Than 1 Year	1-3 Years	3-5 Years	After 5 Years
Debt[1]	$ 4,248	$ 442	$ 755	$ 1,796	$ 1,255
Capital lease obligations[1]	8	1	2	2	3
Operating leases where we are the primary obligor:					
Recourse	844	115	206	157	366
Nonrecourse	233	14	29	28	162
Operating leases where we are secondarily liable	2	2	—	—	—

Purchase obligations	186	66	80	40	—
Other noncurrent liabilities	43	1	3	2	37
Total contractual obligations	$ 5,564	$ 641	$ 1,075	$ 2,025	$ 1,823

(1) Includes principal as well as interest payments.

The preceding table does not reflect unrecognized tax benefits at year-end 2014 of $10 million. See Footnote No. 6, "Income Taxes" for additional information.

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In addition to the purchase obligations noted in the preceding table, in the normal course of business we enter into purchase commitments to manage the daily operating needs of the hotels that we manage. Since we are reimbursed from the cash flows of the hotels, these obligations have minimal impact on our net income and cash flow.

Guarantee Commitments

The following table summarizes our guarantee commitments at year-end 2014:

		Amount of Guarantee Commitments Expiration by Period			
($ in millions)	Total Amounts Committed	Less Than 1 Year	1-3 Years	3-5 Years	After 5 Years
Total guarantees where we are the primary obligor	$ 149	$ 5	$ 24	$ 90	$ 30
Total guarantees where we are secondarily liable	127	26	49	39	13
Total guarantee commitments	$ 276	$ 31	$ 73	$ 129	$ 43

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 our actions or the actions of the other joint venture owner.

Investment Commitments

We also had the following investment commitments outstanding at year-end 2014:

		Amount of Investment Commitments Expected Funding by Period			
($ in millions)	Total Amounts Committed	Less Than 1 Year	1-3 Years	3-5 Years	After 5 Years
Total investment commitments	$ 68	$ 61	$ 7	$ —	$ —

For further information on our investment commitments, including the nature of the commitments and their expirations, see the "Commitments" caption in Footnote No. 7, "Commitments and Contingencies."

Letters of Credit

At year-end 2014, we also had $87 million of letters of credit outstanding (all outside the Credit Facility), the majority of which were for our self-insurance programs. Surety bonds issued as of year-end 2014 totaled $153 million, the majority of which federal, state, and local governments requested in connection with our self-insurance programs.

RELATED PARTY TRANSACTIONS

Equity Method Investments

We have equity method investments in entities that own properties for which we provide management and/or franchise services and receive fees. We also have equity method investments in entities that provide management and/or franchise services to hotels and receive fees. In addition, in some cases we provide loans, preferred equity, or guarantees to these entities. Undistributed earnings attributable to our equity method investments represented approximately $3 million of our consolidated retained earnings at year-end 2014. For other information on these equity method investments, including the impact to our financial statements of transactions with these related parties, see Footnote No. 17, "Related Party Transactions."

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our 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) we must make assumptions that were uncertain at the time the estimate was made; and (2) changes in the estimate, or selection of a different estimate methodology could have a material effect on our consolidated results of operations or financial condition.

While we believe that our estimates, assumptions, and judgments are reasonable, they are based on information available at the time the estimate or assumption was made. Actual results may differ significantly. Additionally, changes in our

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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.

Management has discussed the development and selection of its critical accounting policies with the Audit Committee of the Board of Directors, and the Audit Committee has reviewed the disclosure presented below relating to them.

See Footnote No. 2, "Summary of Significant Accounting Policies," for further information on our critical accounting policies and estimates, which are as follows:

Rewards Programs, including how members earn points, how we estimate the value of future redemption obligation, and how we recognize revenue for these programs;

Goodwill, including how we evaluate the fair value of reporting units and when we record an impairment loss on goodwill;

Intangibles and Long-Lived Assets, including how we evaluate the fair value of intangibles and long-lived assets and when we record impairment losses on intangibles and long-lived assets;

Investments, including information on how we evaluate the fair value of investments and when we record impairment losses on investments;

Loan Loss Reserves, including information on how we measure impairment on senior, mezzanine, and other loans of these types; and

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.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk from changes in interest rates, stock prices, currency exchange rates, and debt prices. We manage our exposure to these risks by monitoring available financing alternatives, through development and application of credit granting policies and by entering into derivative arrangements. We do not foresee any significant changes in either our exposure to fluctuations in interest rates or currency rates or how we manage such exposure in the future.

We are exposed to interest rate risk on our floating-rate notes receivable and floating-rate debt. Changes in interest rates also impact the fair value of our fixed-rate notes receivable and the fair value of our fixed-rate long-term debt.

We are also subject to risk from changes in debt prices from our investments in debt securities and fluctuations in stock price from our investment in a publicly traded company. Changes in the price of the underlying stock can impact the fair value of our investment. We account for our investments as available-for-sale securities under the guidance for accounting for certain investments in debt and equity securities. At year-end 2014, our investments had a fair value of $121 million.

We use derivative instruments, including cash flow hedges, net investment in non-U.S. operations hedges, and other derivative instruments, as part of our overall strategy to manage our exposure to market risks associated with fluctuations in interest rates and currency exchange rates. As a matter of policy, we only enter into transactions that we believe will be highly effective at offsetting the underlying risk, and we do not use

derivatives for trading or speculative purposes. See Footnote No. 2, "Summary of Significant Accounting Policies," for more information on derivative instruments.

The following table sets forth the scheduled maturities and the total fair value as of year-end 2014 for our financial instruments that are impacted by market risks:

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	Maturities by Period							
($ in millions)	2015	2016	2017	2018	2019	There-after	Total Carrying Amount	Total Fair Value
Assets - Maturities represent expected principal receipts, fair values represent assets.								
Fixed-rate notes receivable	$ 23	$ 72	$ 2	$ 3	$ 1	$ 38	$ 139	$ 138
Average interest rate							2.61%	
Floating-rate notes receivable	$ 4	$ —	$ —	$ —	$ —	$ 99	$ 103	$ 104
Average interest rate							3.48%	
Liabilities - Maturities represent expected principal payments, fair values represent liabilities.								
Fixed-rate debt	$ (324)	$ (297)	$ (301)	$ (9)	$ (606)	$ (1,169)	$ (2,706)	$ (2,502)
Average interest rate							4.14%	
Floating-rate debt	$ —	$ —	$ —	$ (1,072)	$ —	$ —	$ (1,072)	$ (1,072)
Average interest rate							0.43%	

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Item 8. Financial Statements and Supplementary Data.

The following financial information is included on the pages indicated:

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Report of Independent Registered Public Accounting Firm	53
Consolidated Statements of Income	54
Consolidated Statements of Comprehensive Income	55
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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Marriott International, Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting. The Company has designed its internal control over financial reporting to provide reasonable assurance on the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles.

The Company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the Company's transactions and dispositions of the Company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of inherent limitations in internal control over financial reporting, such controls may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of the Company's annual consolidated financial statements, management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014, based on criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the "COSO criteria").

Based on this assessment, management has concluded that, applying the COSO criteria, as of December 31, 2014, the Company's internal control over financial reporting was effective to provide reasonable assurance of the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Ernst & Young LLP, the independent registered public accounting firm that audited the Company's consolidated financial statements included in this report, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting, a copy of which appears on the following page.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Marriott International, Inc.

We have audited Marriott International, Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). Marriott International, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Marriott International, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Marriott International, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, shareholders' (deficit) equity and cash flows for each of the three fiscal years in the period ended December 31, 2014 of Marriott International, Inc. and our report dated February 19, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

McLean, Virginia
February 19, 2015

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Marriott International, Inc.

We have audited the accompanying consolidated balance sheets of Marriott International, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, shareholders' (deficit) equity and cash flows for each of the three fiscal years in the period ended December 31, 2014. 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 consolidated financial position of Marriott International, Inc. at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three fiscal years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Marriott International, Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 19, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

McLean, Virginia
February 19, 2015

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MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME
Fiscal Years 2014, 2013, and 2012
($ in millions, except per share amounts)

	December 31, 2014	December 31, 2013	December 28, 2012
REVENUES			
Base management fees [1]	$ 672	$ 621	$ 581
Franchise fees	745	666	607
Incentive management fees [1]	302	256	232
Owned, leased, and other revenue [1]	1,022	950	989
Cost reimbursements [1]	11,055	10,291	9,405
	13,796	12,784	11,814
OPERATING COSTS AND EXPENSES			
Owned, leased, and other-direct	775	729	785
Reimbursed costs [1]	11,055	10,291	9,405
Depreciation, amortization, and other [1]	148	127	102
General, administrative, and other [1]	659	649	582
	12,637	11,796	10,874
OPERATING INCOME	1,159	988	940
Gains and other income [1]	8	11	42
Interest expense [1]	(115)	(120)	(137)
Interest income [1]	30	23	17
Equity in earnings (losses) [1]	6	(5)	(13)
INCOME BEFORE INCOME TAXES	1,088	897	849
Provision for income taxes	(335)	(271)	(278)
NET INCOME	$ 753	$ 626	$ 571
EARNINGS PER SHARE-Basic			
Earnings per share	$ 2.60	$ 2.05	$ 1.77
EARNINGS PER SHARE-Diluted			
Earnings per share	$ 2.54	$ 2.00	$ 1.72

(1) See Footnote No. 17, "Related Party Transactions," to our Consolidated Financial Statements for disclosure of related party amounts.

See Notes to Consolidated Financial Statements.

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MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Fiscal Years 2014, 2013, and 2012
($ in millions)

	December 31, 2014	December 31, 2013	December 28, 2012
Net income	$ 753	$ 626	$ 571
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(41)	1	4
Other derivative instrument adjustments, net of tax	8	—	(2)
Unrealized gains on available-for-sale securities, net of tax	5	5	—
Reclassification of losses (gains), net of tax	2	(6)	2
Total other comprehensive (loss) income, net of tax	(26)	—	4
Comprehensive income	$ 727	$ 626	$ 575

See Notes to Consolidated Financial Statements.

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MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
Fiscal Years-Ended 2014 and 2013
($ in millions)

	December 31, 2014	December 31, 2013
ASSETS		
Current assets		
Cash and equivalents	$ 104	$ 126
Accounts and notes receivable, net (1)	1,100	1,081
Current deferred taxes, net	311	252
Prepaid expenses	64	67
Other (1)	109	27
Assets held for sale	233	350
	1,921	1,903
Property and equipment, net	1,460	1,543
Intangible assets		
Contract acquisition costs and other (1)	1,351	1,131
Goodwill	894	874
	2,245	2,005
Equity and cost method investments (1)	224	222
Notes receivable, net	215	142

Deferred taxes, net [1]	530	647
Other noncurrent assets [1]	270	332
	$ 6,865	$ 6,794
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Current portion of long-term debt	$ 324	$ 6
Accounts payable [1]	605	557
Accrued payroll and benefits	799	817
Liability for guest loyalty programs	677	666
Accrued expenses and other [1]	655	629
	3,060	2,675
Long-term debt	3,457	3,147
Liability for guest loyalty programs	1,657	1,475
Other noncurrent liabilities [1]	891	912
Shareholders' deficit		
Class A Common Stock	5	5
Additional paid-in-capital	2,802	2,716
Retained earnings	4,286	3,837
Treasury stock, at cost	(9,223)	(7,929)
Accumulated other comprehensive loss	(70)	(44)
	(2,200)	(1,415)
	$ 6,865	$ 6,794

[1] See Footnote No. 17, "Related Party Transactions," to our Consolidated Financial Statements for disclosure of related party amounts.

See Notes to Consolidated Financial Statements.

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MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Fiscal Years 2014, 2013, and 2012
($ in millions)

	December 31, 2014	December 31, 2013	December 28, 2012
OPERATING ACTIVITIES			
Net income	$ 753	$ 626	$ 571
Adjustments to reconcile to cash provided by operating activities:			
Depreciation, amortization, and other	148	127	102
Share-based compensation	109	116	94
Income taxes	71	73	224
Liability for guest loyalty program	175	99	60
Working capital changes	(120)	50	(137)
Other	88	49	75
Net cash provided by operating activities	1,224	1,140	989
INVESTING ACTIVITIES			
Capital expenditures	(411)	(296)	(437)
Dispositions	435	—	65

Loan advances	(103)	(7)	(17)
Loan collections	34	77	155
Equity and cost method investments	(6)	(16)	(15)
Contract acquisition costs	(65)	(61)	(61)
Acquisition of a business, net of cash acquired	(184)	(112)	(210)
Investment in debt security	—	(65)	—
Other	(13)	(39)	(65)
Net cash used in investing activities	(313)	(519)	(585)
FINANCING ACTIVITIES			
Commercial paper/Credit Facility, net	235	311	184
Issuance of long-term debt	394	345	936
Repayment of long-term debt	(7)	(407)	(370)
Issuance of Class A Common Stock	178	199	179
Dividends paid	(223)	(196)	(191)
Purchase of treasury stock	(1,510)	(834)	(1,145)
Other	—	(1)	(11)
Net cash used in financing activities	(933)	(583)	(418)
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	(22)	38	(14)
CASH AND EQUIVALENTS, beginning of period	126	88	102
CASH AND EQUIVALENTS, end of period	$ 104	$ 126	$ 88

See Notes to Consolidated Financial Statements.

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MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' (DEFICIT) EQUITY
Fiscal Years 2014, 2013, and 2012
(in millions)

Common Shares Outstanding		Total	Class A Common Stock	Additional Paid-in-Capital	Retained Earnings	Treasury Stock, at Cost	Accumulated Other Comprehensive (Loss) Income
333	Balance at December 30, 2011	$ (781)	$ 5	$ 2,513	$ 3,212	$ (6,463)	$ (48)
—	Net income	571	—	—	571	—	—
—	Other comprehensive income	4	—	—	—	—	4
—	Dividends	(158)	—	—	(158)	—	—
9.1	Employee stock plan issuance	236	—	69	(116)	283	—
(31.2)	Purchase of treasury stock	(1,160)	—	—	—	(1,160)	—
—	Spin-off of MVW [1]	3	—	3	—	—	—
310.9	Balance at December 28, 2012	(1,285)	5	2,585	3,509	(7,340)	(44)
—	Net income	626	—	—	626	—	—
—	Other comprehensive income	—	—	—	—	—	—
—	Dividends	(195)	—	—	(195)	—	—
7.1	Employee stock plan issuance	269	—	131	(103)	241	—
(20.0)	Purchase of treasury stock	(830)	—	—	—	(830)	—
298.0	Balance at December 31, 2013	(1,415)	5	2,716	3,837	(7,929)	(44)
—	Net income	753	—	—	753	—	—

—	Other comprehensive loss	(26)	—	—	—	—	(26)
—	Dividends	(223)	—	—	(223)	—	—
6.1	Employee stock plan issuance	211	—	86	(81)	206	—
(24.2)	Purchase of treasury stock	(1,500)	—	—	—	(1,500)	—
279.9	Balance at December 31, 2014	$ (2,200)	$ 5	$ 2,802	$ 4,286	$ (9,223)	$ (70)

(1) The abbreviation MVW means Marriott Vacations Worldwide Corporation.

See Notes to Consolidated Financial Statements.

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MARRIOTT INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The consolidated financial statements present the results of operations, financial position, and cash flows of Marriott International, Inc. ("Marriott," and together with its subsidiaries "we," "us," or the "Company"). In order to make this report easier to read, we refer throughout to (i) our Consolidated Financial Statements as our "Financial Statements," (ii) our Consolidated Statements of Income as our "Income Statements," (iii) our Consolidated Balance Sheets as our "Balance Sheets," (iv) our properties, brands, or markets in the United States and Canada as "North America" or "North American," and (v) our properties, brands, or markets outside of the United States and Canada as "international." In addition, references throughout to numbered "Footnotes" refer to the numbered Notes in these Notes to Consolidated Financial Statements, unless otherwise noted.

During the 2014 first quarter, we modified the information that our President and Chief Executive Officer, who is our "chief operating decision maker" ("CODM"), reviews to be consistent with our continent structure. This structure aligns our business around geographic regions and is designed to enable us to operate more efficiently and to accelerate our worldwide growth. We changed our operating segments to reflect this continent structure and have revised our business segment information for earlier periods to conform to our new business segment presentation. See Footnote No. 16, "Business Segments."

Preparation of financial statements that conform with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods, and the disclosures of contingent liabilities. Accordingly, ultimate results could differ from those estimates.

The accompanying Financial Statements reflect all normal and recurring adjustments necessary to present fairly our financial position at fiscal year-end 2014 and fiscal year-end 2013 and the results of our operations and cash flows for fiscal years 2014, 2013, and 2012. We have eliminated all material intercompany transactions and balances between entities consolidated in these Financial Statements.

We have made certain reclassifications to our prior year amounts to conform to our 2014 presentation. During 2014, we reclassified amounts attributable to depreciation and amortization that we previously reported under the "General, administrative, and other" and "Owned, leased, and other-direct" captions of our Income Statement to a separate "Depreciation, amortization, and other" caption. We continue to report depreciation amounts that third party owners reimburse to us under "Reimbursed costs" in our Income Statement. In the operating activities section of our Statement of Cash Flows, we reclassified depreciation that third-party owners reimburse to us from the "Depreciation, amortization, and other" caption to the "Other" caption. We also reclassified amounts from the previously presented "Working capital changes and other" caption to "Share-based compensation," "Working capital changes," and "Other" captions.

Fiscal Year

Beginning with our 2013 fiscal year, we changed our financial reporting cycle to a calendar year-end reporting cycle and an end-of-month quarterly reporting cycle. Accordingly, our 2013 fiscal year began on December 29, 2012 (the day after the end of the 2012 fiscal year) and ended on December 31, 2013. Historically, our fiscal year was a 52-53 week fiscal year that ended on the Friday nearest to December 31. As a result, our 2014 fiscal year had three fewer days than the 2013 fiscal year. We have not restated and do not plan to restate historical results.

The table below presents each completed fiscal year we refer to in this report, the date the fiscal year ended, and the number of days in that fiscal year, and unless otherwise specified, each reference to a particular year means the fiscal year ended on the date shown below:

Fiscal Year	Fiscal Year-End Date	Number of Days	Fiscal Year	Fiscal Year-End Date	Number of Days
2014	December 31, 2014	365	2009	January 1, 2010	364

2013	December 31, 2013	368	2008	January 2, 2009	371
2012	December 28, 2012	364	2007	December 28, 2007	364
2011	December 30, 2011	364	2006	December 29, 2006	364
2010	December 31, 2010	364	2005	December 30, 2005	364

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Beginning in 2014, our fiscal years are the same as the corresponding calendar year (each beginning on January 1 and ending on December 31, and containing 365 or 366 days).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Our revenues include: (1) base management and incentive management fees; (2) franchise fees (including licensing fees from MVW after the spin-off of $60 million for 2014, $61 million for 2013 and $61 million for 2012); (3) revenues from lodging properties we own or lease; and (4) cost reimbursements. Management fees are typically composed of a base fee, which is a percentage of the revenues of hotels, and an incentive fee, which is generally based on hotel profitability. Franchise fees are typically composed of initial application fees and continuing royalties generated from our franchise programs, which permit the hotel owners and operators to use certain of our brand names. Cost reimbursements include direct and indirect costs that are reimbursed to us by properties that we manage, franchise, or license.

Base Management and Incentive Management Fees: We recognize base management fees as revenue when we earn them under the contracts. In interim periods and at year-end, we recognize incentive management fees that would be due as if the contracts were to terminate at that date, exclusive of any termination fees payable or receivable by us.

Franchise Fee and License Fee Revenue: We recognize franchise fees and license fees as revenue in each accounting period as we earn those fees from the franchisee or licensee under the contracts.

Owned and Leased Units: We recognize room sales and revenues from other guest services for our owned and leased units when rooms are occupied and when we have rendered the services.

Cost Reimbursements: We recognize cost reimbursements from managed, franchised, and licensed properties when we incur the related reimbursable costs. These costs primarily consist of payroll and related expenses at managed properties where we are the employer and also include certain operational and administrative costs as provided for in our contracts with the owners. As these costs have no added markup, the revenue and related expense have no impact on either our operating or net income.

Other Revenue: Includes other third-party licensing fees, branding fees for third-party residential sales and credit card licensing, land rental income, and other revenue. We generally recognize other revenue as services are rendered and when collection is reasonably assured. Amounts received in advance are deferred as liabilities.

Real Estate Sales

We reduce gains on sales of real estate by our maximum exposure to loss if we have continuing involvement with the property and do not transfer substantially all of the risks and rewards of ownership. In sales transactions where we retain a management contract, the terms and conditions of the management contract are generally comparable to the terms and conditions of the management contracts obtained directly with third-party owners in competitive bid processes.

Rewards Programs

Marriott Rewards and The Ritz-Carlton Rewards are our frequent guest loyalty programs. Program members earn points based on the money they spend at our hotels, purchases of timeshare interval, fractional ownership, and residential products and, to a lesser degree, through participation in affiliated partners' programs, such as those offered by car rental and credit card companies. Members can redeem points, which we track on their behalf, for stays at most of our hotels, airline tickets, airline frequent flyer program miles, rental cars, and a variety of other awards. Points cannot be redeemed for cash. We provide Marriott Rewards and The Ritz-Carlton Rewards as marketing programs to participating properties, with the objective of operating the programs on a break-even basis to us. We sell the points for amounts that we expect will, in the aggregate, equal the costs of point redemptions and program operating costs over time.

We defer revenue we receive from managed, franchised, and Marriott-owned/leased hotels and program partners. Our management and franchise agreements require that properties reimburse us currently for the costs of operating the rewards programs, including marketing, promotion, communication with, and performing member services for rewards program members. Due to the requirement that properties reimburse us for program operating costs as incurred, we recognize the related cost reimbursements revenues from properties for our rewards programs when we incur and expense such costs. We also recognize the component of revenue from program partners that corresponds to program maintenance

services when we incur and expense such costs. When points are redeemed we recognize the amounts we previously deferred as revenue and the corresponding expense relating to the costs of the awards redeemed.

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The recorded liability related to these programs totaled $2,334 million at year-end 2014 and $2,141 million at year-end 2013. We estimate the reasonableness and the value of the future redemption obligations using statistical formulas that project timing of future point redemptions based on historical levels, including an estimate of the "breakage" for points that members will never redeem, and an estimate of the points that members will eventually redeem. A ten percent reduction in the estimate of "breakage" would have increased the estimated year-end 2014 liability by $142 million.

Profit Sharing Plan

We contribute to a profit sharing plan for the benefit of employees meeting certain eligibility requirements who elect to participate in the plan. Participating employees specify the percentage of salary deferred. We recognized compensation costs from profit sharing of $76 million in 2014, $75 million in 2013, and $69 million in 2012.

Non-U.S. Operations

The U.S. dollar is the functional currency of our consolidated and unconsolidated entities operating in the United States. The functional currency of our consolidated and unconsolidated entities operating outside of the United States is generally the principal currency of the economic environment in which the entity primarily generates and expends cash. We translate the financial statements of consolidated entities whose functional currency is not the U.S. dollar into U.S. dollars, and we do the same, as needed, for unconsolidated entities whose functional currency is not the U.S. dollar. We translate assets and liabilities at the exchange rate in effect as of the financial statement date, and translate income statement 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 shareholders' equity. We report gains and losses from currency exchange rate changes for 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, and those amounted to losses of $16 million in 2014, $5 million in 2013, and $3 million in 2012. Gains and other income attributable to currency translation adjustment losses, net of gains, from the sale or complete or substantially complete liquidation of investments was zero for both 2014 and 2013 and $1 million for 2012.

Share-Based Compensation

We grant share-based compensation awards at exercise prices or strike prices that equal the market price of our common stock on the date of grant. For all share-based awards, we measure compensation costs for our share-based payment transactions at fair value on the grant date, and we recognize those costs in our Financial Statements over the vesting period during which the employee provides service ("the service period") in exchange for the award.

On the grant date, we use a binomial lattice-based valuation model to estimate the fair value of each stock appreciation right and stock option granted. This valuation model uses a range of possible stock price outcomes over the term of the award, discounted back to a present value using a risk-free rate. Because of the limitations with closed-form valuation models, such as the Black-Scholes model, we have determined that this more flexible binomial model provides a better estimate of the fair value of our stock appreciation rights and stock options because it takes into account employee and non-employee director exercise behavior based on changes in the price of our stock and also allows us to use other dynamic assumptions. See Footnote No. 5, "Share-Based Compensation" for further information.

Income Taxes

We record the amounts of taxes payable or refundable for the current year, as well as deferred tax liabilities and assets for the future tax consequences of events we have recognized in our Financial Statements or tax returns, using judgment in assessing future profitability and the likely future tax consequences of those events. 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 our deferred tax liabilities or the valuations of our 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

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likely than not threshold. We recognize accrued interest and penalties for our unrecognized tax benefits as a component of tax expense. See Footnote No. 6, "Income Taxes," for further information.

Cash and Equivalents

We consider all highly liquid investments with an initial maturity of three months or less at date of purchase to be cash equivalents.

Accounts Receivable

Our accounts receivable primarily consist of amounts due from hotel owners with whom we have management and franchise agreements and include reimbursements of costs we incurred on behalf of managed and franchised properties. We generally collect these receivables within 30 days. We record an accounts receivable reserve when losses are probable, based on an assessment of historical collection activity and current business conditions. Our accounts receivable reserve was $33 million at year-end 2014 and $43 million at year-end 2013.

Assets Held for Sale

We consider properties to be assets held for sale when (1) management commits to a plan to sell the property; (2) it is unlikely that the disposal plan will be significantly modified or discontinued; (3) the property is available for immediate sale in its present condition; (4) actions required to complete the sale of the property have been initiated; (5) sale of the property is probable and we expect the completed sale will occur within one year; and (6) the property is actively being marketed for sale at a price that is reasonable given our estimate of current market value. Upon designation of a property as an asset held for sale, we record the property's value at the lower of its carrying value or its estimated fair value, less estimated costs to sell, and we cease depreciation. See Footnote No. 3, "Acquisitions and Dispositions" for additional information on planned dispositions.

Goodwill

We assess goodwill for potential impairment at the end of each fiscal year, or during the year if an event or other circumstance indicates that we may not be able to recover the carrying amount of the net assets of the reporting unit. In evaluating goodwill for impairment, we first assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. If we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then we perform a two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment we will recognize, if any. At year-end 2014 and year-end 2013, we concluded that it was not more likely than not that the fair value of any reporting unit was less than its carrying value.

In the first step of the two-step goodwill impairment test ("Step 1"), we compare the estimated fair value of the reporting unit with its carrying value. If the estimated fair value of the reporting unit exceeds its carrying amount, no further analysis is needed. If, however, the estimated fair value of the reporting unit is less than its carrying amount, we proceed to the second step and calculate the implied fair value of the reporting unit goodwill to determine whether any impairment is required. We calculate the implied fair value of the reporting unit goodwill by allocating the estimated fair value of the reporting unit to all of the unit's assets and liabilities as if the unit had been acquired in a business combination. If the carrying value of the reporting unit's goodwill exceeds the implied fair value of the goodwill, we recognize an impairment loss in the amount of that excess. In allocating the estimated fair value of the reporting unit to all of the assets and liabilities of the reporting unit, we use industry and market data, as well as knowledge of the industry and our past experience.

We calculate the estimated fair value of a reporting unit using the income approach. For the income approach, we use internally developed discounted cash flow models that include the following assumptions, among others: projections of revenues, expenses, and related cash flows based on assumed long-term growth rates and demand trends; expected future investments to grow new units; 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.

We have had no goodwill impairment charges for the last three fiscal years, and as of the date of each of the most recent Step 1 tests, the estimated fair value of each of our reporting units significantly exceeded its respective carrying amount based on our models and assumptions. A ten percent change in our estimates of future cash flows or other significant assumptions would not reduce the fair value of any of our reporting units below carrying value.

Intangibles and Long-Lived Assets

We assess indefinite-lived intangible assets for potential impairment and continued indefinite use at the end of each fiscal year, or during the year if an event or other circumstance indicates that we may not be able to recover the carrying amount of the asset. Similar to goodwill, we first assess qualitative factors to determine whether it is more likely than not that the fair

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value of the indefinite-lived intangible is less than its carrying amount. If the carrying value of the asset exceeds the implied fair value, we recognize an impairment loss in the amount of that excess.

We test definite-lived intangibles and long-lived asset groups for recoverability when changes in circumstances indicate that we may not be

able to recover the carrying value; for example, when there are material adverse changes in projected revenues or expenses, significant under performance relative to historical or projected operating results, or significant negative industry or economic trends. We also test recoverability when management has committed to a plan to sell or otherwise dispose of an asset group and we expect to complete the plan 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 the asset group will generate. If the comparison indicates that we will not be able to recover the carrying value of an asset group, we recognize an impairment loss for the amount by which the carrying value exceeds 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.

We calculate the estimated fair value of an intangible asset or asset group using the income approach or the market approach. We utilize the same assumptions and methodology for the income approach that we describe in the "Goodwill" caption. For the market approach, we use internal analyses based primarily on market comparables and assumptions about market capitalization rates, growth rates, and inflation.

Investments

We may hold an equity interest in ventures established to develop or acquire and own hotel properties. These ventures are generally limited liability companies or limited partnerships. We account for investments in such entities using the cost method of accounting when we own a minimal investment and the equity method of accounting when we own more than a minimal investment. We account for investments in other ventures using the equity method of accounting when we exercise significant influence over the entities. If we do not exercise significant influence, we account for the investment using the cost method of accounting. We consolidate entities that we control.

Under the accounting guidance for the consolidation of variable interest entities, we analyze our variable interests, including equity investments, loans, and guarantees, 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 analysis to determine if we must consolidate a variable interest entity as its primary beneficiary.

We evaluate an investment for impairment when circumstances indicate that we may not be able to recover the carrying value. For example, when evaluating our ventures, we consider loan defaults, significant under-performance relative to historical or projected operating performance, or significant negative industry or economic trends.

We impair investments we account for using the equity and cost methods of accounting when we determine that there has been an "other-than-temporary" decline in the venture's estimated fair value compared to its carrying value. Additionally, a venture's commitment to a plan to sell some or all of its assets could cause us to evaluate the recoverability of the venture's individual long-lived assets and possibly the venture itself.

We calculate the estimated fair value of an investment using either a market approach or an income approach. We utilize the same assumptions and methodology for the income approach that we describe in the "Goodwill" caption. For the market approach, we use internal analyses based primarily on market comparables and assumptions about market capitalization rates, growth rates, and inflation.

For investments in securities classified as available-for-sale, we determine the cost basis of the securities sold using specific identification, meaning that we track our securities individually.

Fair Value Measurements

We have various financial instruments we must measure at fair value on a recurring basis, including certain marketable securities and derivatives. See Footnote No. 14, "Fair Value of Financial Instruments" for further information. We also apply the provisions of fair value measurement to various nonrecurring measurements for our financial and nonfinancial assets and liabilities.

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.

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- 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.

Derivative Instruments

We record derivatives at fair value. The designation of a derivative instrument as a hedge and its ability to meet the hedge accounting criteria determine how we reflect the change in fair value of the derivative instrument in our Financial Statements. A derivative qualifies for hedge

accounting if, at inception, we expect the derivative will be highly effective in offsetting the underlying hedged cash flows or fair value and we fulfill the hedge documentation standards at the time we enter into the derivative contract. We designate a hedge as a cash flow hedge, fair value hedge, or a net investment in non-U.S. operations hedge based on the exposure we are hedging. For the effective portion of qualifying cash flow hedges, we record changes in fair value in other comprehensive income ("OCI"). We release the derivative's gain or loss from OCI to match the timing of the underlying hedged items' effect on earnings.

We review the effectiveness of our hedging instruments quarterly, recognize current period hedge ineffectiveness immediately in earnings, and discontinue hedge accounting for any hedge that we no longer consider to be highly effective. We recognize changes in fair value for derivatives not designated as hedges or those not qualifying for hedge accounting in current period earnings. Upon termination of cash flow hedges, we release gains and losses from OCI based on the timing of the underlying cash flows or revenue recognized, unless the termination results from the failure of the intended transaction to occur in the expected time frame. Such untimely transactions require us to immediately recognize in earnings the gains and/or losses that we previously recorded in OCI.

Changes in interest rates, currency exchange rates, and equity securities expose us to market risk. We manage our exposure to these risks by monitoring available financing alternatives, as well as through development and application of credit granting policies. We also use derivative instruments, including cash flow hedges, net investment in non-U.S. operations hedges, fair value hedges, and other derivative instruments, as part of our overall strategy to manage our exposure to market risks. As a matter of policy, we only enter into transactions that we believe will be highly effective at offsetting the underlying risk, and we do not use derivatives for trading or speculative purposes.

Loan Loss Reserves

We may make senior, mezzanine, and other loans to owners of hotels that we operate or franchise, generally to facilitate the development of a hotel and sometimes to facilitate brand programs or initiatives. We expect the owners to repay the loans in accordance with the loan agreements, or earlier as the hotels mature and capital markets permit. We use metrics such as loan-to-value ratios and debt service coverage, and other information about collateral and from third party rating agencies to assess the credit quality of the loan receivable, both upon entering into the loan agreement and on an ongoing basis as applicable.

On a regular basis, we individually assess loans for impairment. We use internally generated cash flow projections to determine if we expect the loans to be repaid under the terms of the loan agreements. If we conclude that it is probable a borrower will not repay a loan in accordance with its terms, 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 collateral is less than the carrying value of the loan receivable, we establish a specific impairment reserve for the difference.

If it is likely that a loan will not be collected based on financial or other business indicators, including our historical experience, our policy is to charge off the loan in the quarter in which we deem it uncollectible.

Guarantees

We measure and record our liability for the fair value of a guarantee on a nonrecurring basis, that is when we issue or modify a guarantee, using Level 3 internally developed inputs, as described above in this footnote under the heading "*Fair Value Measurements*." We base our calculation of the estimated fair value of a guarantee on the income approach or the market approach, depending on the type of guarantee. For the income approach, we use internally developed discounted cash flow and Monte Carlo simulation models that include the following assumptions, among others: projections of revenues and expenses and related cash flows based on assumed growth rates and demand trends; historical volatility of projected performance; the guaranteed obligations; and applicable discount rates. We base these assumptions on our historical data and experience, industry projections, micro and macro general economic condition projections, and our expectations. For the market approach,

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we use internal analyses based primarily on market comparable data and our assumptions about market capitalization rates, credit spreads, growth rates, and inflation.

The offsetting entry for the guarantee liability depends on the circumstances in which the guarantee was issued. Funding under the guarantee reduces the recorded liability. In most cases, when we do not forecast any funding, we amortize the liability into income on a straight-line basis over the remaining term of the guarantee. 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 record a loss except to the extent that the applicable contracts provide that the advance can be recovered as a loan.

Self-Insurance Programs

We self-insure for certain levels of property, liability, workers' compensation and employee medical coverage. We accrue estimated costs of these self-insurance programs at the present value of projected settlements for known and incurred but not reported claims. We use a discount rate of 2.0 percent to determine the present value of the projected settlements, which we consider to be reasonable given our history of settled claims, including payment patterns and the fixed nature of the individual settlements.

We are subject to a variety of assessments for our insurance activities, including those by state guaranty funds and workers' compensation second-injury funds. We record our liabilities for these assessments in our Balance Sheets within the other current liabilities line. These liabilities, which are not discounted, totaled $4 million at year-end 2014 and $5 million at year-end 2013. As of year-end 2014, we expect to pay the $4

million liability for assessments by the end of 2015.

Legal Contingencies

We are subject to various legal proceedings and claims, the outcomes of which are uncertain. We record an accrual for legal contingencies when we determine that it is probable that we have incurred a liability and we can reasonably estimate the amount of the loss. In making such determinations we evaluate, among other things, the probability of an unfavorable outcome and, when we believe it 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.

Business Combinations

We allocate the purchase price of an acquisition to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. We recognize as goodwill the amount by which the purchase price of an acquired entity exceeds the net of the amounts assigned to the assets acquired and liabilities assumed. In determining the fair values of assets acquired and liabilities assumed, we use various recognized valuation methods including the income and market approaches. Further, we make assumptions within certain valuation techniques, including discount rates, royalty rates, and timing of future cash flows. We record the net assets and results of operations of an acquired entity in our Financial Statements from the acquisition date. We initially perform these valuations based upon preliminary estimates and assumptions by management or independent valuation specialists under our supervision, where appropriate, and make revisions as estimates and assumptions are finalized. We expense acquisition-related costs as incurred.

New Accounting Standards

Accounting Standards Update No. 2014-09 - "Revenue from Contracts with Customers" ("ASU No. 2014-09")

ASU No. 2014-09 supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, as well as most industry-specific guidance, and significantly enhances comparability of revenue recognition practices across entities and industries by providing a principles-based, comprehensive framework for addressing revenue recognition issues. In order for a provider of promised goods or services to recognize as revenue the consideration that it expects to receive in exchange for the promised goods or services, the provider should apply the following five steps: (1) identify the contract with a customer or customers; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. ASU No. 2014-09 also specifies the accounting for some costs to obtain or fulfill a contract with a customer and provides enhanced disclosure requirements. ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period, which for us will be our 2017 first quarter. We are permitted to use the retrospective or modified retrospective method when adopting ASU No. 2014-09. We are still assessing the potential impact that ASU No. 2014-09 will have on our financial statements and disclosures.

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3. ACQUISITIONS AND DISPOSITIONS

2015 Planned Acquisition

On January 27, 2015, we entered into definitive agreements to acquire the Delta Hotels and Resorts brand, management and franchise business, together with related intellectual property, from Delta Hotels Limited Partnership, a subsidiary of British Columbia Investment Management Corporation ("bcIMC") for C$168 million (approximately $135 million at signing). We expect that the transaction, which remains subject to regulatory approval and other customary closing conditions, will close in the second quarter of 2015. At closing we expect to add 38 open hotels and resorts with over 10,000 rooms across Canada, 28 of which are managed (including 13 under new 30-year management agreements with bcIMC-affiliated entities) and 10 of which are franchised, plus five hotels under development (including one under a new 30-year management agreement with a bcIMC-affiliated entity).

2014 Acquisitions

In the 2014 second quarter, we acquired the Protea Hotel Group's brands and hotel management business ("Protea Hotels") for $193 million (ZAR 2.046 billion) in cash and provisionally recognized approximately: $184 million (ZAR 1.943 billion) in intangible assets, consisting of deferred contract acquisition costs of $91 million (ZAR 960 million), a brand intangible of $73 million (ZAR 772 million), and goodwill of $20 million (ZAR 211 million); and $9 million (ZAR 103 million) of tangible assets consisting of property and equipment, equity method investments, and other current assets at the acquisition date. Our accounting for the acquisition has not been finalized as we continue to evaluate the assumptions used in determining the fair value of the intangible assets. As part of the transaction, Protea Hospitality Holdings created an independent property ownership company that retained ownership of the hotels Protea Hospitality Holdings formerly owned, and entered into long-term management and lease agreements with us for these hotels. The property ownership company also retained a number of minority interests in other Protea-managed hotels. As a result of the transaction, we added 113 hotels (10,016 rooms) across three brands in South Africa and six other Sub-Saharan African countries to our International segment portfolio and currently manage 45 percent, franchise 39 percent, and lease 16 percent of those rooms.

In the 2014 fourth quarter, we acquired a property under-construction in Brazil for $31 million (R$74 million) in cash. We have committed to fund a portion of the development of this property, as discussed in Footnote No. 7, "Commitments and Contingencies."

2014 Dispositions and Planned Dispositions as of Year-End 2014

In the 2014 first quarter, we sold The London EDITION to a third party, received approximately $230 million in cash, and simultaneously entered into definitive agreements to sell The Miami Beach and The New York (Madison Square Park) EDITION hotels upon completion of construction to the same third party. The total sales price for the three EDITION hotels will be approximately $816 million. We completed the sale of The Miami Beach EDITION for cash proceeds of $230 million during the first quarter of 2015. We expect to sell The New York (Madison Square Park) EDITION in the first half of 2015 when we anticipate that construction will be substantially complete. We will retain long-term management agreements for each of the three hotels sold. During 2014, we evaluated the three hotels for recovery and recorded a $25 million net impairment charge, primarily attributable to The Miami Beach EDITION, in the "Depreciation, amortization, and other" caption of our Income Statements as our cost estimates exceed our total fixed sales price. We did not allocate the charge to any of our segments.

In the 2014 fourth quarter, we sold a portion of The Miami Beach EDITION residences and received approximately $100 million in cash. We expect to sell the remaining units during 2015.

In the 2014 fourth quarter, we sold for approximately $42 million in cash a land parcel to a third-party that agreed to develop a property. We retained certain repurchase rights in the event the buyer breaches covenants. We reclassified the property to "Other" current assets and offset this amount with a liability for the cash received.

In the 2014 first quarter, we sold our right to acquire the landlord's interest in a leased real estate property and certain attached assets of the property, consisting of $106 million (€77 million) in property and equipment and $48 million (€35 million) in liabilities. We received $62 million (€45 million) in cash and transferred $45 million (€33 million) of related obligations. We continue to operate the property under a long-term management agreement.

At year-end 2014, we had $233 million in assets related to The Miami Beach EDITION hotel and residences (the hotel representing $157 million in property and equipment and $17 million in current assets) classified in the "Assets held for sale" caption of the Balance Sheet and $26 million in liabilities (the hotel representing $14 million) classified in liabilities held for sale in the "Accrued expenses and other" caption of the Balance Sheet. We did not classify The New York (Madison Square

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Park) EDITION assets and liabilities as held for sale because the hotel is under construction and not yet available for immediate sale in its present condition.

At year-end 2013, we had $350 million in assets and $61 million in liabilities held for sale, classified as described in the preceding 2014 discussion. The London EDITION consisted of $244 million in assets and $13 million in liabilities held for sale and the leased real estate landlord interest represented $106 million (€77 million) in assets and $48 million (€35 million) in liabilities.

2013 Acquisition

In 2013, we acquired a North American Full-Service managed property for $115 million in cash. We plan to renovate the hotel in 2015 with the intent to highlight our brand strategies.

2012 Acquisitions

In 2012, we acquired the Gaylord Hotels brand and hotel management company from Gaylord Entertainment Company (subsequently renamed Ryman Hospitality Properties, Inc.) ("Ryman Hospitality") for $210 million in cash and recognized $210 million in intangible assets, primarily reflecting deferred contract acquisition costs. Ryman Hospitality continues to own the Gaylord hotels, which we manage under the Gaylord brand under long-term management agreements. This transaction added four hotels and approximately 7,800 rooms to our North American Full-Service segment, and included our entering into management agreements for several attractions at the Gaylord Opryland in Nashville, consisting of a showboat, a golf course, and a saloon. As part of the transaction, we also assumed management of another hotel owned by Ryman Hospitality, the Inn at Opryland, with approximately 300 rooms.

In 2012, we acquired land for $32 million in cash that we expect will be developed into a hotel. Earlier in 2012, we also acquired land and a building we plan to develop into a hotel for $160 million in cash. In conjunction with the latter acquisition, we had also made a cash deposit of $6 million late in 2011.

2012 Dispositions

In 2012, we completed the sale of our equity interest in a North American Limited-Service joint venture (formerly two joint ventures which were merged before the sale), and we amended certain provisions of the management agreements for the underlying hotel portfolio. As a result of

this transaction, we received cash proceeds of $96 million, including $30 million of proceeds which is refundable by us over the term of the management agreements if the hotel portfolio does not meet certain quarterly hotel performance thresholds. To the extent the hotel portfolio meets the quarterly hotel performance thresholds, we will recognize the $30 million of proceeds over the remaining term of the management agreements as base fee revenue. In 2012, we recognized a gain of $41 million, which consisted of: (1) $20 million of gain that we deferred in 2005 because we retained the equity interest following the original sale of land to one of the joint ventures and because there were contingencies for the 2005 transaction that expired with this sale; and (2) $21 million of gain on the sale of the equity interest. We also recognized base management fee revenue totaling $7 million, most of which we had deferred in earlier periods, but which we earned in conjunction with the sale.

We also sold our ExecuStay corporate housing business in 2012. Neither the sales price nor the gain we recognized was material to our results of operations and cash flows. The revenues, results of operations, assets, and liabilities of our ExecuStay business also were not material to our financial position, results of operations or cash flows for any of the periods presented, and accordingly we did not reflect ExecuStay as a discontinued operation.

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4. EARNINGS PER SHARE

The table below illustrates the reconciliation of the earnings and number of shares used in our calculations of basic and diluted earnings per share:

	2014	2013	2012
(in millions, except per share amounts)			
Computation of Basic Earnings Per Share			
Net income	$ 753	$ 626	$ 571
Weighted average shares outstanding	289.9	305.0	322.6
Basic earnings per share	$ 2.60	$ 2.05	$ 1.77
Computation of Diluted Earnings Per Share			
Net income	$ 753	$ 626	$ 571
Weighted average shares outstanding	289.9	305.0	322.6
Effect of dilutive securities			
Stock option and appreciation right plans	3.1	4.0	6.1
Deferred stock incentive plans	0.7	0.8	0.9
Restricted stock units	3.1	3.2	3.3
Shares for diluted earnings per share	296.8	313.0	332.9
Diluted earnings per share	$ 2.54	$ 2.00	$ 1.72

We compute the effect of dilutive securities using the treasury stock method and average market prices during the period. We have excluded the following antidilutive stock options and stock appreciation rights in our calculation of diluted earnings per share because their exercise prices were greater than the average market prices for the applicable periods:

(a) for 2014, zero options and stock appreciation rights;

(b) for 2013, 0.4 million options and stock appreciation rights; and

(c) for 2012, 1.0 million options and stock appreciation rights.

5. SHARE-BASED COMPENSATION

Under our Stock and Cash Incentive Plan (the "Stock Plan"), we award: (1) stock options (our "Stock Option Program") to purchase our Class A Common Stock (our "common stock"); (2) stock appreciation rights ("SARs") for our common stock (our "SAR Program"); (3) restricted stock units ("RSUs") of our common stock; and (4) deferred stock units. We also issue performance-based RSUs ("PSUs") to named executive officers and some of their direct reports under the Stock Plan. We grant awards at exercise prices or strike prices that equal the market price of our common stock on the date of grant.

During 2014, we granted 1.9 million RSUs, 0.3 million PSUs, 0.3 million SARs, and 0.1 million stock options.

We recorded share-based compensation expense for award grants of $109 million in 2014, $116 million in 2013, and $94 million in 2012. Deferred compensation costs for unvested awards totaled $114 million at year-end 2014 and $108 million at year-end 2013. As of year-end 2014,

we expect to recognize these deferred compensation expenses over a weighted average period of two years.

We present the tax benefits and costs resulting from the exercise or vesting of share-based awards as financing cash flows. The exercise of share-based awards resulted in tax benefits of $92 million in 2014, $121 million in 2013, and $71 million in 2012.

We received cash from the exercise of stock options of $178 million in 2014, $199 million in 2013, and $179 million in 2012.

RSUs

We issue RSUs under the Stock Plan to certain officers and key employees, and those units vest generally over four years in equal annual installments commencing one year after the grant date. We recognize compensation expense for RSUs over the

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service period equal to the fair market value of the stock units on the date of issuance. Upon vesting, RSUs convert to shares of our common stock which we distribute from treasury shares. In addition to being subject to pro-rata annual vesting conditioned on continued service consistent with the standard form of RSUs, PSUs are also subject to the satisfaction of certain performance conditions based on achievement of pre-established targets for EBITDA, RevPAR Index, room openings, and net administrative expense over, or at the end of, a three-year vesting period. The following information on RSUs includes PSUs.

We had deferred compensation costs for RSUs of approximately $109 million at year-end 2014 and $102 million at year-end 2013. The weighted average remaining term for RSU grants outstanding at year-end 2014 was two years.

The following table provides additional information on RSUs for the last three fiscal years:

	2014	2013	2012
Share-based compensation expense (in millions)	$ 98	$ 101	$ 83
Weighted average grant-date fair value (per RSU)	$ 52	$ 38	$ 35
Aggregate intrinsic value of converted and distributed RSUs (in millions)	$ 144	$ 125	$ 91

The following table presents the 2014 changes in our outstanding RSU grants and the associated weighted average grant-date fair values:

	Number of RSUs (in millions)	Weighted Average Grant-Date Fair Value (per RSU)
Outstanding at year-end 2013	6.8	$ 35
Granted during 2014 [1]	2.2	52
Distributed during 2014	(2.8)	31
Forfeited during 2014	(0.2)	39
Outstanding at year-end 2014	6.0	$ 42

[1] Includes 0.3 million PSUs granted to named executive officers.

Stock Options and SARs

We may grant employee stock options to officers and key employees at exercise prices or strike prices that equal the market price of our common stock on the grant date. Non-qualified options generally expire 10 years after the grant date, except those we issued from 1990 through 2000, which expire 15 years after their grant date. Most stock options under the Stock Option Program may be exercised in cumulative installments of one quarter at the end of each of the first four years following the grant date.

We recognized compensation expense for employee stock options of $2 million in 2014, $2 million in 2013, and $1 million in 2012. We had deferred compensation costs for employee stock options of $2 million at year-end 2014 and $2 million at year-end 2013. When holders exercise stock options we issue shares from treasury shares.

The following table presents the 2014 changes in our outstanding Stock Option Program awards and the associated weighted average exercise prices:

	Number of Stock Options (in millions)	Weighted Average Exercise Price (per Option)
Outstanding at year-end 2013	4.6	$ 22

Granted during 2014	0.1	53
Exercised during 2014	(4.0)	20
Forfeited during 2014	—	—
Outstanding at year-end 2014	0.7	$ 36

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The following table presents the stock options issued under the Stock Option Program awards outstanding and exercisable at year-end 2014:

	Outstanding			Exercisable		
Range of Exercise Prices	Number of Stock Options (in millions)	Weighted Average Exercise Price (per Option)	Weighted Average Remaining Life (in years)	Number of Stock Options (in millions)	Weighted Average Exercise Price (per Option)	Weighted Average Remaining Life (in years)
$ 13 to $ 22	—	$ 17	1	—	$ 17	1
23 to 35	0.5	32	5	0.3	30	4
36 to 53	0.2	45	8	—	41	6
$ 13 to $ 53	0.7	$ 36	6	0.3	$ 32	4

The following table presents the number of stock options we granted in the last three fiscal years and the associated weighted average grant-date fair values and weighted average exercise prices:

	2014	2013	2012
Options granted	75,861	96,960	255,761
Weighted average grant-date fair value (per option)	$ 17	$ 13	$ 12
Weighted average exercise price (per option)	$ 53	$ 39	$ 35

The following table presents the intrinsic value (the amount by which the market price of the underlying common stock exceeded the aggregate exercise price of the stock option) of all outstanding stock options and of exercisable stock options at year-end 2014 and 2013:

($ in millions)	2014	2013
Outstanding stock options	$ 28	$ 126
Exercisable stock options	$ 14	$ 121

Stock options exercised during the last three years had total intrinsic values of approximately $160 million in 2014, $131 million in 2013, and $158 million in 2012.

We may grant SARs to officers and key employees ("Employee SARs") at exercise prices or strike prices equal to the market price of our common stock on the grant date. Employee SARs expire ten years after the grant date 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 grant date. We may grant SARs to directors ("Director SARs") at exercise prices or strike prices equal to the market price of our common stock on the grant date. Director SARs generally expire ten years after the date of grant and vest upon grant; however, they are generally not exercisable until one year after grant. On exercise of SARs, holders receive the number of shares of our common stock equal to the number of SARs that are being exercised multiplied by the quotient of (a) the stock price on the date of exercise minus the exercise price, divided by (b) the stock price on the date of exercise.

We recognized compensation expense for Employee SARs and Director SARs of $8 million in 2014, $12 million in 2013, and $9 million in 2012. We had deferred compensation costs related to SARs of approximately $3 million in 2014 and $4 million in 2013. Upon the exercise of SARs, we issue shares from treasury shares.

The following table presents the 2014 changes in our outstanding SARs and the associated weighted average exercise prices:

	Number of SARs (in millions)	Weighted Average Exercise Price
Outstanding at year-end 2013	6.4	$ 32
Granted during 2014	0.3	53
Exercised during 2014	(0.9)	31

Forfeited during 2014	—	—
Outstanding at year-end 2014	5.8	$ 33

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The following tables show the number of Employee SARs and Director SARs we granted in the last three fiscal years, the associated weighted average exercise prices, and the associated weighted average grant-date fair values:

Employee SARs	**2014**	**2013**	**2012**
Employee SARs granted (in millions)	0.3	0.7	1.0
Weighted average exercise price (per SAR)	$ 53	$ 39	$ 35
Weighted average grant-date fair value (per SAR)	$ 17	$ 13	$ 12
Director SARs	**2014**	**2013**	**2012**
Director SARs granted	3,277	5,903	5,915
Weighted average exercise price (per SAR)	$ 59	$ 44	$ 39
Weighted average grant-date fair value (per SAR)	$ 22	$ 15	$ 14

Outstanding SARs had total intrinsic values of $264 million at year-end 2014 and $111 million at year-end 2013. Exercisable SARs had total intrinsic values of $197 million at year-end 2014 and $82 million at year-end 2013. SARs exercised during 2014 had total intrinsic values of $33 million and SARs exercised in 2013 had total intrinsic values of $6 million.

We used the following assumptions to determine the fair value of the SARs and stock options we granted to employees and non-employee directors in 2014 and 2013, and to employees in 2012:

	2014	**2013**	**2012**
Expected volatility	29 - 30%	30 - 31%	31%
Dividend yield	1.14%	1.17%	1.01%
Risk-free rate	2.2 - 2.8%	1.8 - 1.9%	1.7 - 2.0%
Expected term (in years)	6 - 10	8 - 10	8 - 10

In making these assumptions, we base expected volatility on the historical movement of the Company's stock price. We base risk-free rates on the corresponding U.S. Treasury spot rates for the expected duration at the date of grant, which we convert to a continuously compounded rate. The dividend yield assumption takes into consideration both historical levels and expectations of future payout. The weighted average expected terms for SARs and options are an output of our valuation model which utilizes historical data in estimating the period of time that the SARs and options are expected to remain unexercised. We calculate the expected terms for SARs and options for separate groups of retirement eligible and non-retirement eligible employees. Our valuation model also uses historical data to estimate exercise behaviors, which includes determining the likelihood that employees will exercise their SARs and options before expiration at a certain multiple of stock price to exercise price. In recent years, non-employee directors have generally exercised grants in their last year of exercisability.

Deferred Stock Units

We also issue deferred stock units to non-employee directors. These non-employee directors deferred stock units vest within one year and are distributed upon election.

The following table presents the share-based compensation expense, the number of deferred stock units we granted, the weighted average grant-date fair value, and the aggregate intrinsic value for the last three fiscal years for non-employee director deferred stock units:

	2014	**2013**	**2012**
Share-based compensation expense (in millions)	$ 1.2	$ 1.4	$ 1.2
Non-employee director deferred stock units granted	21,000	31,000	27,000

Weighted average grant-date fair value (per share)	$ 59	$ 44	$ 39
Aggregate intrinsic value of shares distributed (in millions)	$ 0.8	$ 0.7	$ 1.0

We had 268,000 outstanding non-employee deferred stock units at year-end 2014, and 261,000 outstanding at year-end 2013. The weighted average grant-date fair value of those outstanding deferred stock units was $30 for 2014 and $22 for 2013.

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Other Information

At year-end 2014, we had authorized 27 million shares under the Stock Plan, including 6 million shares under the Stock Option Program and the SAR Program.

6. INCOME TAXES

The components of our earnings before income taxes for the last three fiscal years consisted of:

($ in millions)	2014	2013	2012
U.S.	$ 808	$ 630	$ 631
Non-U.S.	280	267	218
	$ 1,088	$ 897	$ 849

Our provision for income taxes for the last three fiscal years consists of:

($ in millions)		2014	2013	2012
Current	-U.S. Federal	$ (224)	$ (139)	$ 6
	-U.S. State	(43)	(17)	(8)
	-Non-U.S.	(47)	(44)	(34)
		(314)	(200)	(36)
Deferred	-U.S. Federal	(21)	(68)	(211)
	-U.S. State	(5)	(10)	(30)
	-Non-U.S.	5	7	(1)
		(21)	(71)	(242)
		$ (335)	$ (271)	$ (278)

Our current tax provision does not reflect the following benefits attributable to us for the vesting or exercise of employee share-based awards: $89 million in 2014, $66 million in 2013, and $76 million in 2012. The preceding table includes tax credits of $4 million in 2014, $3 million in 2013, and $3 million in 2012. We had a tax provision applicable to other comprehensive income of $5 million in 2014, $2 million in 2013, and $5 million in 2012.

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 ($894 million as of year-end 2014). We consider the earnings for substantially all non-U.S. subsidiaries to be indefinitely reinvested. These earnings could become subject to additional taxes if the non-U.S. subsidiaries dividend or loan those earnings to us or to a U.S. affiliate or if we sell our interests in the non-U.S. subsidiaries. We cannot practically estimate the amount of additional taxes that might be payable on the unremitted earnings.

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Unrecognized Tax Benefits

The following table reconciles our unrecognized tax benefit balance for each year from the beginning of 2012 to the end of 2014:

($ in millions)	Amount

Unrecognized tax benefit at beginning of 2012	$	39
Change attributable to withdrawal of tax positions previously taken or expected to be taken		12
Change attributable to tax positions taken during the current period		(20)
Decrease attributable to lapse of statute of limitations		(2)
Unrecognized tax benefit at year-end of 2012		29
Change attributable to tax positions taken during the current period		8
Decrease attributable to settlements with taxing authorities		(2)
Decrease attributable to lapse of statute of limitations		(1)
Unrecognized tax benefit at year-end of 2013		34
Change attributable to tax positions taken during the current period		3
Decrease attributable to settlements with taxing authorities		(27)
Decrease attributable to lapse of statute of limitations		—
Unrecognized tax benefit at year-end of 2014	$	10

These unrecognized tax benefits reflect the following year-over-year changes: (1) a $24 million decrease in 2014, largely attributable to the favorable settlements reached with taxing authorities on both federal and international positions taken in prior years; (2) a $5 million increase in 2013, primarily due to a U.S. federal tax issue, offset by a settlement with international taxing authorities; and (3) $10 million decrease in 2012, primarily reflecting the changes attributable to settlements with taxing authorities and positions taken during 2012.

Our unrecognized tax benefit balances included $7 million at year-end 2014, $12 million at year-end 2013, and $13 million at year-end 2012 of tax positions that, if recognized, would impact our effective tax rate.

The IRS has examined our federal income tax returns, and we have settled all issues for tax years through 2009. We participate in the IRS Compliance Assurance Program, which accelerates IRS examination of key transactions with the goal of resolving any issues before the taxpayer files its return. As a result, the audits of our open tax years 2010 through 2013 are complete, while the 2014 tax year audit is currently ongoing. Various foreign, state, and local income tax returns are also under examination by the applicable taxing authorities. It is reasonably possible that we will resolve two state apportionment issues during the next 12 months for which we have an unrecognized tax balance of $4 million. One issue is currently under audit, and the second issue is pending an expected court ruling in 2015. The unrecognized tax balance of $4 million is partly offset by a related deferred tax asset.

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 the 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.

We had the following total deferred tax assets and liabilities at year-end 2014 and year-end 2013:

($ in millions)	At Year-End 2014	At Year-End 2013
Deferred tax assets	$ 803	$ 878
Deferred tax liabilities	—	(12)
Net deferred taxes	$ 803	$ 866

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The following table details the composition of our net deferred tax balances at year-end 2014 and year-end 2013:

($ in millions) **Balance Sheet Caption**	At Year-End 2014	At Year-End 2013
Current deferred taxes, net	$ 311	$ 252
Deferred taxes, net	530	647
Accrued expenses and other	(22)	(19)
Other noncurrent liabilities	(16)	(14)

Net deferred taxes	$ 803	$ 866

The following table presents the tax effect of each type of temporary difference and carry-forward that gave rise to a significant portion of our deferred tax assets and liabilities as of year-end 2014 and year-end 2013:

($ in millions)	At Year-End 2014	At Year-End 2013
Employee benefits	$ 347	$ 340
Net operating loss carry-forwards	257	293
Tax credits	182	273
Reserves	55	61
Frequent guest program	47	30
Self-insurance	24	23
Deferred income	20	23
Other, net	16	(12)
Deferred taxes	948	1,031
Less: valuation allowance	(145)	(165)
Net deferred taxes	$ 803	$ 866

At year-end 2014, we had approximately $28 million of tax credits that expire through 2024 and $153 million of tax credits that do not expire. We recorded $10 million of net operating loss benefits in 2014 and $14 million in 2013. At year-end 2014, we had approximately $1.2 billion of primarily state and foreign net operating losses, of which $561 million expire through 2034.

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 the last three fiscal years:

	2014	2013	2012
U.S. statutory tax rate	35.0 %	35.0 %	35.0 %
U.S. state income taxes, net of U.S. federal tax benefit	2.7	2.6	2.6
Nondeductible expenses	0.2	0.5	0.3
Non-U.S. income	(4.8)	(5.7)	(3.9)
Change in valuation allowance	(0.4)	0.3	(0.2)
Tax credits	(0.3)	(0.4)	(0.4)
Other, net	(1.6)	(2.1)	(0.7)
Effective rate	30.8 %	30.2 %	32.7 %

We paid cash for income taxes, net of refunds of $172 million in 2014 and $77 million in 2013, and we received $17 million of cash for income tax refunds, net of payments in 2012.

7. COMMITMENTS AND CONTINGENCIES

Guarantees

We issue guarantees to certain lenders and hotel owners, chiefly to obtain long-term management contracts. The guarantees generally have a stated maximum funding amount and a term of four to ten years. The terms of guarantees to lenders generally require us to fund if cash flows from hotel operations are inadequate to cover annual debt service or to repay the loan

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at the end of the term. The terms of the guarantees to hotel owners generally require us to fund if the hotels do not attain specified levels of operating profit. Guarantee fundings to lenders and hotel owners are generally recoverable as loans repayable to us out of future hotel cash flows and/or proceeds from the sale of hotels. We also enter into project completion guarantees with certain lenders in conjunction with hotels that we or our joint venture partners are building.

We show the maximum potential amount of our future guarantee fundings and the carrying amount of our liability for guarantees for which

we are the primary obligor at year-end 2014 in the following table:

($ in millions) **Guarantee Type**	**Maximum Potential Amount of Future Fundings**	**Liability for Guarantees**
Debt service	$ 49	$ 14
Operating profit	86	40
Other	14	1
Total guarantees where we are the primary obligor	$ 149	$ 55

Our liability at year-end 2014 for guarantees for which we are the primary obligor is reflected in our Balance Sheet as $4 million of "Accrued expenses and other" and $51 million of "Other noncurrent liabilities."

Our guarantees listed in the preceding table include $16 million of debt service guarantees, $26 million of operating profit guarantees, and $1 million of other guarantees that will not be in effect until the underlying properties open and we begin to operate the properties or certain other events occur.

The table above does not include a "put option," which is not currently in effect, that we entered into in the 2014 first quarter to provide credit support to lenders for a construction loan. We entered into that agreement in conjunction with signing a management agreement for the Times Square EDITION hotel in New York City (currently projected to open in 2017), and the hotel's ownership group obtaining acquisition financing and entering into agreements concerning future construction financing for the mixed use project (which includes both the hotel and adjacent retail space). Under the agreement, we granted the lenders the right, upon an uncured event of default by the hotel owner under, and an acceleration of, the mortgage loan, to require us to purchase the hotel component of the property for $315 million during the first two years after opening. Because we would acquire the building upon exercise of the put option, we have not included the amount in the table above. The lenders may extend this period for up to three years to complete foreclosure if the loan has been accelerated and certain other conditions are met. We do not expect that the lenders will exercise this put option. We have no ownership interest in this hotel.

The preceding table does not include the following guarantees:

- $83 million of guarantees for Senior Living Services lease obligations of $61 million (expiring in 2019) and lifecare bonds of $22 million (estimated to expire in 2019), for which we are secondarily liable. Sunrise Senior Living, Inc. ("Sunrise") is the primary obligor on both the leases and $3 million of the lifecare bonds; HCP, Inc., as successor by merger to CNL Retirement Properties, Inc. ("CNL"), is the primary obligor on $19 million of the lifecare bonds. Before we sold the Senior Living Services business in 2003, these were our guarantees of obligations of our then consolidated Senior Living Services subsidiaries. Sunrise and CNL have indemnified us for any fundings we may be called upon to make under these guarantees. Our liability for these guarantees had a carrying value of $3 million at year-end 2014. In conjunction with our consent to the 2011 extension of certain lease obligations until 2018, Sunrise provided us with $1 million of cash collateral and an $85 million letter of credit issued by Key Bank to secure our continued exposure under the lease guarantees during the extension term and certain other obligations of Sunrise. The letter of credit balance was $71 million at year-end 2014, which decreased as a result of lease payments made and lifecare bonds redeemed. During the extension term, Sunrise agreed to make an annual payment to us from the cash flow of the continuing lease facilities, subject to a $1 million annual minimum. In the 2013 first quarter, Sunrise merged with Health Care REIT, Inc. ("HCN"), and Sunrise's management business was acquired by an entity formed by affiliates of Kohlberg Kravis Roberts & Co. LP, Beecken Petty O'Keefe & Co., Coastwood Senior Housing Partners LLC, and HCN. In April of 2014, HCN and Revera Inc., a private provider of senior living services, acquired Sunrise's management business.
- Lease obligations, for which we became secondarily liable when we acquired the Renaissance Hotel Group N.V. in 1997, consisting of annual rent payments of approximately $6 million and total remaining rent payments through the initial term of approximately $26 million. The majority of these obligations expire by the end of 2020. CTF Holdings Ltd. ("CTF") had originally provided €35 million in cash collateral in the event that we are required to fund under such guarantees, approximately $3 million (€2 million) of which remained at year-end 2014. Our exposure for the remaining rent payments through the initial term will decline to the extent that CTF obtains releases from the landlords or these hotels exit the system. Since the time we assumed these guarantees, we have not funded any amounts, and we do not expect to fund any amounts under these guarantees in the future.

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- Certain guarantees and commitments relating to the timeshare business, which were outstanding at the time of the 2011 Timeshare spin-off and for which we became secondarily liable as part of the spin-off. These MVW payment obligations, for which we currently have a total exposure of $12 million, relate to two guarantees. MVW has indemnified us for these obligations. At year-end 2014, we expect these obligations will expire as follows: $4 million in 2019 and $8 million (11 million Singapore Dollars) in 2022. We have not funded any amounts under these obligations, and do not expect to do so in the future. Our liability for these obligations had a carrying value of $1 million at year-end 2014.
- A guarantee for a lease, originally entered into in 2000, for which we became secondarily liable in 2012 as a result of our sale of the ExecuStay corporate housing business to Oakwood Worldwide ("Oakwood"). Oakwood has indemnified us for the obligations under this guarantee. Our total exposure at year-end 2014 for this guarantee is $6 million in future rent payments through the end of the lease in 2019. Our liability for

this guarantee had a carrying value of $1 million at year-end 2014.

In addition to the guarantees described 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

In addition to the guarantees we note in the preceding paragraphs, at year-end 2014, we had the following commitments outstanding, which are not recorded on our Balance Sheet:

- A commitment to invest up to $8 million of equity for a non-controlling interest in a partnership that plans to purchase North American full-service and limited-service properties, or purchase or develop hotel-anchored mixed-use real estate projects. We expect to fund $1 million of this commitment in 2015. We do not expect to fund the remaining $7 million of this commitment, which expires in 2016.
- A commitment to invest up to $23 million of equity for non-controlling interests in a partnership that plans to purchase or develop limited-service properties in Asia. We expect to fund this commitment as follows: $3 million in 2015 and $6 million in 2016. We do not expect to fund the remaining $14 million of this commitment prior to the end of the commitment period in 2016.
- A commitment, with no expiration date, to invest up to $11 million in a joint venture for development of a new property. We expect to fund this commitment in 2015.
- A commitment to invest $2 million in the renovation of a leased hotel. We expect to fund this commitment by the end of 2015.
- A commitment to invest $26 million (R$69 million) for the development of a property. We expect to fund this commitment as follows: $25 million (R$66 million) in 2015 and $1 million (R$3 million) in 2016.
- We have a right and under certain circumstances an obligation to acquire our joint venture partner's remaining interests in two joint ventures over the next six years at a price based on the performance of the ventures. In conjunction with this contingent obligation, we advanced $18 million (€15 million) in deposits, $13 million (€11 million) of which is remaining. The amounts on deposit are refundable to the extent we do not acquire our joint venture partner's remaining interests.
- Various commitments to purchase information technology hardware, software, and accounting, finance, and maintenance services in the normal course of business totaling $186 million. We expect to fund these commitments as follows: $66 million in 2015, $41 million in 2016, $39 million in 2017, and $40 million thereafter. The majority of these commitments will be recovered through cost reimbursement charges to properties in our system.
- Several commitments aggregating $32 million with no expiration date and which we do not expect to fund.
- A commitment to invest up to $10 million under certain circumstances for additional mandatorily redeemable preferred equity ownership interest in an entity that owns three hotels. We have not yet determined the amount or timing of any potential funding of this commitment, which expires in 2015, subject to annual extensions through 2018.
- A $9 million loan commitment that we extended to the owner of a property to cover the cost of renovation shortfalls which we expect to fund in the 2015 first quarter. The commitment will expire at the end of the 2016 second quarter.

Letters of Credit

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At year-end 2014, we had $87 million of letters of credit outstanding (all outside the Credit Facility), the majority of which were for our self-insurance programs. Surety bonds issued as of year-end 2014, totaled $153 million, the majority of which federal, state and local governments requested in connection with our self-insurance programs.

Legal Proceedings

On January 19, 2010, several former Marriott employees (the "plaintiffs") filed a putative class action complaint against us and the Stock Plan (the "defendants"), alleging that certain equity awards of deferred bonus stock granted to the plaintiffs and other current and former employees for fiscal years 1963 through 1989 are subject to vesting requirements under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that are in certain circumstances more rapid than those set forth in the awards. The action was brought in the United States District Court for the District of Maryland (Greenbelt Division), and Dennis Walter Bond Sr. and Michael P. Steigman were the remaining named plaintiffs. Class certification was denied, and on January 16, 2015, the court granted Marriott's motion for summary judgment and dismissed the case. Plaintiffs have filed a notice of appeal with the U.S. Court of Appeals for the Fourth Circuit.

In March 2012, the Korea Fair Trade Commission ("KFTC") obtained documents from two of our managed hotels in Seoul, Korea in connection with an investigation which we believe is focused on pricing of hotel services within the Seoul region. Since then, the KFTC has conducted additional fact-gathering at those two hotels and also has collected information from another Marriott managed hotel located in Seoul. We understand that the KFTC also has sought documents from numerous other hotels in Seoul and other parts of Korea that we do not operate, own or franchise. We have not yet received a complaint or other legal process. We are cooperating with this investigation.

8. LEASES

We have summarized below our future obligations under operating leases at year-end 2014:

($ in millions)	Minimum Lease Payments
Fiscal Year	
2015	$ 129
2016	121
2017	114
2018	99
2019	86
Thereafter	528
Total minimum lease payments where we are the primary obligor	$ 1,077

Most leases have initial terms of up to 20 years and contain one or more renewal options, generally for five- or 10-year periods. These leases generally provide for minimum rentals plus additional rentals based on the operating performance of the leased property. The total minimum lease payments above include $233 million of obligations of our consolidated subsidiaries that are non-recourse to us.

The following table details the composition of rent expense for operating leases for the last three years:

($ in millions)	2014	2013	2012
Minimum rentals	$ 143	$ 159	$ 188
Additional rentals	64	56	62
	$ 207	$ 215	$ 250

In conjunction with the sale of our right to acquire the landlord's interest in a leased real estate property and certain attached assets of the property early in the 2014 first quarter, we reclassified $46 million of the $51 million originally classified in the "Long-term debt" caption to liabilities held for sale in the "Accrued expenses and other" caption of the accompanying Balance Sheet at year-end 2013. See Footnote No. 3, "Acquisitions and Dispositions" for more information.

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9. SELF-INSURANCE RESERVE FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

The following table summarizes the activity in our self-insurance reserve for losses and loss adjustment expenses as of year-end 2014 and 2013:

($ in millions)	2014	2013
Balance at beginning of year	$ 362	$ 342
Less: reinsurance recoverable	(5)	(5)
Net balance at beginning of year	357	337
Incurred related to:		
Current year	126	116
Prior years	(2)	8
Total incurred	124	124
Paid related to:		

Current year	(24)	(25)
Prior years	(77)	(79)
Total paid	(101)	(104)
Net balance at end of year	380	357
Add: reinsurance recoverable	4	5
Balance at end of year	$ 384	$ 362

Our provision for incurred losses relating to the current year increased by $10 million over 2013 primarily due to an increase in medical benefit costs and growth in business activity. Our provision for incurred losses relating to prior years decreased by $2 million in 2014 and increased by $8 million in 2013 as a result of changes in estimates from insured events from prior years due to changes in underwriting experience and frequency and severity trends. Our year-end 2014 self-insurance reserve of $384 million consisted of a current portion of $120 million and noncurrent portion of $264 million. Our year-end 2013 self-insurance reserve of $362 million consisted of a current portion of $120 million and noncurrent portion of $242 million.

10. LONG-TERM DEBT

We provide detail on our long-term debt balances at year-end 2014 and 2013 in the following table:

($ in millions)	At Year-End 2014	At Year-End 2013
Senior Notes:		
Series G Notes, interest rate of 5.8%, face amount of $316, maturing November 10, 2015 (effective interest rate of 6.6%)[1]	$ 314	$ 312
Series H Notes, interest rate of 6.2%, face amount of $289, maturing June 15, 2016 (effective interest rate of 6.3%)[1]	289	289
Series I Notes, interest rate of 6.4%, face amount of $293, maturing June 15, 2017 (effective interest rate of 6.5%)[1]	293	292
Series K Notes, interest rate of 3.0%, face amount of $600, maturing March 1, 2019 (effective interest rate of 4.4%)[1]	596	595
Series L Notes, interest rate of 3.3%, face amount of $350, maturing September 15, 2022 (effective interest rate of 3.4%)[1]	349	349
Series M Notes, interest rate of 3.4%, face amount of $350, maturing October 15, 2020 (effective interest rate of 3.6%)[1]	348	348
Series N Notes, interest rate of 3.1%, face amount of $400, maturing October 15, 2021 (effective interest rate of 3.4%)[1]	397	—
Commercial paper, average interest rate of 0.4% at December 31, 2014	1,072	834
$2,000 Credit Facility	—	—
Other	123	180
	3,781	3,199
Less current portion classified in:		
Accrued expenses and other (liabilities held for sale)	—	(46)
Current portion of long-term debt	(324)	(6)
	$ 3,457	$ 3,147

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[1] Face amount and effective interest rate are as of year-end 2014.

All of our long-term debt is recourse to us but unsecured. We paid cash for interest, net of amounts capitalized, of $79 million in 2014, $83 million in 2013, and $83 million in 2012.

In the 2014 fourth quarter, we issued $400 million aggregate principal amount of 3.1 percent Series N Notes due 2021 (the "Series N Notes"). We received net proceeds of approximately $394 million from the offering, after deducting the underwriting discount and estimated expenses. We will pay interest on the Series N Notes on April 15 and October 15 of each year, commencing on April 15, 2015.

In the 2013 third quarter, we issued $350 million aggregate principal amount of 3.4 percent Series M Notes due 2020 (the "Series M Notes"). We received net proceeds of approximately $345 million from the offering, after deducting the underwriting discount and estimated expenses. We

pay interest on the Series M Notes on April 15 and October 15 of each year, commencing on April 15, 2014.

We issued the Series M and the Series N Notes under an indenture dated as of November 16, 1998 with The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank), as trustee. We may redeem each series, in whole or in part, at our option, under the terms provided in the applicable form of Note.

In the 2013 first quarter, we made a $411 million cash payment of principal and interest to retire, at maturity, all of our outstanding Series J Notes.

We are party to a multicurrency revolving credit agreement (the "Credit Facility") that provides for $2,000 million of aggregate borrowings to support general corporate needs, including working capital, capital expenditures, and letters of credit. The Credit Facility expires on July 18, 2018. The availability of the Credit Facility also supports our commercial paper program. Borrowings under the Credit Facility generally bear interest at LIBOR (the London Interbank Offered Rate) plus a spread, based on our public debt rating. We also pay quarterly fees on the Credit Facility at a rate also based on our public debt rating. While any outstanding commercial paper borrowings and/or borrowings under our Credit Facility generally have short-term maturities, we classify the outstanding borrowings as long-term based on our ability and intent to refinance the outstanding borrowings on a long-term basis.

We show future principal payments (net of unamortized discounts) for our debt in the following table:

Debt Principal Payments (net of unamortized discounts) *($ in millions)*	Amount
2015	$ 324
2016	297
2017	301
2018	1,082
2019	606
Thereafter	1,171
Balance at year-end 2014	$ 3,781

11. INTANGIBLE ASSETS AND GOODWILL

The following table details the composition of our acquired intangible assets at year-end 2014 and 2013:

($ in millions)	At Year-End 2014	At Year-End 2013
Definite-lived Intangible Assets		
Contract acquisition costs and other	$ 1,735	$ 1,550
Accumulated amortization	(461)	(423)
	$ 1,274	$ 1,127
Indefinite-lived Intangible Assets		
Brands	77	4
Total Intangible Assets	$ 1,351	$ 1,131

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We capitalize both direct and incremental costs that we incur to acquire management, franchise, and license agreements. We amortize these costs on a straight-line basis over the initial term of the agreements, ranging from 15 to 30 years. Our amortization expense totaled $64 million in 2014, $68 million in 2013, and $54 million in 2012. We estimate that our aggregate amortization expense for each of the next five fiscal years will be as follows: $58 million for 2015; $58 million for 2016; $58 million for 2017; $58 million for 2018; and $58 million for 2019.

The following table details the carrying amount of our goodwill at year-end 2014 and 2013:

($ in millions)	At Year-End 2014	At Year-End 2013
Goodwill	$ 948	$ 928
Accumulated impairment losses	(54)	(54)
	$ 894	$ 874

12. PROPERTY AND EQUIPMENT

The following table presents the composition of our property and equipment balances at year-end 2014 and 2013:

($ in millions)	At Year-End 2014	At Year-End 2013
Land	$ 457	$ 535
Buildings and leasehold improvements	781	786
Furniture and equipment	775	789
Construction in progress	365	338
	2,378	2,448
Accumulated depreciation	(918)	(905)
	$ 1,460	$ 1,543

We record property and equipment at cost, including interest and real estate taxes we incur during development and construction. Interest we capitalized as a cost of property and equipment totaled $33 million in 2014, $31 million in 2013, and $27 million in 2012. We capitalize the cost of improvements that extend the useful life of property and equipment when we incur them. These capitalized costs may include structural costs, equipment, fixtures, floor, and wall coverings. We expense all repair and maintenance costs when we incur them. 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. Our gross depreciation expense totaled $135 million in 2014, $107 million in 2013, and $93 million in 2012 (of which $51 million in 2014, $48 million in 2013, and $45 million in 2012 we included in reimbursed costs). Fixed assets attributed to operations located outside the United States were $291 million in 2014 and $238 million in 2013.

See Footnote No. 3, "Acquisitions and Dispositions" for information on a $25 million impairment charge we recorded in 2014 on three EDITION hotels in the "Depreciation, amortization, and other" caption of our Income Statements.

13. NOTES RECEIVABLE

The following table presents the composition of our notes receivable balances (net of reserves and unamortized discounts) at year-end 2014 and 2013:

($ in millions)	At Year-End 2014	At Year-End 2013
Senior, mezzanine, and other loans	$ 242	$ 178
Less current portion	(27)	(36)
	$ 215	$ 142

We classify notes receivable due within one year as current assets in the caption "Accounts and notes receivable, net" in our Balance Sheets. We did not have any past due notes receivable amounts at the end of either 2014 or 2013. In 2014, we provided an $85 million mezzanine loan (net of a $15 million discount) to an owner in conjunction with entering into a franchise agreement for an International property. The unamortized discounts for our notes receivable were $25 million at year-end 2014 and $12 million at year-end 2013.

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The following table presents the expected future principal payments (net of reserves and unamortized discounts) as well as interest rates and unamortized discounts for our notes receivable as of year-end 2014:

Notes Receivable Principal Payments (net of reserves and unamortized discounts) and Interest Rates *($ in millions)*	Amount
2015	$ 27
2016	72
2017	2
2018	3
2019	1

Thereafter	137
Balance at year-end 2014	$ 242
Weighted average interest rate at year-end 2014	6.1%
Range of stated interest rates at year-end 2014	0 - 9.0%

Senior, Mezzanine, and Other Loans

Generally, all of the loans we make have similar characteristics in that they are loans to owners and operators of hotels and hospitality properties. We reflect interest income for "Senior, mezzanine, and other loans" in the "Interest income" caption in our Income Statements. At year-end 2014, our recorded investment in impaired "Senior, mezzanine, and other loans" was $63 million. We had a $50 million notes receivable reserve representing an allowance for credit losses, leaving $13 million of our investment in impaired loans, for which we had no related allowance for credit losses. At year-end 2013, our recorded investment in impaired "Senior, mezzanine, and other loans" was $99 million, and we had a $90 million notes receivable reserve representing an allowance for credit losses, leaving $9 million of our investment in impaired loans, for which we had no related allowance for credit losses. Our average investment in impaired "Senior, mezzanine, and other loans" totaled $81 million during 2014, $96 million during 2013, and $94 million during 2012.

The following table summarizes the activity for our "Senior, mezzanine, and other loans" notes receivable reserve for 2012, 2013, and 2014:

($ in millions)	Notes Receivable Reserve
Balance at year-end 2011	$ 78
Additions	2
Reversals	(1)
Write-offs	(1)
Transfers and other	1
Balance at year-end 2012	79
Reversals	(2)
Transfers and other	13
Balance at year-end 2013	90
Write-offs	(45)
Transfers and other	5
Balance at year-end 2014	$ 50

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14. FAIR VALUE OF FINANCIAL INSTRUMENTS

We believe that the fair values of our current assets and current liabilities approximate their reported carrying amounts. We show the carrying values and the fair values of noncurrent financial assets and liabilities that qualify as financial instruments, determined under current guidance for disclosures on the fair value of financial instruments, in the following table:

	At Year-End 2014		At Year-End 2013	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior, mezzanine, and other loans	$ 215	$ 214	$ 142	$ 145
Marketable securities and other debt securities	44	44	111	111
Total noncurrent financial assets	$ 259	$ 258	$ 253	$ 256
Senior Notes	$ (2,272)	$ (2,370)	$ (2,185)	$ (2,302)
Commercial paper	(1,072)	(1,072)	(834)	(834)
Other long-term debt	(108)	(122)	(123)	(124)
Other noncurrent liabilities	(57)	(57)	(50)	(50)
Total noncurrent financial liabilities	$ (3,509)	$ (3,621)	$ (3,192)	$ (3,310)

We estimate the fair value of our senior, mezzanine, and other loans, including the current portion, by discounting cash flows using risk-adjusted rates, both of which are Level 3 inputs.

We carry our marketable securities at fair value. Our marketable securities include debt securities of the U.S. Government, its sponsored agencies and other U.S. corporations invested for our self-insurance programs, as well as shares of a publicly traded company, which we value using directly observable Level 1 inputs. The carrying value of these marketable securities at year-end 2014 was $44 million.

In the 2013 second quarter, we received $22 million in net cash proceeds for the sale of a portion of our shares of a publicly traded company (with a cost basis of $14 million at the date of sale) and recognized an $8 million gain in the "Gains and other income" caption of our Income Statements. This gain included recognition of unrealized gains that we previously recorded in other comprehensive income. See Footnote No. 15, "Comprehensive Income and Shareholders' (Deficit) Equity" for additional information on our reclassification of these unrealized gains from accumulated other comprehensive income.

In the 2013 second quarter, we acquired a $65 million mandatorily redeemable preferred equity ownership interest in an entity that owns three hotels that we manage. We account for this investment as a debt security (with a cost of $77 million at year-end 2014, including accrued interest income), and have classified it as a current asset as of year-end 2014. Based on qualitative and quantitative analyses, we concluded that the entity in which we invested is a variable interest entity because it is capitalized primarily with debt. We did not consolidate the entity because we do not have the power to direct the activities that most significantly impact the entity's economic performance. Inclusive of our contingent future funding commitment, our maximum exposure to loss at year-end 2014 is $87 million. This security matures in 2015. We do not intend to sell this security and it is not more likely than not that we will be required to sell the investment before recovery of the amortized cost basis, which may be at maturity.

We estimate the fair value of our other long-term debt, including the current portion and excluding leases, using expected future payments discounted at risk-adjusted rates, both of which are Level 3 inputs. We determine the fair value of our senior notes using quoted market prices, which are directly observable Level 1 inputs. As we note in Footnote No. 10, "Long-Term Debt," even though our commercial paper borrowings generally have short-term maturities of 30 days or less, we classify outstanding commercial paper borrowings as noncurrent based on our ability and intent to refinance them on a long-term basis. As we are a frequent issuer of commercial paper, we use pricing from recent transactions as Level 2 inputs in estimating fair value. At year-end 2014 and year-end 2013, we determined that the carrying value of our commercial paper approximated its fair value due to the short maturity. Our other noncurrent liabilities largely consist of guarantees. As we note in the "Guarantees" caption of Footnote No. 2, "Summary of Significant Accounting Policies," we measure our liability for guarantees at fair value on a nonrecurring basis that is when we issue or modify a guarantee, using Level 3 internally developed inputs. At year-end 2014 and year-end 2013, we determined that the carrying values of our guarantee liabilities approximated their fair values based on Level 3 inputs.

See the "Fair Value Measurements" caption of Footnote No. 2, "Summary of Significant Accounting Policies" for more information on the input levels we use in determining fair value.

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15. COMPREHENSIVE INCOME AND SHAREHOLDERS' (DEFICIT) EQUITY

The following table details our accumulated other comprehensive (loss) income activity for 2014, 2013, and 2012:

($ in millions)	Foreign Currency Translation Adjustments	Other Derivative Instrument Adjustments [1]	Unrealized Gains (Losses) on Available-For-Sale Securities [2]	Accumulated Other Comprehensive Loss
Balance at year-end 2011	$ (37)	$ (18)	$ 7	$ (48)
Other comprehensive income (loss) before reclassifications	4	(2)	—	2
Amounts reclassified from accumulated other comprehensive loss	1	1	—	2
Net other comprehensive income (loss)	5	(1)	—	4
Balance at year-end 2012	$ (32)	$ (19)	$ 7	$ (44)
Other comprehensive income (loss) before reclassifications	1	—	5	6
Amounts reclassified from accumulated other comprehensive loss	—	—	(6)	(6)
Net other comprehensive income (loss)	1	—	(1)	—
Balance at year-end 2013	$ (31)	$ (19)	$ 6	$ (44)
Other comprehensive (loss) income before reclassifications	(41)	8	5	(28)

Amounts reclassified from accumulated other comprehensive loss	—	2	—	2
Net other comprehensive (loss) income	(41)	10	5	(26)
Balance at year-end 2014	$ (72)	$ (9)	$ 11	$ (70)

(1) We present the portions of other comprehensive income (loss) before reclassifications that relate to other derivative instrument adjustments net of zero deferred taxes for 2014 and 2013, and deferred tax benefits of $1 million for 2012.

(2) We present the portions of other comprehensive income (loss) before reclassifications that relate to unrealized gains (losses) on available-for-sale securities net of deferred taxes of $3 million for 2014, $2 million for 2013 and $4 million for 2012.

The following table details the effect on net income of amounts we reclassified out of accumulated other comprehensive loss for 2014:

($ in millions)	Amounts Reclassified from Accumulated Other Comprehensive Loss	
Accumulated Other Comprehensive Loss Components	**2014**	**Income Statement Line(s) Item Affected**
Other derivative instrument adjustments		
Gains (losses) on cash flow hedges:		
Foreign exchange contracts	$ 1	Franchise fees
Interest rate contracts	(5)	Interest expense
	(4)	Income before income taxes
	2	Provision for income taxes
	$ (2)	Net income

Our restated certificate of incorporation authorizes 800 million shares of our common stock, with a par value of $.01 per share and 10 million shares of preferred stock, without par value. At year-end 2014, we had 280 million of these authorized shares of our common stock and no preferred stock outstanding.

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16. BUSINESS SEGMENTS

We are a diversified global lodging company. During the 2014 first quarter, we modified the information that our President and Chief Executive Officer, who is our CODM, reviews to be consistent with our continent structure. This structure aligns our business around geographic regions and is designed to enable us to operate more efficiently and to accelerate our worldwide growth. As a result of modifying our reporting information, we revised our operating segments to eliminate our former Luxury segment, which we allocated between our existing North American Full-Service operating segment, and the following four new operating segments: Asia Pacific, Caribbean and Latin America, Europe, and Middle East and Africa.

Although our North American Full-Service and North American Limited-Service segments meet the applicable accounting criteria to be reportable business segments, our four new operating segments do not meet the criteria for separate disclosure as reportable business segments. Accordingly, we combined our four new operating segments into an "all other" category which we refer to as "International" and have revised our business segment information for earlier periods to conform to our new business segment presentation.

Our three business segments include the following principal brands:

- *North American Full-Service*, which includes The Ritz-Carlton, EDITION, JW Marriott, Autograph Collection Hotels, Renaissance Hotels, Marriott Hotels, and Gaylord Hotels located in the United States and Canada;
- *North American Limited-Service*, which includes AC Hotels by Marriott, Courtyard, Residence Inn, SpringHill Suites, Fairfield Inn & Suites, and TownePlace Suites properties, located in the United States and Canada, and, before its sale in the 2012 second quarter, our Marriott ExecuStay corporate housing business; and
- *International*, which includes The Ritz-Carlton, Bulgari Hotels & Resorts, EDITION, JW Marriott, Autograph Collection Hotels, Renaissance Hotels, Marriott Hotels, Marriott Executive Apartments, AC Hotels by Marriott, Courtyard, Residence Inn, SpringHill Suites, Fairfield Inn & Suites, TownePlace Suites, Protea Hotels, and Moxy Hotels located outside the United States and Canada.

We evaluate the performance of our business segments using "segment profits" which is based largely on the results of the segment without

allocating corporate expenses, income taxes, or indirect general, administrative, and other expenses. We allocate gains and losses, equity in earnings or losses from our joint ventures, and direct general, administrative, and other expenses to each of our segments. "Other unallocated corporate" represents a portion of our revenues, general, administrative, and other expenses, equity in earnings or losses, and other gains or losses that we do not allocate to our segments. It also includes license fees we receive from our credit card programs and license fees from MVW. Our CODM monitors assets for the consolidated company but does not use assets by business segment when assessing performance or making business segment resource allocations.

Revenues

($ in millions)	2014	2013	2012
North American Full-Service Segment	$ 8,323	$ 7,978	$ 7,276
North American Limited-Service Segment	2,962	2,583	2,456
International Segment	2,255	1,957	1,794
Total segment revenues [1]	13,540	12,518	11,526
Other unallocated corporate	256	266	288
	$ 13,796	$ 12,784	$ 11,814

[1] Revenues attributed to operations located outside the United States were $2,518 million in 2014, $2,149 million in 2013, and $1,912 million in 2012.

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Net Income

($ in millions)	2014	2013	2012
North American Full-Service Segment	$ 524	$ 490	$ 442
North American Limited-Service Segment	574	479	472
International Segment	295	228	251
Total segment profits [1]	1,393	1,197	1,165
Other unallocated corporate	(220)	(203)	(196)
Interest expense and interest income	(85)	(97)	(120)
Income taxes	(335)	(271)	(278)
	$ 753	$ 626	$ 571

[1] Segment profits attributed to operations located outside the United States were $327 million in 2014, $269 million in 2013, and $283 million in 2012. The 2014 segment profits consisted of segment profits of $99 million from Asia Pacific, $95 million from Europe, $74 million from the Caribbean and Latin America, $32 million from Canada, and $27 million from the Middle East and Africa.

Depreciation and Amortization

($ in millions)	2014	2013	2012
North American Full-Service Segment	$ 52	$ 57	$ 46
North American Limited-Service Segment	22	21	16
International Segment	42	42	33
Total segment depreciation and amortization	116	120	95
Other unallocated corporate [1]	32	7	7
	$ 148	$ 127	$ 102

[1] Includes a $25 million net impairment charge we recorded in 2014 on three EDITION hotels. See Footnote No. 3, "Acquisitions and Dispositions" for more information.

As a result of the changes to our operating segments discussed above, in the 2014 first quarter we reallocated goodwill among our affected reporting units based on the relative fair value of each remaining or newly identified reporting unit. We also determined that the estimated fair

value of each reporting unit exceeded its carrying amount. The following table presents the reclassification of the goodwill we previously associated with our former Luxury segment to our North American Full-Service and International segments. The table also reflects goodwill added as a result of our acquisition of the Protea Hotel Group's brands and hotel management business in the 2014 second quarter. See Footnote No. 3, "Acquisitions and Dispositions" for more information.

Goodwill

($ in millions)	North American Full-Service Segment	North American Limited-Service Segment	International Segment	Total Goodwill
Year-end 2012 balance:				
Goodwill	$ 392	$ 125	$ 411	$ 928
Accumulated impairment losses	—	(54)	—	(54)
	$ 392	$ 71	$ 411	$ 874
Year-end 2013 balance:				
Goodwill	$ 392	$ 125	$ 411	$ 928
Accumulated impairment losses	—	(54)	—	(54)
	$ 392	$ 71	$ 411	$ 874
Year-end 2014 balance:				
Goodwill	$ 392	$ 125	$ 431	$ 948
Accumulated impairment losses	—	(54)	—	(54)
	$ 392	$ 71	$ 431	$ 894

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Capital Expenditures

($ in millions)	2014	2013	2012
North American Full-Service Segment	$ 251	$ 145	$ 257
North American Limited-Service Segment	5	8	19
International Segment	87	93	96
Total segment capital expenditures	343	246	372
Other unallocated corporate	68	50	65
	$ 411	$ 296	$ 437

17. RELATED PARTY TRANSACTIONS

Equity Method Investments

We have equity method investments in entities that own properties for which we provide management and/or franchise services and receive fees. We also have equity method investments in entities that provide management and/or franchise services to hotels and receive fees. In addition, in some cases we provide loans, preferred equity, or guarantees to these entities. Undistributed earnings attributable to our equity method investments represented approximately $3 million of our consolidated retained earnings at year-end 2014.

The following tables present financial data resulting from transactions with these related parties:

Income Statement Data

($ in millions)	2014	2013	2012
Base management fees	$ 17	$ 17	$ 26
Incentive management fees	6	1	5
Owned, leased, and other revenue	1	1	3
Cost reimbursements	226	236	315
Total revenue			

	$ 250	$ 255	$ 349
Reimbursed costs	$ (226)	$ (236)	$ (315)
Depreciation, amortization, and other	(2)	(2)	(2)
General, administrative, and other	(2)	(3)	2
Gains and other income	—	—	43
Interest expense	—	—	1
Interest income	5	4	3
Equity in earnings (losses)	6	(5)	(13)

Balance Sheet Data

($ in millions)	At Year-End 2014	At Year-End 2013
Current assets		
Accounts and notes receivable, net	$ 26	$ 22
Other	1	—
Intangible assets		
Contract acquisition costs and other	20	20
Equity and cost method investments	210	207
Deferred taxes, net	13	16
Other noncurrent assets	19	16
Current liabilities		
Accounts payable	(10)	(4)
Accrued expenses and other	(20)	(9)
Other noncurrent liabilities	(3)	(2)

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Summarized information for the entities in which we have equity method investments is as follows:

Income Statement Data

($ in millions)	2014	2013	2012
Sales	$ 752	$ 727	$ 902
Net income (loss)	$ 38	$ 11	$ (4)

Balance Sheet Summary

($ in millions)	At Year-End 2014	At Year-End 2013
Assets (primarily comprised of hotel real estate managed by us)	$ 1,499	$ 1,832
Liabilities	$ 1,287	$ 1,482

18. RELATIONSHIP WITH MAJOR CUSTOMER

Host Hotels & Resorts, Inc., formerly known as Host Marriott Corporation, and its affiliates ("Host") owned or leased 61 lodging properties at year-end 2014, 66 lodging properties at year-end 2013, and 124 lodging properties at year-end 2012 that we operated under long-term agreements. Over the last three years, we recognized revenues, including cost reimbursements revenue, of $1,927 million in 2014, $2,016 million in 2013, and $2,246 million in 2012 from those lodging properties, and included those revenues in our North American Full-Service, North American Limited-Service, and International segments.

Host is also a partner in certain unconsolidated partnerships that own lodging properties that we operate under long-term agreements. Host was affiliated with nine such properties at year-end 2014, ten such properties at year-end 2013, and ten such properties at year-end 2012. We recognized revenues, including cost reimbursements revenue, of $106 million in 2014, $87 million in 2013, and $75 million in 2012 from those

lodging properties, and included those revenues in our North American Full-Service and International segments.

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SUPPLEMENTARY DATA
QUARTERLY FINANCIAL DATA – UNAUDITED

($ in millions, except per share data)	2014				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Revenues	$ 3,293	$ 3,484	$ 3,460	$ 3,559	$ 13,796
Operating income	$ 254	$ 316	$ 298	$ 291	$ 1,159
Net income	$ 172	$ 192	$ 192	$ 197	$ 753
Diluted earnings per share	$ 0.57	$ 0.64	$ 0.65	$ 0.68	$ 2.54

($ in millions, except per share data)	2013 [2]				
	First Quarter [1]	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Revenues	$ 3,142	$ 3,263	$ 3,160	$ 3,219	$ 12,784
Operating income	$ 226	$ 279	$ 245	$ 238	$ 988
Net income	$ 136	$ 179	$ 160	$ 151	$ 626
Diluted earnings per share	$ 0.43	$ 0.57	$ 0.52	$ 0.49	$ 2.00

(1) Beginning in 2013, we changed our financial reporting cycle to a calendar year-end reporting cycle and an end-of-month quarterly reporting cycle. Accordingly, our 2013 first quarter included the period from December 29, 2012 through March 31, 2013.

(2) The sum of the earnings per share for the four quarters differs from annual earnings per share due to the required method of computing the weighted average shares in interim periods.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

As of the end of the period covered by this annual report, we evaluated, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")). Management necessarily applied its judgment in assessing the costs and benefits of those controls and procedures, which by their nature, can provide only reasonable assurance about management's control objectives. You should note that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Based upon this evaluation, our Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective and operating to provide reasonable assurance that we record, process, summarize and report the information we are required to disclose in the reports that we file or submit under the Exchange Act within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that we accumulate and communicate such information to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions about required disclosure.

Internal Control Over Financial Reporting

We have set forth management's report on internal control over financial reporting and the attestation report of our independent registered public accounting firm on the effectiveness of our internal control over financial reporting in Item 8 of this Form 10-K, and we incorporate those reports here by reference.

We made no changes in internal control over financial reporting during the fourth quarter of 2014 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Item 9B. Other Information.

None.

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PART III

Items 10, 11, 12, 13, 14.

As described below, we incorporate by reference in this Annual Report on Form 10-K certain information appearing in the Proxy Statement that we will furnish to our shareholders in connection with our 2015 Annual Meeting of Shareholders.

Item 10. Directors, Executive Officers and Corporate Governance.	We incorporate this information by reference to "Our Board of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance," "Audit Committee," "Transactions with Related Persons," and "Selection of Director Nominees" sections of our Proxy Statement. We have included information regarding our executive officers and our Code of Ethics below.
Item 11. Executive Compensation.	We incorporate this information by reference to the "Executive and Director Compensation" and "Compensation Committee Interlocks and Insider Participation" sections of our Proxy Statement.
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.	We incorporate this information by reference to the "Securities Authorized for Issuance Under Equity Compensation Plans" and the "Stock Ownership" sections of our Proxy Statement.
Item 13. Certain Relationships and Related Transactions, and Director Independence.	We incorporate this information by reference to the "Transactions with Related Persons," and "Director Independence" sections of our Proxy Statement.
Item 14. Principal Accounting Fees and Services.	We incorporate this information by reference to the "Independent Registered Public Accounting Firm Fee Disclosure" and the "Pre-Approval of Independent Auditor Fees and Services Policy" sections of our Proxy Statement.

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EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below is certain information with respect to our executive officers. The information set forth below is as of February 1, 2015, except where indicated.

Name and Title	Age	Business Experience
J.W. Marriott, Jr. Executive Chairman and	82	J.W. Marriott, Jr. was elected Executive Chairman effective March 31, 2012, having decided to relinquish his position as Chief Executive Officer. He served as Chief

Chairman of the Board		Executive Officer of the Company and its predecessors since 1972. He joined Marriott Corporation (now known as Host Hotels & Resorts, Inc.) in 1956, became President and a Director in 1964. Mr. Marriott serves on the Board of The J. Willard & Alice S. Marriott Foundation. He is a member of the National Business Council and the Executive Committee of the World Travel & Tourism Council. Mr. Marriott has served as a Director of the Company and its predecessors since 1964.
Arne M. Sorenson President and Chief Executive Officer	56	Arne M. Sorenson became President and Chief Executive Officer of the Company on March 31, 2012 and was appointed to the Board of Directors in February 2011. Mr. Sorenson joined Marriott in 1996 as Senior Vice President of Business Development, was named Executive Vice President and Chief Financial Officer in 1998, assumed the additional title of President, Continental European Lodging, in 2003 and was appointed Marriott's President and Chief Operating Officer in 2009. Before joining Marriott, he was a Partner in the law firm of Latham & Watkins in Washington, D.C. Mr. Sorenson serves on the Board of Directors for Brand USA, the Board of Regents of Luther College and is a member of the President of the United States' Export Council.
Carl T. Berquist Executive Vice President and Chief Financial Officer	63	Carl T. Berquist became our Executive Vice President and Chief Financial Officer in April 2009, with responsibility for global finance, including financial reporting, project finance, mergers and acquisitions, global treasury, corporate tax, internal audit, and investor relations. He joined the Company in December 2002 where he served as Executive Vice President of Financial Information and Enterprise Risk Management until assuming his current position. Before joining Marriott, Mr. Berquist was a partner at Arthur Andersen LLP. During his 28-year career with Arthur Andersen, Mr. Berquist held numerous leadership positions covering the management of the business as well as market facing operational roles, including managing partner of the worldwide real estate and hospitality practice. Mr. Berquist holds a bachelor of science degree in accounting from Penn State University and is a member of Penn State's Smeal Business School's Board of Visitors. He is also a member of the Board of Directors of Hertz Global Holdings, Inc.
Bao Giang Val Bauduin Controller and Chief Accounting Officer	38	Val Bauduin became our Controller and Chief Accounting Officer in June 2014, with responsibility for the accounting operations of the Company. Prior to joining Marriott, Mr. Bauduin was a Partner and U.S. Hospitality leader of Deloitte & Touche LLP from 2011 to 2014, where he has served as a Travel, Hospitality & Leisure industry expert for Deloitte teams globally. Prior to that, Mr. Bauduin was a Senior Manager of Deloitte & Touche LLP from 2005 to 2011. He has a strong international background, and has built and led cross-functional (tax, valuation and IT) international professional service teams engaged at diverse client organizations, including several large and well known public hospitality clients. He has supported complex capital market transactions (including initial public offerings, debt issuances, repurchases, debt-for-equity swaps and related derivative instruments), spinoffs and real estate development projects related to gaming and hospitality. Mr. Bauduin earned a Bachelor of Arts in Accounting & Economics from the University of Notre Dame and a Master of Business Administration in Finance from The Wharton School at the University of Pennsylvania. He is also a Certified Public Accountant.

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Name and Title	Age	Business Experience
Anthony G. Capuano Executive Vice President and Global Chief Development Officer	49	Anthony G. Capuano became Marriott's Executive Vice President and Global Chief Development Officer in 2009. He is responsible for the global development of all Marriott lodging brands and supervises 20 offices outside of North America as well as multiple offices across North America. Mr. Capuano began his Marriott International career in 1995 as part of the Market Planning and Feasibility team. Between 1997 and 2005, he led Marriott's full service development efforts in the Western U.S. and Canada. In early 2008,

		his responsibilities expanded to include North America, the Caribbean and Latin America. Mr. Capuano began his professional career in Laventhol and Horwath's Boston-based Leisure Time Advisory Group. He then joined Kenneth Leventhal and Company's hospitality consulting group in Los Angeles, CA. Mr. Capuano earned his bachelor's degree in Hotel Administration from Cornell University. He is an active member of the Cornell Society of Hotelmen and a member of The Cornell School of Hotel Administration Dean's Advisory Board. Mr. Capuano is also a member of the American Hotel and Lodging Association's Industry Real Estate Financial Advisory Council.
Simon F. Cooper President & Managing Director Asia Pacific	69	Simon F. Cooper became President and Managing Director, Asia Pacific in September 2010. He oversees the operation, development and strategic positioning of the brands and luxury groups in Asia Pacific. Mr. Cooper served as President and Chief Operating Officer of Ritz-Carlton from February 2001 until he assumed his current position, after a distinguished career with Marriott Lodging, including serving three years as President of Marriott Lodging Canada. His first hospitality job was with Canadian Pacific Hotels & Resorts. Among his many professional honors, Mr. Cooper has served on the Woodrow Wilson International Centre for Scholars, Canada Institute Advisory Board and as Chairman of the Board of Governors for Canada's University of Guelph. While he was President and COO of Ritz-Carlton, Mr. Cooper presided over a major expansion of the brand. In 2008 Mr. Cooper was named "Corporate Hotelier of the World" by HOTELS Magazine. In June of 2010, he received an Honorary Degree of Doctor of Laws from the University of Guelph. Born and educated in England, he earned an MBA from the University of Toronto.
David Grissen Group President	56	David Grissen became Group President effective February 2014, assuming additional responsibility for The Ritz-Carlton and Global Operations Services. He became the Group President for The Americas in 2012, with responsibility for all business activities including operations, sales and marketing, revenue management, human resources, engineering, rooms operations, food and beverage, retail, spa, information technology and development. Prior to this, he served as President, Americas from 2010; Executive Vice President of the Eastern Region from 2005; Senior Vice President of the Mid-Atlantic Region and Senior Vice President of Finance and Business Development from 2000. Mr. Grissen is chair of the Americas' Hotel Development Committee and a member of the Lodging Strategy Group and Corporate Growth Committee. He is a member of the Board of Directors of Regis Corporation and also Vice Chairman of the Board of Directors for Back on My Feet, an organization that helps individuals experiencing homelessness. Mr. Grissen holds a bachelor's degree from Michigan State University and a master's degree from Loyola University in Chicago.

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Name and Title	Age	Business Experience
Alex Kyriakidis President & Managing Director Middle East & Africa	62	Alex Kyriakidis joined Marriott in January 2012 as President and Managing Director, Middle East and Africa with responsibility for all business activities for the Middle East and Africa Region (MEA), including operations, sales and marketing, finance and hotel development. Before joining Marriott, Mr. Kyriakidis served for 10 years as Global Managing Director - Travel, Hospitality and Leisure for Deloitte LLP. In this role, Mr. Kyriakidis led the Global Travel, Hospitality and Leisure Industry team, where he was responsible for a team of 4,500 professionals that generated $700 million in revenues. Mr. Kyriakidis has 38 years of experience providing strategic, financial, M&A, operational, asset management and integration services to the travel, hospitality and leisure sectors. He has served clients in 25 countries, predominantly in the Europe, MEA and Asia Pacific regions. He is a fellow of the Arab Society of Certified Accountants, the British Association of Hotel Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Kyriakidis holds a bachelor of science degree in computer science and

		mathematics from Leeds University in the United Kingdom.
Stephanie Linnartz Executive Vice President and Chief Marketing and Commercial Officer	46	Stephanie Linnartz became the Chief Marketing and Commercial Officer in March 2013 and was named an executive officer in February 2014. She has responsibility for the Company's brand management, marketing, eCommerce, sales, reservations, revenue management, and consumer insight functions and information technology functions. Prior to assuming her current position, Stephanie served as Global Officer, Sales and Revenue Management from 2009 to 2013; Senior Vice President, Global Sales from 2008 to 2009; and Senior Vice President, Sales and Marketing Planning and Support from 2005 to 2008. Ms. Linnartz holds a master of business administration from the College of William and Mary.
Amy C. McPherson President & Managing Director Europe	53	Amy C. McPherson was appointed President and Managing Director of Europe, a division that encompasses Continental Europe, the United Kingdom, and Ireland, in July 2009. Ms. McPherson joined Marriott in 1986 and most recently served as Executive Vice President of Global Sales and Marketing responsible for the Company's global and field sales, marketing, Marriott Rewards program, revenue management and eCommerce from 2005 until she was named to her current position. Other key positions held by Ms. McPherson include Senior Vice President of Business Transformation and Integration, and Vice President of Finance and Business Development. Before joining Marriott, she worked for Air Products & Chemicals in Allentown, PA.
David A. Rodriguez Executive Vice President and Chief Human Resources Officer	56	David A. Rodriguez was appointed Executive Vice President and Chief Human Resources Officer in 2006. Dr. Rodriguez joined Marriott as Senior Vice President-Staffing & Development in 1998 and was appointed Executive Vice President Human Resources for Marriott Lodging in 2003. Before joining Marriott, he held several senior roles in human resources at Citicorp (now Citigroup) from 1989 through 1998. Dr. Rodriguez holds a doctorate degree in industrial/organizational psychology from New York University and is an elected fellow of the National Academy of Human Resources.
Edward A. Ryan Executive Vice President and General Counsel	61	Edward A. Ryan was named Executive Vice President and General Counsel in November 2006. He joined Marriott in 1996 as Assistant General Counsel, was promoted to Senior Vice President and Associate General Counsel in 1999, when he had responsibility for all new management agreements and real estate development worldwide for full-service and limited-service hotels; in 2005 he also assumed responsibility for all corporate transactions and corporate governance. Before joining Marriott, Mr. Ryan was a Partner at the law firm of Hogan & Hartson (now Hogan Lovells) in Washington, D.C.

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Code of Ethics and Business Conduct Guide

We have long maintained and enforced a Code of Ethics that applies to *all* Marriott associates, including our Executive Chairman, Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer, and to each member of our Board of Directors. Our Code of Ethics is encompassed in our Business Conduct Guide, which you can find in the Investor Relations section of our website (Marriott.com/investor) by clicking on "Corporate Governance" and then "Governance Documents." We will post on the Investor Relations section of our website any future changes or amendments to our Code of Ethics, and any waiver of our Code of Ethics that applies to our Chairman of the Board, any of our executive officers, or member of the Board of Directors, within four business days following the date of such amendment or waiver.

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PART IV

Item 15. Exhibits and Financial Statement Schedules.

LIST OF DOCUMENTS FILED AS PART OF THIS REPORT

(1) FINANCIAL STATEMENTS

We include this portion of Item 15 under Item 8 of this Report on Form 10-K.

(2) FINANCIAL STATEMENT SCHEDULES

We include the financial statement schedules required by the applicable accounting regulations of the SEC in the notes to our financial statements and incorporate that information in this Item 15 by reference.

(3) EXHIBITS

Any shareholder who wants a copy of the following Exhibits may obtain one from us upon request at a charge that reflects the reproduction cost of such Exhibits. Requests should be made to the Secretary, Marriott International, Inc., 10400 Fernwood Road, Department 52/862, Bethesda, MD 20817.

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Exhibit No.	Description	Incorporation by Reference (where a report is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto)
3.1	Restated Certificate of Incorporation.	Exhibit No. 3(i) to our Form 8-K filed August 22, 2006 (File No. 001-13881).
3.2	Amended and Restated Bylaws.	Exhibit No. 3(ii) to our Form 8-K filed June 18, 2014 (File No. 001-13881).
4.1	Form of Common Stock Certificate.	Exhibit No. 4.5 to our Form S-3ASR filed December 8, 2005 (File No. 333-130212).
4.2	Indenture dated as of November 16, 1998, between the Company and The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank.	Exhibit No. 4.1 to our Form 10-K for the fiscal year ended January 1, 1999 (File No. 001-13881).
4.3	Form of 5.810% Series G Note due 2015.	Exhibit No. 4.1 to our Form 10-Q for the fiscal quarter ended June 16, 2006 (File No. 001-13881).
4.4	Form of 6.200% Series H Note due 2016.	Exhibit No. 4.2 to our Form 8-K filed June 14, 2006 (File No. 001-13881).
4.5	Form of 6.375% Series I Note due 2017.	Exhibit No. 4.2 to our Form 8-K filed June 25, 2007 (File No. 001-13881).
4.6	Form of 3.000% Series K Note No. R-1 due 2019.	Exhibit No. 4.1 to our Form 8-K filed February 27, 2012 (File No. 001-13881).
4.7	Form of 3.000% Series K Note No. R-2 due 2019.	Exhibit No. 4 to our Form 8-K filed March 14, 2012 (File No. 001-13881).
4.8	Form of 3.250% Series L Note due 2022.	Exhibit No. 4.1 to our Form 8-K filed September 10, 2012 (File No. 001-13881).
4.9	Form of 3.375% Series M Note due 2020.	Exhibit No. 4.1 to our Form 8-K filed September 27, 2013 (File No. 001-13881).
4.10	Form of 3.125% Series N Note due 2021.	Exhibit No. 4.1 to our Form 8-K filed October 9, 2014 (File No. 001-13881).

10.1	U.S. $2,000,000,000 Third Amended and Restated Credit Agreement dated as of July 18, 2013 with Bank of America, N.A. as administrative agent and certain banks.	Exhibit No. 10 to our Form 8-K filed July 19, 2013 (File No. 001-13881).
*10.2	Marriott International, Inc. Stock and Cash Incentive Plan, as Amended Through February 13, 2014.	Exhibit A to our Definitive Proxy Statement filed April 4, 2014 (File No. 001-13881).
*10.2.1	Amendment dated August 7, 2014 to the Marriott International, Inc. Stock and Cash Incentive Plan.	Exhibit No. 10 to our Form 10-Q filed October 29, 2014 (File No. 001-13881).
*10.3	Marriott International, Inc. Executive Deferred Compensation Plan, Amended and Restated as of January 1, 2009.	Exhibit No. 99 to our Form 8-K filed August 6, 2009 (File No. 001-13881).
*10.4	Form of Employee Non-Qualified Stock Option Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan.	Exhibit No. 10.4 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.5	Form of Employee Non-Qualified Stock Option Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Off-Cycle Grants).	Exhibit No. 10.5 to our Form 10-K filed February 12, 2009 (File No. 001-13881).
*10.6	Form of Employee Non-Qualified Stock Option Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Annual Grants).	Exhibit No. 10.6 to our Form 10-K filed February 12, 2009 (File No. 001-13881).

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Exhibit No.	Description	Incorporation by Reference (where a report is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto)
*10.7	Form of Executive Restricted Stock Unit Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan.	Exhibit No. 10.5 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.8	Form of Executive Restricted Stock Unit Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan, as Amended as of May 1, 2009.	Exhibit No. 10.2 to our Form 10-Q filed July 17, 2009 (File No. 001-13881).
*10.9	Form of MI Shares Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan.	Exhibit No. 10.6 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.10	Form of MI Shares Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Off-Cycle Grants).	Exhibit No. 10.9 to our Form 10-K filed February 12, 2009 (File No. 001-13881).
*10.11	Form of MI Shares Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Annual Grants).	Exhibit No. 10.10 to our Form 10-K filed February 12, 2009 (File No. 001-13881).
*10.12	Form of MI Shares Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Annual Grants), as Amended as of May 1, 2009.	Exhibit No. 10.3 to our Form 10-Q filed July 17, 2009 (File No. 001-13881).
*10.12.1	Form of MI Shares Agreement (EBITDA version) under the Marriott International, Inc. Stock and Cash Incentive Plan, as amended and restated as of May 1, 2009 and amended as of May 7, 2010.	Exhibit No. 10.1 to our Form 8-K filed February 13, 2012 (File No. 001-13881).
*10.13	Form of Stock Appreciation Right Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan.	Exhibit No. 10.7 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.14	Form of Stock Appreciation Right Agreement for the Marriott	Exhibit No. 10.12 to our Form 10-K filed February 12, 2009

	International, Inc. Stock and Cash Incentive Plan (Off-Cycle Grants).	(File No. 001-13881).
*10.15	Form of Stock Appreciation Right Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (Annual Grants).	Exhibit No. 10.13 to our Form 10-K filed February 12, 2009 (File No. 001-13881).
*10.16	Form of Stock Appreciation Right Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (For Non-Employee Directors).	Exhibit No. 10.8 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
*10.17	Form of Performance Share Award Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan.	*Filed with this report.*
*10.18	Summary of Marriott International, Inc. Director Compensation.	*Filed with this report.*
*10.19	Marriott International, Inc. Executive Officer Incentive Plan and Executive Officer Individual Performance Plan.	Exhibit No. 10.10 to our Form 10-K filed February 15, 2008 (File No. 001-13881).
10.20	License, Services and Development Agreement entered into on November 17, 2011, among Marriott International, Inc., Marriott Worldwide Corporation, Marriott Vacations Worldwide Corporation and the other signatories thereto.	Exhibit No. 10.1 to our Form 8-K filed November 21, 2011 (File No. 001-13881).
10.21	License, Services and Development Agreement entered into on November 17, 2011, among The Ritz-Carlton Hotel Company, L.L.C., Marriott Vacations Worldwide Corporation and the other signatories thereto.	Exhibit No. 10.2 to our Form 8-K filed November 21, 2011 (File No. 001-13881).

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Exhibit No.	Description	Incorporation by Reference (where a report is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto)
10.22	Marriott Rewards Affiliation Agreement entered into on November 17, 2011, among Marriott International, Inc., Marriott Rewards, L.L.C., Marriott Vacations Worldwide Corporation and certain of its subsidiaries, Marriott Ownership Resorts, Inc. and the other signatories thereto.	Exhibit No. 10.5 to our Form 8-K filed November 21, 2011 (File No. 001-13881).
10.23	Non-Competition Agreement entered into on November 17, 2011, with Marriott Vacations Worldwide Corporation.	Exhibit No. 10.6 to our Form 8-K filed November 21, 2011 (File No. 001-13881).
10.24	Asset Purchase and Sale Agreement for The New York EDITION between MI NY Clock Tower, LLC (a wholly-owned subsidiary of Marriott International, Inc.) and Black Slate B 2013, LLC, dated January 7, 2014.	Exhibit No. 10.1 to our Form 8-K filed January 8, 2014 (File No. 001-13881).
12	Statement of Computation of Ratio of Earnings to Fixed Charges.	*Filed with this report.*
21	Subsidiaries of Marriott International, Inc.	*Filed with this report.*
23	Consent of Ernst & Young LLP.	*Filed with this report.*
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).	*Filed with this report.*
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-	*Filed with this report.*

	14(a).	
32	Section 1350 Certifications.	*Furnished with this report.*
101.INS	XBRL Instance Document.	*Submitted electronically with this report.*
101.SCH	XBRL Taxonomy Extension Schema Document.	*Submitted electronically with this report.*
101.CAL	XBRL Taxonomy Calculation Linkbase Document.	*Submitted electronically with this report.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase.	*Submitted electronically with this report.*
101.LAB	XBRL Taxonomy Label Linkbase Document.	*Submitted electronically with this report.*
101.PRE	XBRL Taxonomy Presentation Linkbase Document.	*Submitted electronically with this report.*

* Denotes management contract or compensatory plan.

We have submitted electronically the following documents formatted in XBRL (Extensible Business Reporting Language) as Exhibit 101 to this report: (i) the Consolidated Statements of Income for the year-ended December 31, 2014, December 31, 2013, and December 28, 2012; (ii) the Consolidated Balance Sheets at December 31, 2014, and December 31, 2013; (iii) the Consolidated Statements of Cash Flows for the year-ended December 31, 2014, December 31, 2013, and December 28, 2012; (iv) the Consolidated Statements of Comprehensive Income for the year-ended December 31, 2014, December 31, 2013, and December 28, 2012; (v) the Consolidated Statements of Shareholders' (Deficit) Equity for the year-ended December 31, 2014, December 31, 2013, and December 28, 2012; and (vi) Notes to Consolidated Financial Statements.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, we have duly caused this Form 10-K to be signed on our behalf by the undersigned, thereunto duly authorized, on this 19th day of February 2015.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Arne M. Sorenson
Arne M. Sorenson
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Form 10-K has been signed by the following persons on our behalf in the capacities indicated and on the date indicated above.

PRINCIPAL EXECUTIVE OFFICER:

/s/ Arne M. Sorenson Arne M. Sorenson	President, Chief Executive Officer and Director

PRINCIPAL FINANCIAL OFFICER:

/s/ Carl T. Berquist Carl T. Berquist	Executive Vice President, Chief Financial Officer

PRINCIPAL ACCOUNTING OFFICER:

/s/ Bao Giang Val Bauduin	Controller and Chief Accounting Officer
Bao Giang Val Bauduin	

DIRECTORS:

/s/ J.W. Marriott, Jr.	/s/ Debra L. Lee
J.W. Marriott, Jr., Chairman of the Board	Debra L. Lee, Director
/s/ Mary K. Bush	/s/ George Muñoz
Mary K. Bush, Director	George Muñoz, Director
/s/ Deborah Marriott Harrison	/s/ Harry J. Pearce
Deborah Marriott Harrison, Director	Harry J. Pearce, Director
/s/ Frederick A. Henderson	/s/ Steven S Reinemund
Frederick A. Henderson, Director	Steven S Reinemund, Director
/s/ Lawrence W. Kellner	/s/ W. Mitt Romney
Lawrence W. Kellner, Director	W. Mitt Romney, Director

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COUNTY OF NASSAU

CONSULTANT'S, CONTRACTOR'S AND VENDOR'S DISCLOSURE FORM

1. Name of the Entity: Long Island Marriott

Address: 101 James Doolittle Blvd

City, State and Zip Code: Uniondale, NY 11553

2. Entity's Vendor Identification Number: _____

3. Type of Business: ✓ Public Corp ____ Partnership ____ Joint Venture

____ Ltd. Liability Co ____ Closely Held Corp _____ Other (specify)

4. List names and addresses of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, all corporate officers, all parties of Joint Ventures, and all members and officers of limited liability companies (attach additional sheets if necessary):

Paul Evasick General Manager

Ana Vignoni Director OF Finance

5. List names and addresses of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. If a Publicly held Corporation, include a copy of the 10K in lieu of completing this section.

Included 10 K

6. List all affiliated and related companies and their relationship to the firm entered on line 1. above (if none, enter "None"). Attach a separate disclosure form for each affiliated or subsidiary company that may take part in the performance of this contract. Such disclosure shall be updated to include affiliated or subsidiary companies not previously disclosed that participate in the performance of the contract.

None

7. List all lobbyists whose services were utilized at any stage in this matter (i.e., pre-bid, bid, post-bid, etc.). If none, enter "None." The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements. The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

(a) Name, title, business address and telephone number of lobbyist(s):

None

(b) Describe lobbying activity of each lobbyist. **See below for a complete description of lobbying activities.**

None

(c) List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):

None

8. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

Dated: 9/6/2016

Signed: Paul Evasick

Print Name: Paul Evasick

Title: General Manager

The term lobbying shall mean any attempt to influence: any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including by not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions, department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission, with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.

THIS AGREEMENT, dated as of July 1 , 2016 , (together with the schedules, appendices, attachments and exhibits, if any, this "Agreement"), between (i) Nassau County, a municipal corporation having its principal office at 1550 Franklin Avenue, Mineola, New York 11501 (the "County"), acting for and on behalf of the County Department of Social Services, having its principal office at 60 Charles Lindbergh Blvd., Uniondale, New York 11553 (the "Department"), and (ii) Long Island Marriott Hotel & Conference Center, having its principal office at 101 James Doolittle Boulevard, Uniondale, New York 11553 (the "Contractor").

W I T N E S S E T H:

WHEREAS, the County wishes to retain the Contractor to provide, and the Contractor wishes to provide, the services described in this Agreement; and

WHEREAS, this is a personal service contract within the intent and purview of Section 2206 of the County Charter;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement, the parties agree as follows:

1. Term. This AGREEMENT shall begin and end on December 27, 2016.

2. Services. The Contractor shall provide the following:

Date:	December 27, 2016
Place:	Long Island Marriott Hotel & Conference Center 101 James Doolittle Boulevard Uniondale, New York 11553 From 12:00 Noon to 4:00 PM

Lunch will include:

Hot Dog Station	Baked Ziti
6 Foot Deli Hero	Appropriate Condiments
Assorted Dry Snacks	Assorted Cookies
Assorted Coffee, Teas and Soft Drinks	

Sales Tax: Tax exempt-must provide Federal ID number.

Cost based on 500 people @ $20.97 per person	$ 10,485.00
(24% service charge)	$ 2,515.00
Balloon Center Pieces 50 @ $10.00	$ 500.00
(24% service charge)	$ 120.00
Podium and Microphone	$ 0.00
Enhanced Up-Lighting Choice of Colors	$ 0.00
TOTAL COST FOR LUNCH:	$ 13,620.00

3. Payment. (a) Consideration. The maximum amount that the County shall pay the Contractor as full consideration for all the Services provided under this Agreement (the "Maximum Amount") shall not exceed Thirteen Thousand Six Hundred Twenty and 00/100 ($13,620.00) (either total dollar amount or the dollar amount based upon the rate above) to be paid upon completion of service.

(b) Vouchers; Voucher Review, Approval and Audit. Payments shall be made to the Contractor upon completion of service (except as set forth below in this Section) and shall be contingent upon (i) the Contractor submitting a claim voucher (the "Voucher") in a form satisfactory to the County, that (a) states with reasonable specificity the services provided and the payment requested as consideration for such services, (b) certifies that the services rendered and the payment requested are in accordance with this Agreement, and (c) is accompanied by documentation satisfactory to the County supporting the amount claimed, including a certified payroll statement setting forth the names, positions and salaries paid by the Contractor during the preceding month, and (ii) review, approval and audit of the Voucher by the Department and/or the County Comptroller or his or her duly designated representative (the "Comptroller").

(c) Timing of Payment Claims. The Contractor shall submit claims no later than three (3) months following the County's receipt of the Services that are the subject of the claim, and no more frequently than once a month by the tenth (10th) of the month.

(d) Reimbursement by the Contractor Upon Loss of Funding. In addition to any other remedies available to the County, in the event that the County loses funding, including reimbursement, from the State or federal governments for any Services arising out of or in connection with any act or omission of the Contractor or a Contractor Agent (i) the County will have no further obligations to the Contractor under this Agreement and (ii) the Contractor shall pay the County the full amount of lost funds on demand, but not in excess of the amount paid to the Contractor under this Agreement.

(e) No Duplication of Payments. Payments for the work to be performed under this Agreement shall not duplicate payments for any work performed or to be performed under other agreements between the Contractor and any funding source including the County. The Contractor agrees to pursue all possible sources of revenue for the Services to be provided by the Contractor pursuant to this Agreement.

(f) Short Agreement Year. The Maximum Amount and, if applicable, Budget, are based upon a full 365 day calendar year. The Maximum Amount and amount payable with respect to any Budget shall be reduced pro rata to reflect that portion of a calendar year during which this Agreement is not effective.

4. Independent Contractor. The Contractor is an independent Contractor of the County. The Contractor shall not, nor shall any officer, director, employee, servant, agent or independent contractor of the Contractor (a "Contractor Agent"), be (i) deemed a County employee, (ii) commit the County to any obligation, or (iii) hold itself, himself, or herself out as a County employee or Person with the authority to commit the County to any obligation. As used in this Agreement the word "Person" means any individual person, entity (including partnerships,

corporations and limited liability companies), and governments or political subdivision thereof (including agencies, bureaus, offices and departments thereof).

5. No Arrears or Default. The Contractor is not in arrears to the County upon any debt or contract and it is not in default as surety, contractor, or otherwise upon any obligation to the County, including any obligation to pay taxes to, or perform services for or on behalf of, the County.

6. Compliance with Law. (a) Generally. The Contractor shall comply with any and all applicable Federal, State and local Laws, including, but not limited to those relating to conflicts of interest, discrimination, and disclosure of information, in connection with its performance under this Agreement. As used in this Agreement the word "Law" includes any and all statutes, local laws, ordinances, rules, regulations, applicable orders, and/or decrees, as the same may be amended from time to time, enacted, or adopted.

(b) Records Access. The parties acknowledge and agree that all records, information, and data ("Information") acquired in connection with performance or administration of this Agreement shall be used and disclosed solely for the purpose of performance and administration of the contract or as required by law. The Contractor acknowledges that Contractor Information in the County's possession may be subject to disclosure under Article 6 of the New York State Public Officer's Law ("Freedom of Information Law" or "FOIL"). In the event that such a request for disclosure is made, the County shall make reasonable efforts to notify the Contractor of such request prior to disclosure of the Information so that the Contractor may take such action as it deems appropriate.

7. Minimum Service Standards. Regardless of whether required by Law: (a) The Contractor shall, and shall cause Contractor Agents to, conduct its, his or her activities in connection with this Agreement so as not to endanger or harm any Person or property.

(b) The Contractor shall deliver services under this Agreement in a professional manner consistent with the best practices of the industry in which the Contractor operates. The Contractor shall take all actions necessary or appropriate to meet the obligation described in the immediately preceding sentence, including obtaining and maintaining, and causing all Contractor Agents to obtain and maintain, all licenses, certifications, and approvals ("Approvals") necessary or appropriate in connection with this Agreement.

8. Indemnification; Defense; Cooperation. (a) The Contractor shall be solely responsible for and shall indemnify, and hold harmless the County, the Department and its officers, employees, and agents (the "Indemnified Parties") from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorneys' fees and disbursements) and damages ("Losses"), arising out of or in connection with any acts or omissions of the Contractor or a Contractor Agent, regardless of whether taken pursuant to or authorized by this Agreement and regardless of whether due to negligence, fault, or default, including Losses in connection with any threatened investigation, litigation or other proceeding or preparing a defense to or prosecuting the same; provided, however, that the Contractor shall not be responsible for that portion, if any, of a Loss that is caused by the negligence of the County.

(b) The Contractor shall, upon the County's demand and at the County's direction, promptly and diligently defend, at the Contractor's own risk and expense, any and all suits, actions, or proceedings which may be brought or instituted against one or more Indemnified Parties and the Contractor shall pay and satisfy any judgment, decree, loss or settlement in connection therewith.

(c) The Contractor shall, and shall cause Contractor Agents to, cooperate with the County and the Department in connection with the investigation, defense or prosecution of any action, suit or proceeding in connection with this Agreement, including the acts or omissions of the Contractor and/or a Contractor Agent in connection with this Agreement.

(d) The provisions of this Section shall survive the termination of this Agreement.

9. Insurance. (a) Types and Amounts. The Contractor shall obtain and maintain throughout the term of this Agreement, at its own expense: (i) one or more policies for commercial general liability insurance, which policy(ies) shall name "Nassau County" as an additional insured and have a minimum single combined limit of liability of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate coverage, (ii) if contracting in whole or part for professional services, one or more policies for professional liability insurance, which policy(ies) shall have a minimum single combined limit liability of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate coverage, (iii) compensation insurance for the benefit of the Contractor's employees ("Workers' Compensation Insurance"), which insurance is in compliance with the New York State Workers' Compensation Law, and (iv) such additional insurance as the County may from time to time specify.

(b) Acceptability; Deductibles; Subcontractors. All insurance obtained and maintained by the Contractor pursuant to this Agreement shall be (i) written by one or more commercial insurance carriers licensed to do business in New York State and acceptable to the County, and (ii) in form and substance acceptable to the County. The Contractor shall be solely responsible for the payment of all deductibles to which such policies are subject. The Contractor shall require any subcontractor hired in connection with this Agreement to carry insurance with the same limits and provisions required to be carried by the Contractor under this Agreement.

(c) Delivery; Coverage Change; No Inconsistent Action. Prior to the execution of this Agreement copies of the insurance policies required by this Agreement, or certificates of insurance evidencing such coverage, shall be delivered to the Department. Not less than thirty (30) days prior to the date of any expiration or renewal of, or actual, proposed or threatened reduction or cancellation of coverage under, any insurance required hereunder, the Contractor shall provide written notice to the Department of the same and deliver to the Department renewal or replacement policies, certificates of insurance, and/or amendatory endorsements. The Contractor shall cause all insurance to remain in full force and effect throughout the term of this Agreement and shall not take any action, or omit to take any action, that would suspend or invalidate any of the required coverages. The failure of the Contractor to maintain (i) Workers' Compensation Insurance shall render this contract void and of no effect and (ii) the other required coverages shall be deemed a material breach of this Agreement upon which the County reserves the right to consider this Agreement terminated as of the date of such failure.

10. Assignment; Amendment; Waiver; Subcontracting. (a) This Agreement and the rights and obligations hereunder may not be in whole or part (i) assigned, transferred or disposed of, (ii) amended, (iii) waived, or (iv) subcontracted, without the prior written consent of the County Executive or his or her duly designated deputy (the "County Executive"), and any purported assignment or other disposal without such prior written consent shall be null and void. The failure of a party to assert any of its rights under this Agreement, including the right to demand strict performance, shall not constitute a waiver of such rights.

(b) It shall be a condition to the consent of the County Executive to any assignment or subcontract that the Person to or with whom or which such assignment or subcontract is made agrees in writing that, except as provided in the following sentence with respect to amounts payable by the County, such Person shall be bound by the terms and conditions of this Agreement as though an original party hereto. Unless the action being approved is an assignment of every right and obligation of the Contractor under this Agreement (i) the Contractor shall remain responsible for the full performance of its obligations under this Agreement and (ii) no amounts payable by the County under this Agreement shall be or become payable by the County to any Person other than the Contractor.

11. Termination. (a) Generally. This Agreement may be terminated (i) for any reason by the County upon thirty (30) days' written notice to the Contractor, (ii) for "Cause" immediately upon the receipt by the Contractor of written notice of termination from the County, (iii) upon mutual written Agreement of the County and the Contractor, and (iv) in accordance with the other provisions of this Agreement expressly addressing termination, if any.

As used in this Agreement the word "Cause" includes: (i) a breach of this Agreement; (ii) the failure to obtain and maintain in full force and effect all Approvals required for the services described in this Agreement to be legally and professionally rendered; and (iii) the termination or impending termination of federal or state funding for Services.

(b) By the Contractor. This Agreement may be terminated by the Contractor if performance becomes impracticable through no fault of the Contractor, where the impracticability relates to the Contractor's ability to perform its obligations and not to a judgment as to convenience or the desirability of continued performance. Termination under this subsection shall be effected by the Contractor delivering to the Commissioner of the Department (the "Commissioner"), at least sixty (60) days prior to the termination date (or a shorter period if sixty days' notice is impossible), a notice stating (i) that the Contractor is terminating this Agreement in accordance with this subsection, (ii) the date as of which this Agreement will terminate, and (iii) the facts giving rise to the Contractor's right to terminate under this subsection. A copy of the notice given to the Commissioner shall be given to the Deputy County Executive who oversees the administration of the Department (the "Applicable DCE") on the same day that notice is given to the Commissioner.

(c) Contractor Assistance Upon Termination. In connection with the termination or impending termination of this Agreement the Contractor shall, regardless of the reason for termination, assist the County in transitioning the Contractor's responsibilities and shall take all

actions reasonably requested by the County (including those set forth in other provisions of this Agreement). The provisions of this subsection shall survive the termination of this Agreement.

(d) Accounting Upon Termination. (i) Within thirty (30) days of the termination of this Agreement the Contractor shall provide the Department with a complete accounting up to the date of termination of all monies received from the County and shall immediately refund to the County any unexpended balance remaining as of the time of termination.

(e) Payments in Connection with Termination or Notice of Termination. Unless a provision of this Agreement expressly states otherwise, payments to the Contractor following the termination of this Agreement shall not exceed payments made as consideration for services that were (i) performed prior to termination, (ii) authorized by this Agreement to be performed, and (iii) not performed after the Contractor received notice that the County did not desire to receive such services.

12. Accounting Procedures; Records. The Contractor shall maintain and retain, for a period of six (6) years following the later of termination of or final payment under this Agreement, complete and accurate records, documents, accounts and other evidence, whether maintained electronically or manually ("Records"), pertinent to performance under this Agreement. Records shall be maintained in accordance with Generally Accepted Accounting Principles and, if the Contractor is a non-profit entity, must comply with the accounting guidelines set forth in the federal Office of Management & Budget Circular A-122, "Cost Principles for Non-Profit Organizations." Such Records shall at all times be available for audit and inspection by the County Comptroller or his or her duly designated representative (the "Comptroller"), the Department, any other governmental authority with jurisdiction over the provision of services hereunder and/or the payment therefore, and any of their duly designated representatives. The provisions of this Section shall survive the termination of this Agreement.

13. Limitations on Actions and Special Proceedings Against the County. No action or special proceeding shall lie or be prosecuted or maintained against the County upon any claims arising out of or in connection with this Agreement unless:

(a) Notice. At least thirty (30) days prior to seeking relief the Contractor shall have presented the demand or claim(s) upon which such action or special proceeding is based in writing to the Applicable DCE for adjustment and the County shall have neglected or refused to make an adjustment or payment on the demand or claim for thirty (30) days after presentment. The Contractor shall send or deliver copies of the documents sent or delivered to the Applicable DCE under this Section to each of (i) the Department and (ii) the County Attorney, at the address specified above for the County, on the same day that documents are sent or delivered to the Applicable DCE. The complaint or necessary moving papers of the Contractor shall allege that the above-described actions and inactions preceded the Contractor's action or special proceeding against the County.

(b) Time Limitation. Such action or special proceeding is commenced within the earlier of (i) one (1) year of the first to occur of (A) final payment under or the termination of this Agreement, and (B) the accrual of the cause of action, and (ii) the time specified in any other provision of this Agreement.

14. Work Performance Liability. The Contractor is and shall remain primarily liable for the successful completion of all work in accordance this Agreement irrespective of whether the Contractor is using a Contractor Agent to perform some or all of the work contemplated by this Agreement, and irrespective of whether the use of such Contractor Agent has been approved by the County.

15. Consent to Jurisdiction and Venue; Governing Law. Unless otherwise specified in this Agreement or required by Law, all claims or actions with respect to this Agreement shall be resolved exclusively by litigation before a court of competent jurisdiction located in Nassau County in New York State and the parties expressly waive any objections to the same on any grounds, including venue and forum non conveniens. This Agreement is intended as a contract under, and shall be governed and construed in accordance with, the Laws of New York State, without regard to the conflict of laws provisions thereof. The provisions of this Section shall survive the termination of this Agreement.

16. Notices. Any notice, request, demand or other communication required to be given or made in connection with this Agreement shall be (a) in writing, (b) delivered or sent (i) by hand delivery, evidenced by a signed, dated receipt, (ii) postage prepaid via certified mail, return receipt requested, or (iii) overnight delivery via a nationally recognized courier service, (c) deemed given or made on the date the delivery receipt was signed by a County employee, three (3) business days after it is mailed or one (1) business day after it is released to a courier service, as applicable, and (d)(i) if to the Department, to the attention of the Commissioner at the address specified above for the Department, (ii) if to an Applicable DCE, to the attention of the Applicable DCE at the address specified above for the County, (iii) if to the Comptroller, to the attention of the Comptroller at 240 Old Country Road, Mineola, NY 11501, and (iv) if to the Contractor, to the attention of the person who executed this Agreement on behalf of the Contractor at the address specified above for the Contractor, or to such other persons or addresses as shall be designated by written notice.

17. All Legal Provisions Deemed Included; Severability. (a) Every provision required by Law to be inserted into or referenced by this Agreement is intended to be a part of this Agreement. If any such provision is not inserted or referenced or is not inserted or referenced in correct form then (i) such provision shall be deemed inserted into or referenced by this Agreement for purposes of interpretation and (ii) upon the application of either party this Agreement shall be formally amended to comply strictly with Law, without prejudice to the rights of either party.

(b) In the event that any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) Unless the application of this subsection will cause a provision required by Law to be excluded from this Agreement, in the event of an actual conflict between the terms and conditions set forth above the signature page to this Agreement and those contained in any schedule, exhibit, appendix, or attachment to this Agreement, the terms and conditions set forth

above the signature page shall control. To the extent possible, all the terms of this Agreement should be read together as not conflicting.

18. Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

19. Entire Agreement. This Agreement represents the full and entire understanding and agreement between the parties with regard to the subject matter hereof and supercedes all prior agreements (whether written or oral) of the parties relating to the subject matter of this Agreement.

20. Administrative Service Charge: The Contractor agrees to pay the County an administrative service charge of ONE HUNDRED AND SIXTY dollars ($160.00) for the processing of this Agreement pursuant to Ordinance Number 74-1979, as amended by Ordinance Number 201-2001. The administrative service charge shall be due and payable to the County by the Contractor upon signing this Agreement.

21. Executory Clause. Notwithstanding any other provision of this Agreement:

(a) Approval and Execution. The County shall have no liability under this Agreement (including any extension or other modification of this Agreement) to any Person unless (i) all County approvals have been obtained, including, if required, approval by the County Legislature, and (ii) this Agreement has been executed by the County Executive (as defined in this Agreement).

(b) Availability of Funds. The County shall have no liability under this Agreement (including any extension or other modification of this Agreement) to any Person beyond funds appropriated or otherwise lawfully available for this Agreement.

IN WITNESS WHEREOF, the Contractor and the County have executed this Agreement as of the date first above written.

LONG ISLAND MARRIOTT HOTEL &
CONFERENCE CENTER

By: Dena Kimmel Dena Kimmel
Name: DENA KIMMEL
Title: Catering Sales Executive
Date: 9/6/2016

NASSAU COUNTY

By: _____

Name: _____

Title: County Executive

☐ Deputy County Executive

Date: _____

PLEASE EXECUTE IN BLUE INK

128965

STATE OF NEW YORK)
)ss.:
COUNTY OF NASSAU)

On the ____ day of _____ in the year 2016, before me personally came _____ to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of _____; that he or she is a County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

NOTARY PUBLIC

STATE OF NEW YORK)
)ss.:
COUNTY OF NASSAU)

On the 6th day of September in the year 2016, before me personally came DENA KAMMEL to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Nassau; that he or she is the Catering Sales Executive of LI Marriott Hotel, the corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto by authority of the board of directors of said corporation.

Susan Mullin
NOTARY PUBLIC

SUSAN MULLIN
NOTARY PUBLIC, State of New York
No. 01MU6122333
Qualified in Nassau County
Commission Expires February 7, 2017

RESOLUTION TO THE CORPORATE MINUTES

The undersigned Officer hereby certifies that the following resolution was duly adopted by the Board of Directors of the corporation known as Long Island Marriott Hotel & Conference Center, has not been modified or rescinded and is in full force and effect as to the date hereof.

RESOLVED: That Dena Kimmel, Catering Sales Executive
Corporate Title

of this corporation, is hereby authorized to execute a contract agreement on behalf of this corporation for purposes of entering into a contract with the Nassau County Department of Social Services for December 27, 2016.

Paul Wasick
Officer

Sworn to before me this 6th

day of September, 2016

Susan Mullin
Notary Public

SUSAN MULLIN
NOTARY PUBLIC, State of New York
No. 01MU6122333
Qualified in Nassau County
Commission Expires February 7, 2017

U.S. DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS
OFFICE OF THE COMPTROLLER

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions (Sub-Recipient)

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 28 CFR Part 67, Section 67.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 *Federal Register* (pages 19160-19211).

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department of agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Paul Evasick, General Manager 10/14/16
Name and Title of Authorized Representative m/d/yy

X Paul Evasick 10/14/16
Signature Date

LI Marriott Hotel
Name of Organization

101 James Doolittle Blvd, Uniondale NY 11553
Address of Organization

OJP FORM 4061/1 (REV. 2/89) Previous editions are obsolete

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposes," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of reports in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntary excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

COUNTY OF NASSAU

Inter-Departmental Memo

To: Budget Office

From: Michael A. Kanowitz
Planning & Research
Department of Social Services

Date: October 21, 2016

Subject: Long Island Marriott Hotel & Conference Center
Foster Care Holiday Party Services 2016

Pursuant to Section 32 (a) of the Collective Bargaining Agreement, Nassau Local 830 CSEA was notified of this Department's interest in contracting with the above vendor.

Attached please find a letter to Glen Tuifel, Assistant to the President of Nassau Local 830 CSEA, dated July 12, 2016, notifying him of the above fact. The letter was forwarded to the Nassau County Office of Labor Relations for appropriate handling.

It is requested that the County proceed with the contract processing.

Att.
10099
130511

EDWARD P. MANGANO
COUNTY EXECUTIVE

JOHN E. IMHOF, PhD
COMMISSIONER

NASSAU COUNTY
DEPARTMENT OF SOCIAL SERVICES
60 CHARLES LINDBERGH BLVD., SUITE 160
UNIONDALE, NEW YORK 11553-3686
Phone: 516-227-7474 Fax: 516-227-8432
Web: http://www.nassaucountyny.gov/

July 22, 2016

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Glen Tuifel
Assistant to the President
Nassau Local 830 CSEA
400 County Seat Drive
Mineola, New York 11501

Re. – Contract: Long Island Marriott Hotel & Conference Center
Foster Care Holiday Party Luncheon 2016 (New Contract)

Dear Mr. Tuifel:

Pursuant to section 32 of the Collective Bargaining Agreement and as a good faith effort to advise the CSEA of the County's needs, this letter is to advise you that the Department of Social Services is considering entering into or renewing contractual services with the above vendor. Pursuant to section 32-3(a), the County's needs are described in the service provisions of the contract including but not limited to appendices and other related attachments.

If you wish to meet or discuss any aspect of this proposed contract, or to discuss alternatives to this matter, please do not hesitate to contact me with that request in writing.

Sincerely,

S/

Michael A. Kanowitz
Planning & Research

cc: Keith Cromwell-Office of Labor Relations
Jerry Laricchuita, President Local 830 CSEA
Richard Dopkin, Vice President Local 830 CSEA
ENCLOSURE
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