

815208

Merger (#1)

400002537504 -5

Filed 12-3-74

76 pgs.

16-6 45.00

C T CORPORATION SYSTEM



Associated with The Corporation Trust Company
918-16TH STREET, N.W., WASHINGTON, D. C. 20008 • (202) 347-1801

November 27, 1974

RE: 1. MARRIOTT CORPORATION (Del.) *OC*
Merged: EIGHTEEN NINETY, INC. (Wash.) *OC*
(Filed in Delaware, July 11, 1974)

2. MARRIOTT CORPORATION (Del.)
Merged: EIGHTEEN NINETY-ONE, INC. (Wash.) *OC*
EIGHTEEN NINETY-TWO, INC. (Wash.) *OC*
EIGHTEEN NINETY-THREE, INC. (Wash.) *OC*
EIGHTEEN NINETY-FOUR, INC. (Wash.) *OC*
(Filed in Delaware, July 17, 1974)

3. MARRIOTT CORPORATION (Del.)
Merged: EIGHTEEN NINETY-SIX, INC. (Wash.) *OC*
(Filed in Delaware, July 29, 1974)

Secretary of State
Corporation Department
Tallahassee, Florida 32304

Counsel: Robert B. Morris, Atty.
Marriott Corporation
5161 River Road
Washington, D.C. 20016

C. TAX	15
FILING	
R. AGENT FEE	
C. COPY	
TOTAL	13
N. BULK	
BALANCE DUE	
REMOVED	

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64700 *** 15.00

Dear Sir:

At the request of the above-named attorney, we attach three documents issued by the Secretary of State of Delaware covering the subject three merger filings. Please file the documents on behalf of the surviving Delaware corporation which is qualified to transact business in your jurisdiction. The usual evidence should be forwarded to this office.

Our check is attached to cover your fees.

Thank you for your assistance.

Very truly yours,

C T CORPORATION SYSTEM

Richard T. Rizzo
Richard T. Rizzo
Assistant Secretary

RTR:el
enc.

Check - \$45.00

S.L.



Dorothy W. Glisson
SECRETARY OF STATE

Secretary of State

STATE OF FLORIDA
THE CAPITOL
TALLAHASSEE 32304

804/488-2140
(TWX) 810/881-2677

Please refer to this number for future correspondence
regarding this suspension

Subject:

This will acknowledge receipt of the following documents for the above captioned corporation:

- ___ 1. Check in the amount of \$
- ___ 2. Articles of Incorporation
- ___ 3. Amendment to Articles of Incorporation
- ___ 4. Articles of Merger or Consolidation merging ~~INC. into the above corp.~~
- ___ 5. Certificate of Withdrawal received and filed
- ___ 6. Limited Partnership
- ___ 7. Trademark Application

Enclosed please find:

- ___ 1. Certified Copy (ies)
- ___ 2. Certificate under Seal
- ___ 3. Photocopy (ies)
- ___ 4. A refund of \$ will be forwarded later
- ___ 5. Enclosures or details of filing:
- ___ 6. Other

Filed:

Sincerely,

Dorothy W. Glisson
Secretary of State

By *Nettie F. Sims*
Nettie F. Sims, Chief
Bureau of Corporation Records

NFS/
Enclosures

BOOK B117, 670

CONSENT AND AGREEMENT TO PLAN OF REORGANIZATION AND MERGER
OF

EIGHTEEN NINETY, INC. INTO MARRIOTT CORPORATION

This Consent and Agreement to Plan of Reorganization and Merger of Eighteen Ninety, Inc. into Marriott Corporation (hereinafter sometimes referred to as the "Plan") made and entered into this 14th day of June, 1974 by and between Joseph L. Rutten and John Machlis (hereinafter sometimes referred to as "Stockholders"), Eighteen Ninety, Inc., a Washington corporation (hereinafter sometimes called the "Company"), and Marriott Corporation, a Delaware corporation (hereinafter sometimes called "Marriott" or "Surviving Corporation"), such corporations being hereinafter sometimes referred to jointly as the "Constituent Corporation";

W I T N E S S E T H :

RECITALS.

A. The Company is a corporation duly organized and existing under the laws of the State of Washington, having its principal office in the State of Washington at Benaroya Business Park, 300 - 120th Avenue N.E., Bellevue, Washington.

B. The Company has five subsidiaries, Eighteen Ninety One, Inc., Eighteen Ninety Two, Inc., Eighteen Ninety Three, Inc., Eighteen Ninety Four, Inc., and Eighteen Ninety Six, Inc. (hereinafter sometimes called "Subsidiaries"), all of which are corporations organized and existing under the laws of the State of Washington, having their principal offices at Benaroya Business Park, 300 - 120th Avenue N.E., Bellevue, Washington. All of the Subsidiaries are wholly owned by the Company except for Eighteen Ninety Six, Inc., forty percent (40%) of the stock of which is owned by Rex E. Saindon.

C. Marriott is a corporation duly organized and existing under the laws of the State of Delaware, having its principal office in the State of Delaware at 100 West Tenth Street, Wilmington, Delaware.

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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D. The total number of shares of stock which the Company has authority to issue is 45,000 shares of Class A Voting Common Stock, One and no/100ths dollar (\$1.00) par value, of which 37,500 shares were issued and outstanding as of the date of this Agreement, 35,000 shares of Class B Non-Voting Common Stock, One and no/100ths dollar (\$1.00) par value, none of which has been issued and 20,000 shares of Preferred Stock, One and no/100ths dollar (\$1.00) par value, none of which has been issued.

E. All of the issued and outstanding shares of the Company are owned by the Stockholders, except for 15,000 shares of Class A Voting Common Stock owned by the Company's wholly owned subsidiary Eighteen Ninety Three, Inc., which will be owned by the Company at the Closing, free and clear of any lien or encumbrance which would preclude the consummation of the Plan.

F. The total number of shares of stock which Marriott has authority to issue is 45,000,000 shares of Common Stock, One and no/100ths dollar (\$1.00) par value, of which 31,142,864 shares were issued and outstanding as of the date of this Agreement, 1,000,000 shares of Preferred at No Par Value, of which no shares are issued.

G. The Board of Directors of Marriott and the Company have determined that it is advisable that the Company be merged into Marriott and have approved such merger on the terms and conditions hereinafter set forth, in accordance with applicable provisions of the statutes of the State of Delaware and the State of Washington.

NOW, THEREFORE, in consideration of the premises and of the agreements, covenants and provisions hereinafter contained, the Stockholders, Marriott and the Company have agreed and hereby agree, each with the other, as follows:

ARTICLE I

MERGER AGREEMENT

1.01 Merger. The Company and Marriott shall be merged into a single corporation in accordance with the applicable provisions of the laws of the State of Delaware and State of Washington, by the Company merging into Marriott which shall be the continuing and surviving corporation, and the name of the Surviving Corporation shall remain and be Marriott Corporation.

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ARTICLE II

MARRIOTT TO BE SURVIVING CORPORATION

When this Agreement of Merger shall have been approved and filed and become effective in accordance with and as provided by the applicable laws of the State of Delaware and the State of Washington:

2.01 Surviving Corporation. The Constituent Corporations shall be a single corporation, which shall be Marriott as the Surviving Corporation, and the separate existence of the Company shall cease except to the extent provided by the laws of the States of Delaware and Washington in the case of a corporation after its merger into another corporation.

2.02 Assets. Upon the merger becoming effective, Marriott shall thereupon and thereafter possess all the rights, privileges, immunities and franchises, as well of a public as of a private nature, of each of the Constituent Corporations; and all property, real, personal and mixed, and all debts due on whatever account, to and all other choses in action, and all and every other interest of, or belonging to, or due to each of the Constituent Corporations, shall be taken and deemed to be vested in the Surviving Corporation without further act or deed; and the title to all real estate, or any interest therein, vested in either of the Constituent Corporations shall not revert or be in any way impaired by reason of the merger. The assets, liabilities and net worth accounts of the Company shall be taken up on the books of the Surviving Corporation as at the effective date of the merger in the respective amounts at which they shall at the time be carried on the books of the Company.

2.03 Liabilities. Marriott shall thenceforth be responsible and liable for all of the debts, duties, liabilities and obligations of each of the Constituent Corporations of every kind and character whatsoever, and, without limiting the generality of the foregoing, shall assume the payment of interest and principal on any indebtedness heretofore issued by the Company to any of the Stockholders; and any claim existing or action or proceeding pending by or against either of the Constituent Corporations may be prosecuted to judgment as if the merger had not taken place, or the Surviving Corporation may be substituted in its place, and neither the rights of creditors nor any liens upon the property of either of the Constituent Corporations shall be impaired by the merger.

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2.04 Certificate of Incorporation. The Certificate of Incorporation of Marriott as existing and constituted immediately prior to the date the merger shall become effective shall be and constitute the Certificate of Incorporation of the Surviving Corporation.

2.05 By-Laws. The By-Laws of Marriott as existing and constituted immediately prior to the date the merger shall become effective shall be and constitute the By-Laws of the Surviving Corporation.

2.06 Directors. The Directors of Marriott immediately prior to the date the merger shall become effective shall be and constitute the Directors of the Surviving Corporation.

2.07 Officers. The officers of Marriott immediately prior to the date the merger shall become effective shall be and constitute the officers of the Surviving Corporation.

ARTICLE III

CONVERSION OF STOCK OF THE COMPANY TO MARRIOTT STOCK AND CASH

The manner and basis of converting the shares of each of the Constituent Corporations into shares of the Surviving Corporations are as follows:

3.01 Marriott Shares. All issued and outstanding shares of the Common Stock of Marriott prior to the merger shall remain issued and outstanding and shall thereby represent the ownership of the Surviving Corporation.

3.02 Shares of the Company. The 22,500 issued and outstanding shares of the Class A Voting Common Stock of the Company shall be converted into 40,000 shares of the Common Stock of Marriott, to be issued immediately upon the merger becoming effective and 26,667 shares of the Marriott Common Stock shall be distributed to Joseph L. Rutten and 13,333 shares shall be distributed to John Machlis.

3.03 Cash Distribution. In addition to the shares of Marriott Class A Common Stock to be distributed to the Shareholders pursuant to Section 3.02, Marriott shall also pay Shareholders at the Closing cash in an amount determined in accordance with the following formula:

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$$10,000 \times V - 60,000 = C$$

"V" shall be the average of the mean between the high and low selling price of Marriott Common Stock on the New York Stock Exchange during the thirty (30) calendar days immediately preceding the closing date. "C" shall be the amount of cash to be paid to the Shareholders. Two-thirds (2/3) of the cash to be so distributed shall be distributed to Joseph L. Rutten with the remaining one-third (1/3) to be distributed to John Machlis.

3.04 Stock Restrictions. The stock to be issued by Marriott shall be free and clear of all claims, liabilities and restrictions except that the Marriott stock shall be unregistered stock delivered to Stockholders under their individual warranties that they are acquiring it for investment and any certificate for such shares shall bear an appropriate legend to the effect that such stock may only be sold upon advice of legal counsel to Marriott that such sale would not violate the Securities Act of 1933. Marriott covenants and agrees that subsequent to the Closing, Marriott shall promptly exert its best efforts to register said stock for resale by the Stockholders with the United States Securities and Exchange Commission under a Form S-16 Registration Statement. Marriott's obligation to keep such initial Registration current shall be limited to two (2) years from the effective date of the initial registration. In the event that the stock to be issued is not fully registered within ninety (90) days of the date of Closing, Stockholders, or either of them, shall after said ninety (90) day period have the right, from time to time thereafter, to require Marriott to purchase for cash all or a part of the shares issued to Stockholders. The price per share shall be the mean between the high and low selling price of Marriott Common Stock on the New York Stock Exchange on the date of the request to purchase. The purchase price shall be paid in cash not later than ten (10) days from the date of receipt of the demand. Stock certificates shall be delivered by Stockholders to Marriott prior to payment.

ARTICLE IV

CONSENT OF STOCKHOLDERS

4.01 Consent. Each of the Stockholders signatory to this Agreement does hereby individually and severally consent to the merger of the Company into Marriott and such other ancillary action as is necessary to the consummation of the Plan.

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4.02 Further Assurances. Stockholders will take such further action including the execution of all appropriate documentation as is reasonably necessary to evidence or further confirm their consent to the merger provided for in this Agreement and/or as is necessary to meet any legal requirements incident to the merger under Washington and Delaware law.

4.03 Certificates. At the Closing each Stockholder will deliver to the Surviving Corporation for cancellation by the corporate secretary thereof all certificates representing shares of stock in the Company theretofore owned by each such Stockholder.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Company and stockholders Joseph L. Rutton and John Machlis, jointly and severally, warrant and represent to Marriott the following:

5.01 Corporate Standing. The Company and its subsidiaries are corporations duly organized and incorporated under the laws of the State of Washington and are valid and existing corporations in good standing and authorized to do business in Washington under the laws of Washington and have full corporate power and authority to own their properties and to carry on their businesses. There is no other jurisdiction in which the Company or its subsidiaries do business or have properties so as to make qualification therein necessary.

5.02 Corporate Documents. Stockholders and the Company have caused to be delivered to Marriott true and correct copies of the Articles of Incorporation and By-Laws of the Company and its subsidiaries and all amendments thereto, if any. Each of said documents is complete and accurate and will not be modified in any way prior to Closing. The minute books of the Company and its subsidiaries contain complete and accurate records of all proceedings and actions taken at all meetings of the stockholders and of the Boards of Directors of the Company and its subsidiaries.

5.03 Directors and Officers: Compensation: Banks.

(a) The officers and directors of the Company at the time of this Agreement are:

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Name

Office or Position

Joseph L. Rutten
John Machlis
Richard C. Reed
Robert H. Crowley

President and Director
Vice President and Director
Secretary and Director
Treasurer and Director

The officers and directors of the subsidiaries at the time of this agreement are:

Name

Office or Position

Joseph L. Rutten
John Machlis
Robert H. Crowley
Richard C. Reed

President and Director
Vice President and Director
Treasurer and Director
Secretary

In addition Rex E. Saindon is Vice President and Director of Eighteen Ninety Six, Inc.

(b) Stockholders have delivered to Marriott a list of the names of all person whose compensation from the Company and its subsidiaries for the fiscal year ending March 31, 1974 will equal or exceed Ten thousand and no/100ths dollars (\$10,000.00) which is attached as Exhibit 1.

5.04 Banks. The Company also has delivered to Marriott the name of each bank in which the Company and its subsidiaries have accounts and the names of all persons authorized to draw on such account as shown on Exhibit 2.

5.05 Capitalization. The total issued and outstanding shares of the Company, are fully paid and nonassessable and are owned by Stockholders except for 15,000 shares of the Company's Class A Voting Common Stock now owned by Eighteen Ninety Three, Inc. which will be purchased and owned by the Company prior to the Closing. Neither the Company nor its subsidiaries have any warrants, options or other rights outstanding for the purchase or other acquisition of any shares of the capital stock of the Company or its subsidiaries. The certificates to be delivered to Marriott for cancellation at Closing will constitute all of the issued and outstanding and treasury shares of the Company.

5.06 Absence of Undisclosed Liabilities. Except as reserved against or reflected in the Company's consolidated balance sheet as of March 31, 1974, or in Exhibits made a part of this agreement,

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the Company and its subsidiaries have no liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, including without limitation, tax liabilities due or to become due, and whether incurred in respect of or measured by the income of said corporations for any period prior to March 31, 1974, or arising out of transactions entered into or any state of facts or omissions existing prior thereto. Stockholders know of no basis for the assertion against the Company or any of its subsidiaries as of March 31, 1974, of any liability of any nature or in any amount not fully reserved against or reflected in said balance sheet or in Exhibits made a part of this agreement. From the date of this Agreement neither the Company nor its subsidiaries will pay or declare any cash, stock or other dividend; make any distributions on or with respect to their outstanding stock, purchase or redeem any of their outstanding stock except the purchase of 15,000 shares of the Company's Class A Voting Common Stock by the Company from Eighteen Ninety Three, Inc. prior to Closing; or issue any additional capital stock.

5.07 Business and Financial Condition. From the date of this Agreement there will be no change in the business, financial or other condition of the Company or its subsidiaries, or in their assets, properties, and liabilities, other than changes in the ordinary course of their businesses, none of which will be materially adverse, and said corporations will not incur any obligation or liability or make any disbursements otherwise than in the ordinary course of business except as noted on Exhibit 3 except with the prior written consent of Marriott. As of the Closing neither the Company nor any of its subsidiaries will be in default in the payment of any of their obligations or in the performance of any covenant or any obligation by them to be performed pursuant to the terms and provisions of any agreement or instrument to which they are a party or by which they may be bound.

5.08 Properties. The Company has fixed assets at the Company office and in addition the Company operates through its subsidiaries five (5) ice cream parlour restaurants and is the owner of the equipment, fixtures, furniture and supplies necessary for the operation thereof except as noted on Exhibit 4. Except for items expended, rendered obsolete or retired in the ordinary course of business, the Company or its subsidiaries have and will have at the date of Closing good, marketable and indefeasible title to all of said property and none of said property or any of the income or revenue therefrom is subject to any mortgage, conditional sale agreement, security interest, lease, lien, hypothecation, pledge, encumbrance, restriction, liability, charge, claim or imperfection of title whatsoever, subject only

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to such exceptions as are set forth in the said Exhibit 4. All of said property except as shown on Exhibit 4 will be owned at the Closing by the Company or its subsidiaries, without substantial adverse change, except for those changes which occur in the ordinary course of business.

5.09 Use of Property.

(a) All structures on the real property leased by the Company and its subsidiaries and all of the tangible personal property of said corporations conform with all applicable building, zoning and other laws, ordinances, orders and regulations.

(b) To the best of the knowledge and belief of Stockholders and the Company:

(1) The use of said properties is in conformity with Washington laws, ordinances, orders and regulations.

(2) The Company and its subsidiaries hold valid permits, licenses and contracts (copies of which have been delivered to Marriott) for the lawful conduct of the restaurants operated by them.

5.10 Insurance. The Company carries the insurance listed in the "Schedule of Insurance" attached as Exhibit 5, applicable to the business and property subject to this Agreement, and as of the Closing Date such insurance shall be in effect and in good standing. Upon request by Marriott, copies of the policies will be furnished prior to Closing.

5.11 Contracts. All agreements, arrangements, commitments and understandings, to which the Company and its subsidiaries or parties or by which they may be bound are listed in the "Schedule of Contracts" attached as Exhibit 6 which has been delivered to Marriott, except (1) employment contracts that are terminable without penalty upon short notice; and (2) written agreements for purchases that expire or are terminable by the Company or its subsidiaries within thirty (30) days. All of the agreements listed in Exhibit 6 are in full force and effect and there is no default (or claim of default) on the part of the Company, its subsidiaries or the other party or parties thereto.

5.12 Taxes. All tax returns required to be filed under federal and state law prior to March 31, 1974 have been filed and all taxes, interest and penalties due to any taxing authority will have been duly paid or accrued.

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5.13 Litigation. The Company is not engaged in, or threatened with, any litigation, governmental or other proceeding or controversy which might give rise to any claim against it or any of its assets or might affect any of its contractual rights, nor is there any basis for such litigation, proceeding or controversy known to Stockholders except as described in Exhibit 7.

5.14 Labor Relations. The Company and its subsidiaries have complied with all applicable laws, rules and regulations relating to the employment of labor, including those relating to wages, hours and the payment and withholding of taxes. There are no material controversies other than routine grievances pending or threatened between the Company or its subsidiaries and any of their employees except as described in Exhibit 7.

ARTICLE VI

STOCKHOLDERS' AND THE COMPANY'S COVENANTS

6.01 Indemnification. Stockholders (but only to the extent of the value of the Marriott stock and cash which they respectively receive) shall indemnify and hold harmless Marriott, the Company and its subsidiaries, from any claim, demand or liability resulting from any act or occurrence prior to Closing Date, provided written notice is delivered to Stockholders by Marriott of the assertion of such claim, demand or liability within twenty-four (24) months of Closing Date against and in respect of:

(a) All liabilities and obligations of, or claims against, the Company or its subsidiaries, contingent or otherwise, whether known or unknown at the Closing Date, which the Company incurred prior to the Closing Date, not fully reserved against in the balance sheet of the Company as of March 31, 1974 or otherwise disclosed.

(b) Any damage or deficiency resulting from any misrepresentation, breach of warranty, or nonfulfillment of any agreement on the part of Stockholders under this Agreement or from any misrepresentation in or material omission from any certificate or other instrument furnished to or to be furnished to Marriott under this Agreement.

(c) All actions, suits, proceedings, demands, assessments, judgments, costs and expenses (including reasonable legal fees) incident to any of the foregoing.

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PROVIDED, HOWEVER, the time period for delivery of written notice of claim, demand or liability for undisclosed liability to any taxing authority shall be within thirty-six (36) months of Closing Date, or upon the completion of tax audit by the taxing authority, whichever event shall first occur, and

PROVIDED, FURTHER, that notwithstanding any provision of this Plan the liability of Stockholders shall not continue or exist unless the assertion of such claim is made within the time limitation set forth in this paragraph 6.01. and unless the claims of Marriott exceed the sum of Ten thousand and no/100ths dollars (\$10,000.00).

6.02 Obligation of the Stockholders and the Company
Prior to Closing. During the period from the date of this Agreement to the Closing Date, Stockholders and the Company shall, and shall cause the Company, as appropriate, to:

(a) Deliver to Marriott all permits, consents and approvals, if any, as have been previously reasonably requested by Marriott, or its counsel.

(b) Afford representatives of Marriott full access during normal business hours to the shoppes, offices, buildings, equipment, records, files, books of account, tax returns and other papers of the Company and its subsidiaries; furnish Marriott with all information concerning the affairs of the Company and its subsidiaries as Marriott may reasonably request; permit Marriott's representatives to make extracts from and copies of all the agreements, tax returns, appraisals, reports, corporate records, books of account and files of said corporations.

(c) Conduct the business and operations of the Company and its subsidiaries in the ordinary course and maintain their books of account in a manner that fairly and correctly reflect their income, expenses, and liabilities in accordance with generally accepted accounting principles, consistently applied.

(d) Use their best efforts to maintain and preserve the business organization of the Company and its subsidiaries intact and to preserve their relationship with employees, patrons and others.

(e) Notify Marriott of any unusual problems or developments with respect to the business of the Company and its subsidiaries to the end that an uninterrupted and efficient transfer of control of the Company and its subsidiaries may be made.

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6.03 Further Obligations of Stockholders and the Company Prior to Closing. During the period from the date hereof to the Closing Date, neither Stockholders nor the Company will permit the Company nor its subsidiaries to:

(a) Cancel, modify adversely, assign or in any way terminate or encumber any agreement, arrangement, commitment or understanding listed in Exhibit 6 which materially affects the business, operations or financial condition of said corporation.

(b) By any act or omission surrender, forfeit or fail to renew on regular terms, any authorization necessary to its business, including those heretofore delivered to Marriott.

(c) Except in the usual and ordinary course of business, sell or dispose of, or agree to sell or dispose of, any of its property, rights, interests or other assets, or suffer or permit the creation of any mortgage, pledge, lien or other encumbrance, security interest or imperfection of title thereon or with respect thereto.

(d) Permit any unusual increases in the compensation of employees of the Company or enter into any employment contracts, other than in the ordinary course of business to replace, if necessary, existing employees on essentially the same terms and conditions as applied to the replaced employee.

(e) Fail to repair, maintain or replace the facilities and equipment in accordance with the normal standard of maintenance applicable to the Farrell's Restaurants, or fail to maintain at a normal level its equipment, supplies and other tangible personal property used or usable in the operation of the Company or its subsidiaries.

(f) Fail to carry, at all times, between the date hereof and Closing Date, insurance at least equal to that as shown in Exhibit 5.

(g) Enter into any transaction that is not in the usual and ordinary course of business or enter into any agreements not in the usual and ordinary course of business which affect operations, business or properties.

(h) Permit the Company or its subsidiaries to assume, guarantee, endorse or otherwise become responsible for the obligations of any other individual, firm or corporation.

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(i) Make any investments of a capital nature, not previously contracted for, without first obtaining Marriott's written consent. It is understood that the completion of the Tacoma Mall store has been agreed.

(j) Knowingly allow to occur or exist any event of default under any agreement to which it is a party, which agreement is material to the operations or financial condition of the Company or its subsidiaries.

6.04 Stockholders' Stock. Stockholders will not sell or grant any right or option to any person, firm or corporation to purchase or otherwise acquire from them Stockholders' stock, or any part thereof, prior to the Closing Date or the termination of this Agreement. It is recognized that Stockholders have entered into buy sell agreement between themselves and the Company which will be cancelled as of the Closing.

ARTICLE VII

MARRIOTT'S REPRESENTATIONS AND WARRANTIES

7.01 Corporate Standing. Marriott is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

7.02 Authorization of this Agreement. Marriott has all necessary corporate power to execute and deliver this Agreement, to consummate the transactions provided for herein, and the execution and delivery of this Agreement of Marriott and the performance by Marriott of all of the obligations by it to be performed hereunder have been duly and correctly approved by all necessary corporate action on its part.

7.03 Marriott Corporation Shares to be Delivered. The shares of common stock of Marriott Corporation to be delivered to Stockholder pursuant to this Agreement will be One and no/100ths dollar (\$1.00) par value per share, all having full voting power and when delivered will be validly authorized, issued and outstanding, fully paid and non-assessable.

7.04 Access to Information.

(a) Marriott has heretofore delivered to the Company and to the Stockholders copies of the following documents:

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(i) Annual Report on Form 10-K as filed with the Securities and Exchange Commission for the fiscal year of Marriott ended on July 27, 1973;

(ii) Annual Report to Shareholders for fiscal year 1973 containing, among other things, a consolidated balance sheet of Marriott and subsidiaries as of July 27, 1973 and July 28, 1972, and related statements of consolidated income, shareholders' investment and changes in financial position for the fiscal years then ended, all of which are certified by Arthur Andersen & Co. by report dated September 7, 1973;

(iii) First Quarter Report to Shareholders for the first quarter of fiscal 1974 ending October 19, 1973;

(iv) Mid-Year Report to Shareholders for the first half of fiscal year ending February 8, 1974;

(v) Press Releases of Marriott dated February 28, 1974 and March 7, 1974.

There have been no further material business or financial developments affecting Marriott's operations or financial condition not set forth in the foregoing documents except as may hereafter be set forth from time to time in reports filed with the Securities and Exchange Commission or with the New York Stock Exchange (which reports are available to the Company and to Stockholders and the public generally) or in further press releases, a copy of which will be promptly supplied to the Company and to stockholders at all times prior to the Closing.

(b) Marriott will afford representatives of the Company and the Stockholders full access during normal business hours to financial and other officers of Marriott to discuss the business and financial condition of Marriott. In addition, Marriott will furnish the Company and the Stockholders with all financial and other information concerning the affairs of Marriott as the Company or the Stockholders may reasonably request for purposes of further evaluating and understanding the business and financial condition of Marriott.

ARTICLE VIII

CONDITIONS TO THE COMPANY'S AND STOCKHOLDERS' OBLIGATIONS

8.01 Conditions. The obligation of the Company and Stockholders to complete the transaction provided for herein

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shall be subject, at their election, to the performance by Marriott of all the agreements by it to be performed hereunder on or before the Closing Date, the accuracy and correctness of Marriott's representations and warranties, and to the following further conditions:

(a) All representations and warranties of Marriott contained in this Agreement shall be true and correct on and as of the Closing Date in all respects as though made on and as of the Closing Date.

(b) Marriott shall have delivered to the Company and to Stockholders on the Closing Date an opinion of Marriott's General Counsel, in a form satisfactory to Counsel for the Company and Stockholders dated the date of delivery, with respect to the matters set forth in Sections 7.01, 7.02 and 7.03 hereof and all representations, warranties and/or documents; and that this Agreement and all documents to be executed or delivered hereunder by Marriott at the Closing are valid and binding upon Marriott in accordance with their respective terms, and that Marriott's counsel does not know of or have any reasonable grounds to know of any violations by Marriott of any of its agreements, representations, warranties, certificates or affidavits.

(c) Marriott shall have delivered to the Company and to Stockholders on the Closing Date a certificate executed by one of its duly authorized officers, dated the date of delivery to the effect that as of the Closing Date the representations and warranties contained in Article VII hereof are true and correct.

(d) Marriott shall have delivered to the Company and to Stockholders at the Closing a certified copy of resolutions of the Board of Directors of Marriott duly authorizing the execution, delivery and performance of this Agreement and all documents to be executed and delivered by Marriott at the Closing.

(e) Marriott shall have delivered to the Company and to Stockholders at the Closing such other documents as may be reasonably requested by the Company or by Stockholders prior to the Closing Date.

ARTICLE IX

CONDITIONS TO MARRIOTT'S OBLIGATIONS

9.01 Financial Statements. The Company has delivered to Marriott a consolidated profit and loss statement and

consolidated balance sheet of the Company as of the twelve months ending March 31, 1974, prepared by Robert H. Crowley, Certified Public Accountant, for the Company. The profit and loss statement and balance sheet have been prepared in accordance with generally accepted accounting principles and practices consistently applied. A copy of the Consolidated Profit and Loss Statement and Consolidated Balance Sheet of the Company for the twelve months ending March 31, 1974, prepared by Robert H. Crowley of Kelly and Payne is attached hereto following Exhibit 9.

9.02 Further Conditions. All obligations of Marriott to complete the transactions provided for herein shall be further subject, at its election, to the performance by Stockholders and the Company of all of the agreements to be performed by them hereunder on or before the Closing Date, the accuracy and correctness of the representations and warranties of Stockholders and the Company and to the following further conditions:

(a) All representations and warranties of Stockholders and the Company contained in this Agreement shall be true and correct, on and as of the Closing Date in all respects as though made on and as of the Closing Date.

(b) Stockholders shall have delivered to Marriott on the Closing Date a certificate signed by each of them dated the date of delivery, to the effect that as of the Closing Date such representations and warranties as are contained in Article II and Article IV are true and correct (with any exceptions thereto approved by Marriott) and that between the date hereof and the Closing Date Stockholders and the Company have complied in all respects with the provisions of Article III.

(c) Stockholders shall have delivered to Marriott on the Closing Date an opinion of the law firm of Reed, McClure, Mocerri & Thonn, P.S., in a form satisfactory to Marriott's General Counsel dated the date of delivery, to the effect that (i) the Company and its subsidiaries are validly organized, existing and in good standing under the laws of the State of Washington, (ii) the outstanding shares of Class A Voting Common Stock of the Company to be transferred to Marriott pursuant to this Agreement are duly authorized, validly issued, fully paid and non-assessable, (iii) there are no restrictions in the Articles of Incorporation or any amendments thereto, By-Laws, minutes or other shares or certificates of the Company limiting the right or power of Marriott with regard thereto constituting a lien, encumbrance, equity or demand upon the shares of the Class A

Voting Common Stock of the Company, (iv) this Agreement, and all documents to be executed and delivered hereunder by Stockholders of the Company have been duly executed and delivered by the Stockholders and are valid and binding obligations of the Stockholders enforceable in accordance with their terms, (v) that to the best of counsel's knowledge each Stockholder has good and valid title to the respective shares of the Company issued in the name of such Stockholder, free and clear of all encumbrances, (vi) such counsel has no knowledge of any claims against the stock of the Company or of any of its subsidiaries or any undisclosed claim against said corporations, (vii) such counsel has no knowledge of any litigation, proceeding or governmental investigation pending or threatened against or relating to the Company or its subsidiaries or their properties or businesses or the transactions contemplated by this Agreement or any legal impediment to the operation by the Company or its subsidiaries of their properties and businesses in the ordinary course except as disclosed, (viii) such counsel does not know of any violation by Stockholders' or the Company's representations, warranties, certificates or affidavits related to this Agreement or its performance, (ix) to the best of counsel's knowledge all corporate actions required of the Company and its subsidiaries have been taken and all reports and returns to be filed by them have been filed.

ARTICLE X

CLOSING

10.01 Closing. The Closing shall take place at the offices of Reed, McClure, Moceris & Thonn, P.S., 17th Floor, Hoge Building, Seattle, Washington 98104 at 10:00 a.m. on June 27, 1974. The Closing may take place at such other time and place as the parties may agree. The date fixed of closing is herein called the "Closing Date".

10.02 Risk of Loss. Until Closing, all risk of loss or damage by fire or other casualty or cause to the tangible properties of the Company and its subsidiaries shall be on the Company and Stockholders. If at the time of Closing, the structures occupied by the Company or the tangible personal property of the Company shall have been damaged or destroyed on account of fire, hurricane, wind, tornado, flood, earthquake, accident, condemnation or any other cause or event (whether or not similar to the foregoing), to an extent that it substantially affects the value of the assets or the operation of the business

of the Company or its subsidiaries, Marriott shall have the right at its sole and exclusive discretion:

(a) To terminate this Agreement upon written notice to the Company and to the Stockholders, which right shall be in lieu of any other right or remedy whatsoever, or

(b) Proceed with Closing in which event the Company shall be entitled to receive all proceeds of insurance by reason thereof.

ARTICLE XI

ESCROW

11.01 Share Escrow. In order to secure the continuing obligations of the Stockholders hereunder, including without limitation (i) the representations and warranties in Article V, (ii) the product liability provisions of Section 13.04, and (iii) the indemnification provisions of Section 6.01; 3,333 shares of the 26,667 shares of Marriott Common Stock deliverable to Joseph L. Rutten and 1,667 shares of the 13,333 shares of Marriott Common Stock deliverable to John Machlis pursuant to Section 3.02 shall be placed in escrow with Reed, McClure, Mocerri & Thonn, P.S., 17th Floor, Hoge Building, Seattle, Washington, pursuant to an escrow agreement in the form of Exhibit 8. The terms of the escrow shall end one year from Closing.

11.02 Claim Against Escrowed Stock. If Marriott shall assert a claim against the escrowed stock it shall be asserted proportionately against the shares of each Stockholder. Written notice of the claim shall be given pursuant to Article 13.10. Proof of notice of claim shall be given to Escrow Agent. Thirty (30) days after proof of notice of claim is given to Escrow Agent, Escrow Agent shall deliver the appropriate number of shares to the Transfer Agent for Marriott for redelivery to Marriott unless within said thirty (30) day period, Stockholders, or either of them, shall notify Escrow Agent and Marriott in writing that all or a part of Marriott's claim is protested. If Stockholders and Marriott do not notify Escrow Agent within thirty (30) days after notice of protest that the protested claim of Marriott has been resolved, either Marriott or Stockholder may elect to institute proceedings in the King County, Washington Superior Court for the resolution of the disputed claim against the escrowed stock. Escrow Agent may rely upon instructions jointly executed by

Marriott and Stockholders, or by a certified copy of judgment of the King County Superior Court with proof satisfactory to Escrow agent that time for appeal from said judgment has expired.

11.03 Valuation of Escrowed Stock. For purpose of determining the number of shares to be delivered by Escrow Agent to Marriott in satisfaction of a claim, the value per share shall be the average of the mean between the high and low selling price of Marriott Common Stock on the New York Stock Exchange during the thirty (30) calendar days immediately preceding the date of delivery by Escrow Agent to Transfer Agent for Marriott.

11.04 Termination of Escrow. Any escrowed stock after the satisfaction of all claims of Marriott shall be returned to Stockholders at the expiration of the term of the escrow as specified in Article 11.01.

11.05 Further Recourse. Unless specifically so provided with respect to any continuing obligations of the Stockholders, the re-delivery of any stock to Marriott pursuant to this Article IX and the Escrow Agreement shall not compromise in any way such other or additional recourse or remedy which Marriott may have at law or equity against any Stockholder under this Agreement. Similarly, the redelivery of any stock to Marriott hereunder shall not deny or compromise in any way the right of any Stockholder to subsequently contest the existence of any obligation hereunder or the propriety or correctness of said redelivery by legal proceedings at law or equity.

ARTICLE XII

ADDITIONAL WARRANTIES, UNDERTAKINGS, AND AGREEMENTS OF STOCKHOLDERS

12.01 Covenant Not to Compete. Stockholders agree that they will not, for a period of three (3) years following the date of Closing or if they are employed by Marriott or one of its subsidiaries, then from the date such employment is terminated, directly or indirectly, for or on behalf of themselves or others, engage in any restaurant business similar to that conducted by Farrell's Ice Cream Parlour Restaurants as of the Closing Date. These limitations shall apply only within twenty-five (25) miles of all locations where a Farrell's unit is located as of time of Closing, or termination of employment, whichever is later; but in no event shall Stockholders engage in said type of business within the area of the Washington Franchise or Western B.C. Franchise within said three (3) year period.

ARTICLE XIII

GENERAL PROVISIONS

13.01 Expenses of the Parties. All expenses involved in the preparation, authorization and consummation of this Agreement, including without limitation, all fees and expenses of agents, representatives, counsel and accountants in connection therewith and in connection with applications to governmental agencies or officials hereunder, shall be borne solely by the party who shall have incurred the same, and the other party shall have no liability in respect thereof.

13.02 Covenant of Further Assurance. The parties will execute, at or after the Closing Date, such other documents as may be reasonably necessary for the implementation and consummation of this Agreement.

13.03 Survival of Representations, Warranties and Indemnifications. Neither the merger nor the acceptance or delivery of control of property hereunder shall constitute a waiver of any covenant, representation, warranty, agreement, obligation, undertaking or indemnification of Stockholders or Marriott contained in this Agreement, and the same, which by their terms are to be performed and observed after Closing, shall, unless otherwise specifically provided, survive the Closing Date, and shall be effective regardless of any investigations that may have been made or may be made at any time by or on behalf of the party to whom such covenants, representations, warranties and agreements are made subject to the time limitation set forth in Article 6.01.

13.04 Product Liability. Stockholders shall remain solely responsible for, and shall hold Marriott free and harmless from, any and all claims, actions or suits against Marriott in respect to any product, service or property sold by the Company prior to the Closing Date. This representation, warranty and covenant shall survive the Closing to the extent provided in Section 13.03 above.

13.05 Handling Claims or Liabilities. In the event any claim or liability shall be asserted against Marriott and if valid and established would entitle Marriott to indemnity under this Agreement, Marriott shall give notice of the assertion of such claim, loss or liability to the Stockholders in the manner hereinafter provided, and Stockholders may have and

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assume the defense of such claim or liability and may pay, settle or compromise the same in such manner as the Stockholders shall determine, otherwise, Marriott shall have the defense thereof and may settle or compromise the same in such manner as Marriott shall determine; provided, however, that in any event Stockholders and Marriott will, in good faith, confer and consult in respect to all such claims and liabilities and will use their best efforts to minimize the amounts which may be required to be paid to discharge, settle or otherwise dispose of the same. Any such amounts shall be satisfied by Stockholders, pro rata.

13.06 Other Acquisitions of Marriott. It is understood and agreed by Stockholders that, notwithstanding anything to the contrary herein contained, Marriott may issue prior to or subsequent to the Closing Date hereunder, additional shares of its capital stock or any other securities, options or warrants, pursuant to a bona fide sale thereof, or with respect to the stock dividend declared on March 7, 1974 payable to shareholders of record on March 22, 1974, or with respect to any existing options, or in connection with the acquisition of the assets of, other corporations, partnerships, or proprietorships which Marriott may desire to acquire (or which it may have acquired previously) or in any other bona fide and arm's length transaction, and any such sale, issuance or acquisition shall not by virtue of the terms of same, affect the terms hereof provided that if Marriott, between the date of this Agreement and the Closing Date, declares any stock dividends or makes any other readjustment in its shares, such readjustments shall accrue to Stockholders as if they had owned the Marriott stock at the time of the adjustments, for the purpose of computing the number of shares Stockholders are entitled to receive under this Agreement.

13.07 Amendment and Waiver. This Agreement cannot be changed or terminated orally. No waiver of compliance with any provision or condition hereof, and no consent provided for herein shall be effective unless evidenced by an instrument in writing duly executed by the party hereto sought to be charged with such waiver or consent.

13.08 Effect of this Agreement. This agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements and understandings relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13.09 Construction. This Agreement shall be interpreted and enforced in accordance with the State of Delaware.

13.10 Notices. Any notice, demand, waiver or consent required or permitted hereunder shall be in writing mailed by certified or registered mail, return receipt requested, to the following:

If to Stockholders
or Company:

Mr. Joseph L. Rutten &
Mr. John Machlis
Benaroya Business Park
300 - 120th Avenue N. E.
Bellevue, Washington 98005

If to Marriott:

Marriott Corporation
5161 River Road
Washington, D.C. 20016
Attn: Law Department

Or at such other address as may be designated in writing by any such party. The date of any notice and of service thereof shall be deemed to be the day of receipt.

13.11 Confidential Information. If for any reason this Agreement is terminated Marriott shall return to the Company all financial statements, permits, corporate records and other documents obtained from the Company and its Stockholders and shall not publish or disclose in any manner whatsoever any confidential information relating to the Company.

13.12 Investment Representation. At the Closing, Stockholders each will deliver to Marriott a letter containing an investment warranty as to the stock then transferred in the form attached as Exhibit 9.

13.13 Option to Purchase Saindon Stock. The Company will obtain and deliver to Marriott at or prior to Closing an Option Agreement executed by Rex E. Saindon giving Marriott the right between July 24, 1974 and December 31, 1974, to purchase for Sixty thousand and no/100ths dollars (\$60,000.00), free and clear of all liens and encumbrances, all of the stock of Eighteen Ninety Six, Inc. issued in the name of Rex E. Saindon with provision for the certificate evidencing said shares to be held in escrow

by Mr. Richard C. Reed until the option is exercised or December 31, 1974, whichever date occurs first.

13.14 Indemnification by Marriott. Marriott hereby agrees to indemnify and hold Stockholders and John E. Fecker harmless from any obligations of the Company or its subsidiaries which have been disclosed to Marriott and have been personally guaranteed by Stockholders, John E. Fecker or any of them, or for which they are or might be personally liable.

13.15 Purchase of Company Stock Owned by 1893, Inc. At or prior to the Closing the Company will pay Eighteen Ninety Three, Inc. an amount equal to the difference between One hundred thousand and no/100ths dollars (\$100,000.00) and the balance then owing by Eighteen Ninety Three, Inc. to John E. Fecker under the Stock Purchase Agreement between said parties dated November 15, 1973. The Company will assume Eighteen Ninety Three, Inc.'s obligation to pay the balance owing to John E. Fecker under said Stock Purchase Agreement and Eighteen Ninety Three, Inc. will transfer to the Company the fifteen thousand (15,000) shares of the Company's Class A Voting Common Stock purchased under said Stock Purchase Agreement.

13.16 Sole Remedy. In the event of the failure of either party to comply with the terms and conditions of this Agreement required to be performed prior to Closing and as a result the Closing does not take place, the sole remedies of the other party shall be (a) to terminate this Agreement, and (b) to be reimbursed by the defaulting party for out-of-pocket costs incurred by the non-defaulting party.

IN WITNESS WHEREOF, the Stockholders have duly subscribed their names individually and the Company and Marriott have caused this Agreement to be signed by their proper corporate officers thereunto duly authorized, as of the day and year first above written.

STOCKHOLDERS:

CONSENT OF WIFE OF STOCKHOLDER:

Joseph L. Rutten
Joseph L. Rutten

John Machlis
John Machlis

CORPORATE SEAL

Attest:

Assistant Secretary
Assistant Secretary

Attest:

Richard C. Reed
Richard C. Reed, Secretary

CORPORATE SEAL

MARRIOTT CORPORATION

By Vice President
Vice President

EIGHTEEN NINETY, INC.

By Joseph L. Rutten, President
Joseph L. Rutten, President


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STATE OF WASHINGTON)
COUNTY OF KING) ss.

On June 14, 1974, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOSEPH L. RUTTEN, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

NOTARIAL SEAL



Notary Public in and for the State
of Washington, residing at ~~MELOD~~ Island

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On June 14, 1974, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOHN MACHLIS, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

NOTARIAL SEAL



Notary Public in and for the State
of Washington, residing at ~~MELOD~~ Island

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On June 14, 1974, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Robert E. Farrell and Kenneth M. Montgomery, to me known to be the Vice President and Assistant Secretary, respectively, of MARRIOTT CORPORATION, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

NOTARIAL SEAL


Notary Public in and for the State
of Washington, residing at HOVER ISLAND

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On June 14, 1974, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Joseph L. Rutten and Richard C. Reed, to me known to be the President and Secretary, respectively, of EIGHTEEN NINETY, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

NOTARIAL SEAL


Notary Public in and for the State
of Washington, residing at HOVER ISLAND

Certificate of Secretary
of
Marriott Corporation

I, ROBERT B. MORRIS, Secretary of Marriott Corporation, a Delaware corporation, hereby certify in accordance with the provisions of Section 251(f) of the General Corporation Law of the State of Delaware that the Consent and Agreement to Plan of Reorganization and Merger of Eighteen Ninety, Inc. into Marriott Corporation on which this certificate is made has been adopted by the Board of Directors of Marriott Corporation at a meeting duly called and held in accordance with the provisions of said law. Further, that it was adopted without the vote of the stockholders of Marriott Corporation in accordance with the provisions of Section 251(f) of said law and that, as of the date of this certificate, the outstanding shares of Marriott Corporation stock were such as to render the provision of said Section 251(f) applicable in that the shares of Marriott Corporation's common stock to be issued in connection with the merger will not exceed twenty percent of the shares of Marriott Corporation's common stock outstanding immediately prior to the effective date of the merger.

Witness my hand and the seal of Marriott Corporation,
this 27th day of June, 1974.

CORPORATE SEAL

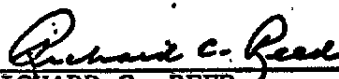

ROBERT B. MORRIS
Secretary
Marriott Corporation

Certificate of Secretary
of
Eighteen Ninety, Inc.

I, RICHARD C. REED, Secretary of Eighteen Ninety, Inc., a Washington corporation, hereby certify that the Consent and Agreement to Plan of Reorganization and Merger of Eighteen Ninety, Inc. into Marriott Corporation on which this certificate is made was submitted to the shareholders of Eighteen Ninety, Inc., at a special meeting of shareholders duly called for the purpose of considering said Agreement, in accordance with the laws of the State of Washington applicable thereto; and that at such meeting said Agreement was considered and a vote, in person or by proxy, was taken for the adoption or rejection of same, each share entitling the holder thereof to one vote; and that the votes of the shareholders of Eighteen Ninety, Inc., representing more than two-thirds of the total number of Eighteen Ninety, Inc.'s issued and outstanding stock voted for the adoption of said Agreement.

Witness my hand and the seal of Eighteen Ninety, Inc. this 27th day of June, 1974.

CORPORATE SEAL


RICHARD C. REED
Secretary
Eighteen Ninety, Inc.

The parties hereto have caused this Agreement and Plan of Merger and Reorganization of Eighteen Ninety, Inc. into Marriott Corporation to be executed a second time after its adoption by the shareholders of Eighteen Ninety, Inc., in accordance with the provisions of Section 251(c) of the General Corporation Law of the State of Delaware as of the 27th day of June, 1974.

ATTEST: CORPORATE SEAL

MARRIOTT CORPORATION

Kenneth M. Montgomery
Assistant Secretary

By Robert E. Farrell
Robert E. Farrell
Vice President

ATTEST: CORPORATE SEAL

EIGHTEEN NINETY, INC.

Richard C. Reed
Richard C. Reed
Secretary

By Joseph L. Rutten
Joseph L. Rutten
President

Joseph L. Rutten
Joseph L. Rutten
John Machlis
John Machlis

STATE OF WASHINGTON)
COUNTY OF KING) ss:

June 27, 1974

Personally appeared ROBERT E. FARRELL, who, being duly sworn, did say that he is a Vice President of Marriott Corporation,

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that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and acknowledged said instrument to be its voluntary act and deed.

Before me:

NOTARIAL SEAL

SL 2 C E O
Notary Public

My commission expires: June 6, 1975

STATE OF WASHINGTON)
COUNTY OF KING) ss:

June 27, 1974

Personally appeared JOSEPH L. RUTTEN, who, being duly sworn, did say that he is the President of Eighteen Ninety, Inc.; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and acknowledged said instrument to be its voluntary act and deed.

Before me:

NOTARIAL SEAL

SL 2 C E O
Notary Public

My commission expires: June 6, 1975

STATE OF WASHINGTON)
COUNTY OF KING) ss:

June 27, 1974

Personally appeared the above-named JOSEPH L. RUTTEN and acknowledged the execution of the foregoing instrument by him individually was his voluntary act and deed.

Before me:

NOTARIAL SEAL

SL 2 C E O
Notary Public

My commission expires: June 6, 1975

STATE OF WASHINGTON)
COUNTY OF KING) ss:

June 27, 1974

Personally appeared the above-named JOHN MACHLIS and
acknowledged the execution of the foregoing instrument by him
individually was his voluntary act and deed.

Before me:

Stephen C. Ellis
Notary Public

My commission expires: July 6, 1975

STEPHEN C. ELLIS
NOTARY PUBLIC
COMMISSION EXPIRES
JULY 6, 1975
STATE OF WASHINGTON

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EXHIBIT 1

EMPLOYEES RECEIVING ANNUAL COMPENSATION IN EXCESS OF \$10,000.00
FOR YEAR ENDING MARCH 31, 1974

<u>Employee</u>	<u>Salary</u>	<u>Bonus</u>
Joseph L. Rutten	\$30,600.00	\$1,000.00
John Machlis	21,000.00	1,000.00
Alan Fleenor	13,200.00	2,144.00
James Yates	10,200.00	1,803.00
Ronald Taylor	13,440.00	2,256.00
Bert Noia	11,220.00	1,855.00
Rex Saindon	12,000.00*	
Kirk S. Hauff	9,600.00	2,097.00

*Actual Salary (Compensation for Fiscal Year)

December	1973	\$ 800.00
January	1974	800.00
February	1974	800.00
March	1974	<u>1,000.00</u>

\$3,400.00

EXHIBIT 2FARRELL'S OF WASHINGTON
BANK ACCOUNTS

<u>Account Name</u>	<u>Account No.</u>	<u>Bank</u>	<u>Authorized Signatur</u>
1890, Inc. dba Farrell's	967022161	Bank of the West	Joseph L. Rutten John Machlis
1890, Inc. dba Farrell's	967022153	Bank of the West	Joseph L. Rutten John Machlis
1890, Inc. dba Farrell's	03 215 795	Pacific National Bank of Wash.	Joseph L. Rutten John Machlis
1892, Inc. dba Farrell's	12 203 113	Pacific National Bank of Wash.	Joseph L. Rutten Ronald Taylor Neal Ingebrigtsen Bernard M. Southerto Donald D. Love Danver Halbert
1893, Inc. dba Farrell's	0860601591	National Bank of Commerce	Joseph L. Rutten Bert Noia David Hawkins Steve Manning Glen Cartwright Douglas Caywood
1894, Inc. dba Farrell's	2303 0622753	Columbia Center National Bank	Joseph L. Rutten John Machlis Jack Fecker
1894, Inc. dba Farrell's	2303 0622373	Columbia Center National Bank	Kirk S. Hauff Joseph L. Rutten John Machlis
1896, Inc. dba Farrell's	36 109 742	Pacific National Bank of Wash.	Joseph L. Rutten John Machlis Rex E. Saindon

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EXHIBIT 2 - Page Two

1896, Inc.
dba Farrell's 36 109 734

Pacific National
Bank of Wash.

Rex E. Saindon
Douglas Caywood
Glenn Walker
Dale Warren

1896, Inc. 967028192
967028192

Bank of the West

Joseph L. Rutten
John Machlis
Rex E. Saindon

EXHIBIT 3

SCHEDULE OF UNUSUAL ITEMS NOT NOTED ON FINANCIAL STATEMENTS

1. Cost of construction at Farrell's store at Tacoma Mall, Tacoma, Washington estimated to be approximately \$275,000.00 (after deduction of landlord's construction allowance of \$33,572.00).
2. Completion of incorporation and related stockholder agreements for Eighteen Ninety Six, Inc., including but not limited to legal and accounting expense in relation thereto.
3. Fees of Kelly and Payne, accountants, and Reed, McClure, Mocerri & Thonn, P.S., attorneys, for routine corporate services (exclusive of services in behalf of Stockholders regarding merger), and for services on FICA and FUTA appeal.
4. Disallowance of expenses and/or loss shown on Consolidated Financial Statements for federal income tax purposes for year ending March 31, 1974, even if such disallowance results in federal income tax liability to Eighteen Ninety, Inc.
5. Disallowance of expenses incurred in the ordinary course of business or as disclosed in the exhibits as shown on books for federal income tax purposes, for year commencing April 1, 1974.
6. Any matters referred to in report of auditors of Marriott dated May 30, 1974, from R. Frazier and D. Myers to Jack Davis.
7. Acquisition of Eighteen Ninety, Inc. stock owned by Eighteen Ninety Three, Inc., required by Paragraph 13.15 of Plan.
8. Charges, if any, imposed by landlords on leases held by Eighteen Ninety, Inc. or subsidiaries, for granting consent to assignment required by merger.

EXHIBIT 5

INSURANCE POLICIES

1. COVERAGES

A. STOCK AND EQUIPMENT.

Amount - 639,700.00 Blanket all locations (Tacoma not included)
Perils - Fire, Extended Coverage, Vandalism, Sprinkler
Leakage and Off Premises Power

Coinsurance - 90%
Endorsement - Replacement cost coverage on equipment

B. OFFICE CONTENTS.

Amount - \$15,000.00
Perils - All Risk
Coinsurance - 90%

C. EARNINGS INSURANCE.

Amount - \$44,000.00 at 10116 N. E. 8th St., Bellevue, WA
66,000.00 at 916 North 130th St., Seattle, WA
88,000.00 at Southcenter, 57th Ave. S., Tukwila, WA
42,000.00 at 505 Columbia Center, Kennewick, WA

Perils - Fire, Extended Coverage, Vandalism, Sprinkler
Leakage

Contribution - 25%. This means that in the event of a
loss you cannot use more than 25% of your
limit for any 30-day period.

D. GENERAL LIABILITY.

Limits - \$300,000.00 combined single limit
Coverages - Premises and Operations

Stop Gap
\$1,000.00 Premises Medical Payments
Personal Injury
Broad Form Property Damage
Excess Personal Liability over Homeowners Policy
up to \$300,000.00 on Jack Machlis and Joseph
L. Rutten

Products

EXHIBIT 3 - Page Two

9. Liability as Territorial Franchisee for State of Washington, and Western British Columbia, with specific reference to the commitments for services to be furnished and the granting of future unit licensing in British Columbia.
10. Liabilities, if any, to State of Delaware resulting from the fact of merger.
11. Commitments, if any, for proposed lease for Farrell's Restaurant at Northgate Mall, Seattle, Washington.
12. Assessment or compromise of assessment on FICA and FUTA claim of IRS for tax years 1971, 1972 and 1973.
13. Liability for FICA and FUTA payments for year commencing April 1, 1974.

EXHIBIT 4

SCHEDULE OF PROPERTY NOT OWNED AND DESCRIPTION OF ENCUMBRANCE

1. All pianos in each of the units are owned by C. E. Messerly.
2. Equipment of 1894, Inc. secures retail installment contract dated November 5, 1969 with Northwest Acceptance Co.
3. Equipment, fixtures and leasehold improvements of 1894, Inc. secures loan from Carnation Co. (Second mortgage)
4. Equipment, fixtures, and leasehold improvements of 1892, Inc. secures loan from Carnation Co.
5. Equipment and fixtures of 1893, Inc. secures loan from Bank of the West.
6. Furniture, fixtures and equipment of 1892, Inc. secures a loan from Bank of the West. (Will be released to give to Carnation Co.)
7. Furniture, fixtures and equipment of 1891, Inc. secures a loan from Bank of the West.
8. Leases on Southcenter and Tacoma Mall secure loans from Bank of the West.
9. All other equipment, signs, and office machines as shown in Exhibit 6.
10. Life insurance policies on John Machlis and Joseph L. Rutten secures Bank of the West loan.
11. Furniture, fixtures and equipment of 1896, Inc. secures loan from Bank of the West.

EXHIBIT 5 - Page Two

E. AUTOMOBILE LIABILITY

Limits - \$300,000.00 Bodily Injury per person
\$300,000.00 Bodily Injury per occurrence
\$300,000.00 Property Damage

Coverages - Liability

\$5,000 Medical Payments Coverage on Corporate
owned vehicles and Personal Injury Protection on
Privately Owned Vehicles
Uninsured Motorists
\$15,000.00 Bodily Injury per person
\$30,000 Bodily Injury per occurrence
Auto Non-Ownership
\$100.00 deductible collision
Towing & Labor

Vehicle Schedule:

1972 Mazda (leased)
1973 Datsun (owned by Rutten)
1973 Opel Rallye - Machlis
1974 Volvo (leased)

F. CRIME COVERAGES

Blanket Position Bond Limit - \$5,000.00

Broad Form Money & Securities - Locations and Limits as
follows:

Bellovue -	\$3,000.00 inside
	\$2,500.00 outside
Seattle -	\$4,000.00 inside
	\$3,000.00 outside
Southcenter -	\$4,000.00 inside
	\$4,000.00 outside
Kennewick -	\$3,000.00 inside
	\$2,500.00 outside

Coverage - All Risk money and securities protection

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EXHIBIT 5 - Page Three

UL 704338

UMBRELLA

\$1,000,000.

2. TACOMA MALL STORE COVERED UNDER BINDER 46562

LIFE INSURANCE IN FORCE

<u>Insured</u>	<u>Beneficiary</u>	<u>Policy No.</u>	<u>Company</u>	<u>Type</u>	<u>Amount</u>
Joseph L. Rutten	Eighteen Ninety, Inc.	33675486	Prudential	Whole Life- Decreasing Term	\$65,000
Joseph L. Rutten	Eighteen Ninety, Inc.	33819764	Prudential	Whole Life	\$30,400
Joseph L. Rutten	Eighteen Ninety, Inc.	234715	Standard Ins. of Oregon	Whole Life	\$15,000
Joseph L. Rutten	Bank of the West	5185908	Prudential	Term	\$100,000
John Machlis	Eighteen Ninety, Inc.	33676793	Prudential	Whole Life Decreasing Term	\$40,000 \$16,280
John Machlis	Eighteen Ninety, Inc.	33819759	Prudential	Whole Life	\$25,000
John Machlis	Bank of the West	5185909	Prudential	Term	\$100,000

EXHIBIT NO. 6

Contracts and Leases

Term

Agreement

5 years

1. Tacoma Mall construction contract approximately \$137,856.60.
2. Atlas Hotel Supply - Tacoma equipment approximately \$95,119.00.
3. Loan from Carnation Company of \$75,000.00 to finance 1896 Parlour, principal and interest at 10% payable over 5 year term at \$1,594.03 per month.
4. All of the player pianos in 1891, 1892, 1893, 1894 and 1896 are the property of C. E. Messerly and are loaned to Farrell's in exchange for all of the money taken in by the pianos.

3 years

5. Lustra Lighting, I. T. T. Lamp Division, 3 year contract on lamps. See accompanying letter and schedules.
6. Atlas - Small Wares, Tacoma Washington - Approximately \$5,000.00.

1890 Miscellaneous Contracts

7-74

2-76

1-75

7-74

6 months

- a. Xerox Lease and Service
- b. Victor Calculator Lease
- c. I.B.M. Selectric Typewriter Lease
- d. I.B.M. Selectric Typewriter Lease
- e. Washington Protective Services, Inc. Security Patrol

EXHIBIT 6 - Page Two

<u>Term</u>	<u>Agreement</u>
1-75	f. Able Pest Control
2-77	g. Pacific National Bank - Lease of 1974 Volvo
12-74	h. Seattle-First National Bank Leasing - Lease of 1972 Mazda

1891 Miscellaneous Contracts

3-75	a. Simplex Time Recorder Maintenance Agreement
6-74	b. Coca Cola Equipment Lease
10-74	c. Tube Art Displays, Inc. - Sign Lease
15 days	d. Dependable Maintenance - Janitorial
Annual	e. Yellow Page Advertising
30 days	f. Commercial Sound Systems - 3M Equipment
30 days	g. Wholesale Fountain - Tidynap Dispensers
30 days	h. Acme Supply - Restroom Dispensers
30 days	i. NCR - Cash Register - 1 register, 1 changer Maintenance Contract

1892 Miscellaneous Contracts

6-77	a. Tube Art Displays, Inc. - Sign Lease
30 days	b. Commercial Sound Systems Maintenance Agreement
30 days	c. N.C.R. Maintenance Agreement - 1 register, 1 changer
6 months	d. Washington Protective Services, Inc. Security Check
15 days	e. Dependable Maintenance - Janitorial
	f. Wholesale Fountain - Tidynap Dispensers

EXHIBIT 6 - Page Three

1893 Miscellaneous Contracts

<u>Term</u>	<u>Agreement</u>
15 days	a. Dependable Maintenance - Janitorial
30 days	b. N.C.R. Maintenance Agreement - 2 registers, 2 changers
30 days	c. Commercial Sound Systems - Maintenance Agreement
	d. Wholesale Fountain - Tidynap Dispensers
	e. Acme Supply - Restroom Dispensers

1894 Miscellaneous Contracts

- a. National Grocery - Dispenser Lease
- b. All the Way Maintenance - Janitorial
- c. N.C.R. Maintenance
- d. Hertz Water Conditioner

1896 Miscellaneous Contracts

2-79	a. Tube Art Displays - Sign Lease
60 months	b. I.D.S. Leasing Company - Compactor Lease
15 days	c. Don's Janitor Service - Janitorial
	d. Washington Natural Gas - Hot Water Heating and Storage System Lease
3 year (paid)	e. H. D. Baker Company - Victor Cash Register Maintenance Agreement (paid)
30 days	f. Ardee Pest Control
30 days	g. Acme Supply - Restroom Dispenser
	h. Wholesale Fountain - Tidynap Dispensers

Miscellaneous

Phone listings; merchants' association assessments and fees, where required.

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EXHIBIT 6 - Page Four

PARLOUR LEASES

<u>Operation</u>	<u>Location</u>	<u>Landlord</u>
Office and Warehouse	Building Seven, Suite 100 Benaroya Business Park 300 - 120th Avenue N. E. Bellevue, Washington	Jack A. Benaroya Co. 5950 Sixth Avenue So. Seattle, Washington 98018
1891	10116 N. E. 8th St. Bellevue, Washington	Eighth Street Limited Partnership 11240 Main Street Bellevue, Washington
1892	930 N. 130th St. Seattle, Washington	M. A. Wyman Lumber Co. 2120 Washington Building Seattle, Washington 98101
1893	615 Southcenter Shopping Center Seattle, Washington	Southcenter Shopping Center Corporation Box 2232 Seattle, Washington 98111
1894	Columbia Center Kennewick, Washington	Realbon Corporation
1896	Tacoma Mall Tacoma, Washington	Tacoma Mall Corporation

Due to the late opening
of Tacoma Mail the
contract dates have shifted
as far as the schedule of
payments is concerned.

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LIGHTING COST - THREE YEARS

FARRELL'S BELLEVUE
10116 N. E. 8th
Bellevue, Washington 98004

Outlets	Lamp Description	List	Total
227	S-11 10W Clear Int.	\$ 1.19	\$ 270.13
15	A-19 15W I.F.	1.12	16.80
63	A-19 25W I.F.	1.12	70.56
40	A-19 60W I.F.	1.12	44.80
3	M-19 60W Krypton	1.69	5.07
16	M-19 100W Krypton	1.69	27.04
4	A-19 75W I.F.	1.12	4.48
17	R-40 150W Flood	3.79	64.43
12	48" T-12 Northlite	4.69	56.28
14	96" T-12 Northlite	8.89	124.46
2	9" T-5 Cool white	4.29	8.58
2	18" T-8 Northlite	4.09	8.18
2	LS2 NB starter	1.39	2.78
2	R-40 250W Heat lamp	7.49	14.98
2	A-23 150W I.F.	1.42	2.84
4	T-10 25W I.F.	1.79	7.16
			\$ 728.57

Adjust fluorescent lamps to 36 months
@ 200.28 x 20%

40.06

768.63

Less 35% discount

-269.02

Net First Year Cost

\$ 499.61

Second & Third Year Cost

728.57

Less fluorescent

-240.34

488.23

Less 35% discount

-170.88

Net Second & Third Year Cost

\$ 317.35

All net costs subject to sales tax - 5.3%
August 7, 1973



Instr 8/23/73 - J. Farrell

FARRELL'S WASHINGTON OFFICES

Benaroya Business Park, Building Seven, Suite 100
300 - 120th Avenue Northeast - Bellevue, Washington 98005
Telephone 206/455-1668

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August 22, 1973

Lustra Lighting
I.T.T. Lamp Division

Gentlemen:

This letter is a formal acceptance of a three year contract for lamps to be supplied by Lustra Lighting to:

- 1891-Bellevue-10116 N. E. 8th Bellevue, Washington 98004
- 1892-Aurora-930 No. 130th Seattle, Washington 98133
- 1893-Southcenter-615 Southcenter Shopping Center Seattle 98188
- 1894-TriCities-505 Columbia Center Pennewick, Washington 99336
- 1896-Tacoma-Tacoma Mall, Tacoma, Washington

The contract for 1891, 1892, 1893, and 1894 will run from August 1, 1973 to July 31, 1976. The contract for 1896 at Tacoma Mall will start November 1, 1973 and run until October 31, 1976.

Based on the attached contracts for each unit, Farrell's will pay to Lustra Lighting on a monthly basis the amounts specified in the attached schedule. Lustra Lighting will supply to Farrell's all the lights listed by maintaining in each unit an inventory equal to 20% of the lights listed or as close to this as possible.

The initial order for Tacoma Mall will be shipped on or before October 1, 1973. All lamps shipped to these units will be invoiced as replacements per contract at no charge.

Thank you for your help and cooperation in setting up this contract.

Sincerely,

EIGHTEEN NINETY, INC.
DBA Farrell's Ice Cream Parlour Restaurants

John Macalis
John Macalis

encls.

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LIGHTING COST - THREE YEARS

FARRELL'S
930 North 130th
Seattle, Washington 98133

<u>OUTLETS</u>	<u>LAMP DESCRIPTION</u>	<u>LIST</u>	<u>TOTAL</u>
615	S-11 10W Clear Int.	\$ 1.19	\$ 731.85
60	A-19 25W I.F.	1.12	67.20
45	A-19 40W I.F.	1.12	50.40
34	A-19 100W I.F.	1.12	38.08
8	A-19 60W I.F.	1.12	8.96
2	A-21 150W Clear	1.59	3.18
2	A-23 200W Clear	2.09	4.18
2	R-30 75W Flood	3.79	7.58
13	R-40 150W Flood	3.79	49.27
1	R-40 250W Heat Lamp M	7.49	7.49
2	48" T-12 HO Northlite	6.79	13.58
2	48" T-12 Northlite	4.69	9.38
20	96" T-12 Northlite	8.89	177.80
2	9" T-5 Cool White	4.29	8.58
2	BT-37 Mercury Vapor (parking)	22.49	44.98
2	LS 2 NB Starters	1.39	2.78
4	48" T-12 Enhancer	4.99	19.96
			<u>\$1245.25</u>

Adjust fluorescent & M.V to 36 months
A \$277.06 x 20%

55.41

\$1300.66

Less 35% discount

455.23

Net First Year

\$ 845.43

Second & Third Year

\$1245.25

Less fluorescent

332.47

Less 35% discount

\$ 912.78

319.47

Net Second & Third Years

\$ 593.31

All net costs subject to sales tax - 5.3%
August 7, 1973

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LIGHTING COST - THREE YEARS

FARRELL'S
615 Southcenter Shopping Center
Seattle, Washington 98133

<u>Outlets</u>	<u>Lamp Description</u>	<u>List.</u>	<u>Total</u>
160	S-11 10W Clear Int.	\$ 1.19	\$ 190.40
79	A-15 15W I.F.	1.12	88.48
8	A-21 150W I.F.	1.59	12.72
50	A-15 25W I.F.	1.12	56.00
48	A-19 40W I.F.	1.12	53.76
4	A-19 100W I.F.	1.12	4.48
8	M-19 60W Krypton	1.69	13.52
11	M-19 100W Krypton	1.69	18.59
2	R-30 75W Flood	3.79	7.58
40	R-40 150W Flood	3.79	151.60
1	R-40 250W Heat Lamp M	7.49	7.49
8	48" T-12 Enhancer	4.99	39.92
2	48" T-12 Northlite	4.69	9.38
2	9" T-5 Cool White	4.29	8.58
2	L.S. 2 N.B. Starters	1.39	2.78
16	96" T-12 Northlite	8.89	142.24
2	48" T-12 HO Northlite	6.79	13.58
			<u>\$ 821.10</u>

Adjust fluorescent to 36 months
@ 218.08 x 20%

43.30

864.40

Less 35% discount

302.54

Net First Year Cost

\$ 561.86

Second & Third Year Cost

\$ 821.10

Less fluorescent tubes

261.38

559.72

Less 35% discount

195.90

Net Second & Third Year Cost

\$ 363.82

All net costs subject to sales tax - 5.3%
August 7, 1973

LIGHTING COST - THREE YEARS

FARRELL'S
505 Columbia Center
Kennewick, Washington 99336

<u>Outlets</u>	<u>Lamp Description</u>	<u>List</u>	<u>Total</u>
156	S-11 10W Clear Int.	\$ 1.19	\$ 185.64
86	A-19 15W I.F.	1.12	95.32
50	A-19 40W I.F.	1.12	56.00
21	A-23 150W I.F.	1.42	29.82
18	R-40 150W Flood	3.79	68.22
4	R-40 250W Infra-red M	7.49	29.96
50	A-23 150W Clear	1.69	84.50
28	96" T-12 75W Northlite	8.89	248.92
6	48" T-12 40W Northlite	4.69	28.14
			<u>\$ 827.52</u>

Adjust Fluorescent lamps to 36 months
@ 277.09 x 20%

55.42

Less 35% discount

\$ 882.94

309.03

Net First Year

\$ 573.91

Second and Third Year Cost

Less fluorescent tubes

\$ 827.52

332.51

Less 35% discount

495.01

173.25

Net Second & Third year Cost

\$ 321.76

All net costs subject to sales tax - 5t
August 7, 1973

LIGHTING COST - THREE YEARS

FARRELL'S
Tacoma Mall
Tacoma, Washington

Outlets	Shelf Stock	Lamp Description	List	Total
694	139	S-11 10W Clear Int.	\$ 1.19	\$ 991.27
12	3	G-16 1/2 15W Northlite	2.29	34.35
68	14	A-15 15W I.F.	1.12	91.84
46	9	A-19 60W I.F.	1.12	61.60
50	10	A-23 150W I.F.	1.42	85.20
35	7	R-40 150W Flood	3.79	159.18
4	4	48" T-12 Northlite	4.69	37.52
20	6	96" T-12 Northlite	8.89	231.14
				<u>\$1692.10</u>

Adjust fluorescents to 36 months
@ 268.66 x 203

53.73

\$1745.83

Less 35% discount

611.04

Net First Year Cost

\$1134.79

Second & Third Year Cost

\$1692.10

Deduct fluorescents 322.39

Deduct Incad. Inventory 238.77

561.16

561.16

Less 35% discount

\$1130.94

395.83

Net Second & Third Year Cost

\$ 735.11

All net costs subject to sales tax - 5%
August 7, 1973

FARRELL'S - LUSTRA PAYMENT SCHEDULE

	First Year Cost Aug. 1, 1973 - July 31, 1974	Second Year Cost August 1, 1974 - July 31, 1975	Third Year Cost August 1, 1975 - July 31, 1976
1891	\$ 499.61	\$ 317.35	\$ 317.35
1892	845.43	593.31	593.31
1893	561.86	363.82	363.82
1894	573.91	321.76	321.76
	<u>\$2,480.81</u>	<u>\$1,596.24</u>	<u>\$1,596.24</u>
1896	\$1,134.79	\$ 735.11	\$ 735.11
	Nov. 1, 73 - Oct. 31, 74	Nov. 1, 74 - Oct. 31, 75	Nov. 1, 75 - Oct. 31, 76

Payment August 1, 1973 to October 31, 1973 \$2,480.81 ÷ 12 = \$ 206.73
 - APRIL 31, 1974 Sales Tax 10.81
 \$ 217.54

STARTED MAY 1ST
 Payment Nov. 1, 1973 to July 31, 1974 \$ 2480.81
 MAY 1 - 1134.79
 JUNE 1 - \$ 3615.60 ÷ 12 = \$ 301.30
 Sales Tax 15.53
 \$ 316.93

Payment August 1, 1974 to October 31, 1974 \$ 1596.24
 1134.79
 \$ 2731.03 ÷ 12 = \$ 227.58
 Sales Tax 11.70
 \$ 239.28

Payment Nov. 1, 1974 to July 31, 1976 \$ 1596.24
 735.11
 \$ 2331.35 ÷ 12 = \$ 194.28
 Sales Tax 10.02
 \$ 204.30

1896 would run until Oct. 31, 1976

Est.
 from the
 due to it
 1896 exp.
 of Tacc.
 mail.
 114

EXHIBIT 7

CLAIMS AND LITIGATION

1. IRS assessments for additional FICA taxes due:

(a)	1891	-	\$1,669.63
(b)	1892	-	2,435.10
(c)	1893	-	3,535.37
(d)	1894	-	699.22

Total \$8,339.32 (plus interest and penalties, if any)

2. The Parlour located at 930 N. 130th, Seattle, Washington has undergone labor organizational activities on two occasions.

EXHIBIT 8

ESCROW INSTRUCTIONS

TO: Reed, McClure, Moceri & Thonn, P.S., 17th Floor Hoge Building, Seattle, Washington 98104, hereinafter referred to as "Escrow Agent" or "Agent".

The undersigned, Joseph L. Rutten and John Machlis, hereinafter referred to as "Stockholders", and Marriott Corporation, hereinafter referred to as "Marriott", herewith submit instructions to Agent pursuant to Article XI of Consent and Agreement to Plan of Reorganization and Merger of Eighteen Ninety, Inc. into Marriott Corporation, the terms of which agreement are incorporated herein by this reference, namely:

1. Documents. Marriott delivers to Agent stock certificates for common stock of Marriott more particularly described in Schedule A attached hereto, which certificates when delivered to Agent shall be endorsed in blank by Stockholders.

2. Term. The term of this escrow shall be for one year from the date hereof, at the conclusion of which agent is authorized to deliver to stockholders respectively said stock certificates, unless claim by Marriott against all or a part of such certificates has been made in the manner and within the time herein specified.

3. Claim Against Escrowed Stock.

a. If Marriott shall assert a claim against the Escrowed Stock it shall be asserted proportionately against the shares of each Stockholder. Written notice of the claim shall be given pursuant to Article 13.10. Proof of notice of claim shall be given to Escrow Agent. Thirty (30) days after proof of notice of claim is given to Escrow Agent, Escrow Agent shall deliver the appropriate number of shares to the Transfer Agent for Marriott for redelivery to Marriott unless within same thirty (30) day period, Stockholders, or either of them, shall notify Escrow Agent and Marriott in writing that all or a part of Marriott's claim is protested. If Stockholders and Marriott do not notify Escrow Agent within thirty (30) days after notice of protest that the protested claim of Marriott has been resolved, either Marriott or Stockholder may elect to institute proceedings in the King County, Washington Superior Court for the resolution of the disputed claim against the escrowed stock. Escrow Agent may rely upon instructions jointly executed by Marriott and Stockholders, or by a certified copy of judgment of the King County Superior Court with proof satisfactory to Escrow agent that time for appeal from same judgment has expired.

- b. For purpose of determining the number of shares to be delivered by Escrow Agent to Marriott in satisfaction of a claim, the value per share shall be the average of the mean between the high and low selling price of Marriott Common Stock on the New York Stock Exchange during the thirty (30) calendar days immediately preceding the date of delivery by Escrow Agent to Transfer Agent for Marriott.
4. Position Of Agent. Escrow Agent acts hereunder as a depository only and is not a party to or bound by any agreement or undertaking which may be evidenced by or arise out of any items deposited with it hereunder, and is not responsible or liable in any manner for the sufficiency, correctness, genuineness, or validity of any of the items and undertakes no responsibility or liability for the form of execution of such items or the identity, authority, title, or rights of any person executing or depositing any of the items described in Schedule "A".
5. Liability Of Agent. Agent shall not be liable for any error of judgment or for any act done or omitted by it in good faith, or for anything which it may in good faith do or refrain from doing in connection herewith. No liability will be incurred by Agent in the event of any dispute or question as to the construction of these directions.
6. Notices of Default. All notices of default of any persons shall be given in writing to an officer of Agent. Unless written notice shall be so given, Agent shall not be required to take or be bound by notice of any default or to take action concerning such default. If written notice of default is properly given and agent is required on receipt thereof to take any action with respect to such default, and such action involves any expense or liability, Agent shall not be required to take any such action unless it is indemnified against such expense or liability in a manner satisfactory to it.
7. Documents. Agent is authorized to act on any document believed by it to be genuine and to be signed by the proper party or parties, and will incur no liability in so acting.
8. Adverse Claims. In the event of any disagreement or the presentation of adverse claims or demands in connection with or for any item affected hereby, agent shall at its option be entitled to refuse to comply with any such claims or demands during the continuance of such disagreement and may refrain from delivering any

item affected hereby, and in so doing agent shall not become liable to undersigned, or any of them, or to any other person, due to its failure to comply with any such adverse claim or demand. Agent shall be entitled to continue, without liability, to refrain and refuse to act:

a. Until all the rights of the adverse claimants have been finally adjudicated by a court having jurisdiction of the parties and the items affected hereby, after which time the agent shall be entitled to act in conformity with such adjudication; or

b. Until all differences shall have been adjusted by agreement and agent shall have been notified thereof and shall have been directed in writing signed jointly or in counterpart by undersigned and by all persons making adverse claims or demands, at which time agent shall be protected in acting in compliance therewith.

9. Compensation; Lien. Agent shall have a first lien on all items held by it herewith for its compensation and for any costs, liability, expense, or fees it may incur. The undersigned have paid agent the sum of _____ Dollars (\$) for its services hereunder and agree to pay additional compensation for any further or extraordinary services which it may be required to render hereunder. If all matters herein to be consummated have not been accomplished on or before one year from date, an annual fee of _____ Dollars (\$) shall be paid by undersigned to agent for each year or fraction thereof that any item is held by agent.

10. Irrevocability. These instructions shall be irrevocable unless modified by the written mutual agreement of the parties hereto, with the consent of Agent if the modified instructions affect the duties or responsibilities of Agent.

11. Notices. The respective addresses of the parties as set forth herein or the last written notice of change thereof filed with the Agent by the respective parties shall be used by the Agent in mailing any notice, demand or declaration to any party.

The addresses of the parties are as follows:

Marriott Corporation
5161 River Road
Washington, D.C. 20016

Attention: Law Department

Joseph L. Rutten and John Machilis
Benaroya Business Park
300 - 120th Avenue N.E.
Bellevue, Washington 98005

12. Substitution. Stockholders may elect to request Agent to sell the certificates deposited herewith, and to substitute the net proceeds of sale in lieu of said certificates, and in the event of such election shall notify Agent and Marriott. Net proceeds of sale shall be deposited by Agent in a federally chartered savings and loan association or a national bank in Seattle, Washington, in the name of Agent as trustee for the Stockholders, unless the parties hereto mutually agree in writing to some other type of deposit or investment. No risk of loss shall be imposed on Agent resulting from the substitution of collateral or the investment of proceeds of sale. All income on said investments shall accrue for the benefit of Stockholders, but shall be retained in escrow until termination.

13. Resignation of Escrow Agent. It is acknowledged that Reed, McClure, Moceri & Thonn, P.S. has acted as legal counsel for Stockholders and for Eighteen Ninety, Inc., and that Richard C. Reed of Reed, McClure, Moceri & Thonn, P.S. served as an officer and director of Eighteen Ninety, Inc. In the event of dispute between Stockholders and Marriott as to any matter arising out of consent and agreement to plan or reorganization and merger of Eighteen Ninety, Inc. into Marriott Corporation, or this Escrow Agreement, Reed, McClure, Moceri & Thonn, P.S. may withdraw as Escrow Agent upon notice to the parties, and Reed, McClure, Moceri & Thonn, P.S. shall have the exclusive right to designate a national bank in Seattle, Washington to act as successor Escrow Agent. All rights, powers and duties of the Escrow Agent shall be vested in the Successor Escrow Agent upon the written acceptance of this escrow by the Successor Escrow Agent. It is expressly agreed that Reed, McClure, Moceri & Thonn, P.S. or any lawyer now or hereafter associated with the said firm shall not be barred from participation as legal counsel or as a witness by reason of escrow services having been performed by Reed, McClure, Moceri & Thonn, P.S.

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Dated this _____ day of June, 1974.

Joseph L. Rutten

John Machlis

MARIOTT CORPORATION

By _____
Its Vice President

Reed, McClure, Moceri & Thonn, P.S. hereby acknowledge receipt of stock certificates described in Schedule A, and does hereby accept the escrow above set forth.

Dated this _____ day of June, 1974.

REED, MCCLURE, MOCERI & THONN, P.S.

By _____

SCHEDULE A TO ESCROW INSTRUCTIONS

Certificate No. _____ for 3,333 shares of Common
Stock, par value \$1.00 per share, Marriott Corporation in the
name of Joseph L. Rutten

Certificate No. _____ for 1,667 shares of Common
Stock, par value \$1.00 per share, Marriott Corporation in the
name of John Machlis.

Joseph L. Rutten

John Machlis

MARIOTT CORPORATION

By _____

EXHIBIT 9
TO
CONSENT AND AGREEMENT TO PLAN OF REORGANIZATION
AND MERGER OF
EIGHTEEN NINETY, INC. INTO MARRIOTT CORPORATION

INVESTMENT WARRANTY

Marriott Corporation
5161 River Road
Washington, D.C. 20016

Gentlemen:

Reference is made to the _____
() shares of common stock, par value One Dollar
(\$1.00) per share, of Marriott Corporation (Marriott),
which the undersigned is acquiring this day pursuant to
the Agreement for Plan of Reorganization and Merger of
Eighteen Ninety, Inc. into Marriott Corporation dated
June __, 1974.

I hereby warrant and represent that I am
acquiring the aforesaid stock of Marriott for my own
account for investment and without any present intention
of making a public offering or distribution of any
shares of said stock. I have no contract, undertaking,
agreement or arrangement with any person to sell or
transfer to such person or to anyone else any of the
said shares delivered to me this date and I have no
present plans to enter into any such contract, under-
taking, agreement or arrangement. I acquire said shares
without any present intention of selling the same at any
particular time or at any particular place or upon the
occurrence of any particular event or circumstances.
I understand that the said shares I am acquiring have
not been registered under the Securities Act of 1933,
as amended, and in delivering said stock to me, Marriott
is relying, to a material extent, on the warranties and
representations contained herein. Marriott Corporation
has undertaken to register said stock with the Securities
and Exchange Commission on a Form S-16 forthwith upon
the completion of the closing contemplated by said
Agreement. It is my understanding that notwithstanding

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anything to the contrary in this letter, after said
S-16 registration is declared effective, I will be
entitled to sell said stock with no restriction.

Very truly yours,

Dated: June , 1974

Witness:

Receipt and acceptance acknowledged this ____ day of
June, 1974.

MARRIOTT CORPORATION

By _____

Title _____

REVENUE AND EXPENDITURE STATEMENT

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 1974

(Prepared from the general books and records without audit thereof)

KELEY & PA

KELLY & PAYNE
CERTIFIED PUBLIC ACCOUNTANTS

FIRSTWEST BUILDING
800 FIRST AVENUE WEST
SEATTLE, WASHINGTON 98115

DISCLAIMER OF OPINION

The accompanying consolidated balance sheet of Eighteen Ninety, Inc. as of March 31, 1974 and the related consolidated statement of income and retained earnings, and consolidated statement of changes in financial position for the year then ended were not audited by us, and accordingly we do not express an opinion on them.

June 7, 1974

Kelly & Payne

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EIGHTEEN NINETY, INC.

CONSOLIDATED BALANCE SHEET

MARCH 31, 1974 AND 1973

(Prepared from the general books and records without audit thereof.)

-- ASSETS --

1974

1973

CURRENT ASSETS:

Cash.....		
Accounts and rebates receivable.....	\$ 30,428	\$ 7,
Advances to employees.....	2,185	
Claims for refund of Federal income taxes - Note 12.....	1,451	
Inventories - Note 4.....	53,161	20,2
Prepaid expenses.....	46,067	43,7
Note receivable - due within one year - Note 3...	8,028	5,8
Total current assets.....	9,600	
	\$155,040	\$ 66,4

PROPERTY, EQUIPMENT AND IMPROVEMENTS - At cost and
pledged - Notes 3 and 7:

Furniture, fixtures, and equipment.....	\$330,102	\$448,3
China, glassware, etc.....	61,460	72,0
Office equipment.....	11,747	12,1
Leasehold improvements.....	260,455	331,9
Total.....	\$663,765	\$864,5
Less accumulated depreciation and amortization...	312,299	281,20
Property, equipment and improvements - net.....	\$351,466	\$583,33

OTHER ASSETS:

Notes receivable - due after one year - Note 3...	\$ 53,202	
Deposits.....	11,769	\$ 10,86
Investment - new franchises.....		1,05
Cash value officers' life insurance - Note 7.....	16,314	20,46
Franchise fees, net of amortization - Note 3.....	11,513	25,575
Organization expenses, net of amortization - Note 3.....	11,202	21,451
Deferred expenses.....	3,164	8,225
Total other assets.....	\$107,154	\$ 87,667

TOTAL.....

\$614,570 \$737,165

-- LIABILITIES AND SHAREHOLDERS' EQUITY --

	1974	1973
CURRENT LIABILITIES:		
Accounts payable - trade.....	\$ 81,075	\$118,66
Accrued payroll and payroll taxes.....	49,885	49,50
Accrued taxes and expenses.....	25,866	30,01
Contracts and franchise fees payable.....	17,973	12,96
Long-term debt due within one year - Note 7.....	82,375	102,32
Total current liabilities.....	\$255,774	\$312,45
LONG-TERM DEBT - Note 7:		
Notes payable - Bank of the West.....	\$165,052	\$260,057
Note payable - Carnation Co.....	19,000	
Note payable - John E. Fecker.....	86,306	
Note payable - Trizec Industries - Note 13.....		37,001
Equipment contract - Northwest Acceptance Corp.....	12,556	31,516
Loan payable - life insurance.....	12,515	15,769
Total long-term debt.....	\$295,429	\$344,343
Long-term debt due within one year.....	93,975	102,326
Long-term debt due after one year.....	\$202,753	\$242,017
MINORITY SHAREHOLDER'S EQUITY IN CONSOLIDATED SUBSIDIARY - Note 10.....	\$ 20,000	
SHAREHOLDERS' EQUITY:		
Capital stock:		
Preferred stock, par value \$1 per share - authorized, 20,000 shares; issued, none.		
Common stock, Class A voting, par value \$1 per share - authorized 45,000 shares; issued, 37,500 shares - Note 2.....	\$ 37,500	\$ 37,500
Common stock, Class B non-voting, par value \$1 per share - authorized, 35,000 shares; issued, none.		
Capital in excess of par value of stock.....	64,000	34,000
Retained earnings.....	121,640	110,471
Total.....	\$223,140	\$181,971
Less Treasury stock - Note 9.....	160,000	
Total shareholders' equity.....	\$63,140	\$181,971
TOTAL.....	\$612,673	\$737,425

See accompanying Notes to Financial Statements.

EIGHTEEN NINETY, INC.NOTES TO FINANCIAL STATEMENTS
MARCH 31, 19741. Summary of Accounting Policies.

This summary of major accounting policies of Eighteen Ninety, Inc. and its consolidated subsidiaries is presented to assist the reader in evaluating the Company's financial statements.

2. Principles of Consolidation.

The accounts of Eighteen Ninety, Inc. and its four wholly-owned subsidiaries, Eighteen Ninety-One, Inc., Eighteen Ninety-Two, Inc., Eighteen Ninety-Three, Inc., and Eighteen Ninety-Four, Inc., together with the accounts of Eighteen Ninety-Six, Inc., which is 60% owned, are included in the consolidated financial statements after the significant inter-company accounts and transactions have been eliminated. Each of the subsidiaries operates a Farrell's Ice Cream Parlour Restaurant as a unit under the territorial franchises owned by the Company.

3. Depreciation and Amortization.

Provisions for depreciation and amortization of properties and franchises are generally determined using the straight-line method based on estimated remaining economic useful lives of groups of related properties. Maintenance and repairs are charged to income and renewals and betterments are capitalized. The Company computes depreciation and amortization for Federal income tax purposes in a manner consistent with the financial statements.

4. Inventory Valuation.

All product and merchandise inventories generally are valued at the lower of cost or market. Materials and supplies are valued at cost or less depending on the condition of the items.

5. Employee Agreements.

The Company has agreements with its managers for bonuses to be paid based on performance. Bonus costs are funded as accrued. The Company maintains a normal vacation policy with its employees and charges vacation expense to income when paid.

6. Leases.

The Company leases the real estate for its restaurants, office, and warehouse operations. The terms of the leases vary from five to fifteen years and provide for renewal options. The minimum annual rentals, under terms of the leases which have been entered into as of March 31, 1974 amount to \$96,340. The restaurant leases provide for

6. Leases (continued).

rental payments based on a percentage of sales with guaranteed minimum monthly rentals and also call for the payment of any increased real estate taxes.

7. Long-term debt.

Long-term debt at March 31, 1974 consists of the following:

11% note payable, for one year and renewable to Bank of the West, due in monthly installments, including interest, of \$2,610 with final payment due in 1978..... \$117,197

11% note payable, for one year and renewable to Bank of the West, due in monthly installments, including interest, of \$800 with final payment due in 1975. A note receivable in the amount of \$49,071 from Abbot's Inn, Ltd. is pledged as security on this note..... 48,855

10% note payable to Carnation Co. An agreement has been entered into with Carnation Co. to obtain a total of \$75,000 to be used in outfitting the Tacoma Mall store. The agreement calls for 60 monthly payments of \$1,594 commencing July 20, 1974..... 19,000

5% note payable to John E. Fecker, due in monthly installments, including interest, of \$1,500 except, in December 1974 when the monthly payment will be \$5,000, with final payment in October 1978..... 86,306

10% note payable to Northwest Acceptance Corp., due in monthly installments, including interest, of \$1,580 with final payment due in November 1974..... 12,556

5% notes payable against the cash surrender value of various life insurance policies which the Company carries on the lives of the two officers, Joseph L. Rutten and John Kachis.... 12,815

Total long-term debt..... \$296,729

Due within one year..... 93,375

Long-term debt due after one year..... \$202,753

8. Notes Receivable.

On October 31, 1973, the Company sold its wholly-owned foreign subsidiary, Eighteen Ninety-Five Enterprises, Ltd. The balance of the purchase price is represented by notes receivable from Abbot's Inn, Ltd. as follows:

9% note due in monthly installments of \$800, including interest, with final payment in December 1975. This note secures a loan from the Bank of the West.....	\$49,071
9% note due in November 1975.....	13,731
Total notes receivable.....	\$62,802
Due within one year.....	9,500
Notes receivable due after one year.....	\$53,202

9. Treasury Stock.

In November 1973, an agreement was reached with John E. Fecker for Eighteen Ninety-Three, Inc. to purchase 15,000 shares of Class A common stock of Eighteen Ninety, Inc. for \$100,000.

10. Minority Interest.

Minority interest reflects the 40% ownership of the minority shareholder in the equity of the consolidated subsidiary, Eighteen Ninety-Six, Inc. The Company has the option to purchase the minority interest for \$60,000 prior to May 12, 1975.

11. Extraordinary Item.

On October 31, 1973 the Company sold its wholly-owned foreign subsidiary, Eighteen Ninety-Five Enterprises, Ltd. Operations for the period April 1 to October 31, 1973 resulted in a net loss of \$29,901. The loss realized in disposing of the unit amounted to an additional \$93,324.

12. Claims for Refund of Federal Income Taxes.

Claims for refund of Federal income taxes, attributable to the discontinued operations of the wholly-owned foreign subsidiary are being filed. The Internal Revenue Service has not yet responded to the claims.

13. Contingent Liabilities.

The Company is contingently liable for a note payable issued by the purchasers of the Canadian unit, to Prince Industries in an

13. Contingent Liabilities (continued).

amount of approximately \$34,000.

The Company is contingently liable for the lease payments on the Canadian unit which was sold. The lease expires in 1987 and calls for a minimum annual rent of approximately \$22,000.

The Internal Revenue Service has assessed additional payroll taxes against the wholly-owned subsidiaries amounting to \$8,340. The Company maintains that no additional taxes are due or owing and has appealed the matter to the Appellate Division of the Internal Revenue Service.

The consolidated Federal income tax returns of the Company have been examined for the year ended March 31, 1973 and prior periods. All proposed adjustments have been settled and closed. No provision has been made for any Federal income tax liability for the year ended March 31, 1974 due to the extraordinary loss realized on the disposition of the Canadian unit. The Internal Revenue Service has not examined the current year return.

(Concluded)

EIGHTEEN NINETY, INC.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED MARCH 31, 1974 AND 1973

(Prepared from the general books and records without audit thereof)

	1974	1973
FINANCIAL RESOURCES WERE PROVIDED BY:		
Operations:		
Net income (loss).....	\$ 11,169	\$(61,9
Income charges not affecting working capital - depreciation and amortization.....	52,474	72,0
Total from operations.....	\$ 63,643	\$ 10,4
Capital invested.....	50,000	
Increase in long-term debt.....		169,10
Sale of Canadian subsidiary.....	247,235	
Reduction of other assets.....	29,627	
Total.....	\$390,525	\$179,6
FINANCIAL RESOURCES WERE USED FOR:		
Purchase of property, equipment and improvements.....	\$ 63,737	\$272,70
Net reduction of long-term debt.....	39,264	
Purchase of Treasury stock.....	100,000	
Increase in other assets.....		2,28
Increase in notes receivable due after one year.....	53,202	
Total.....	\$256,203	\$274,98
INCREASE (DECREASE) IN WORKING CAPITAL.....	\$134,322	\$195,34
INCREASE (DECREASE) IN ELEMENTS OF WORKING CAPITAL:		
Current assets:		
Cash.....	\$ 23,441	\$(30,931
Notes, accounts, and rebates receivable.....	11,785	
Claims for refund of Federal income taxes.....	47,786	10,375
Inventories.....	3,040	822
Prepaid expenses and advances.....	3,500	478
Total.....	\$ 88,552	\$19,256
Current liabilities:		
Accounts payable - trade.....	\$(37,538)	\$ 40,084
Accrued expenses.....	(3,764)	7,104
Contracts and franchise fees.....	4,982	9,658
Long-term debt due within one year.....	(6,330)	19,240
Total.....	\$14,930	\$76,086
INCREASE (DECREASE) IN WORKING CAPITAL.....	\$134,322	\$195,342

See accompanying Notes to Financial Statements.

EIGHTH HENRY, INC.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
 FOR THE YEARS ENDED MARCH 31, 1974 AND 1973
 (Prepared from the general books and records without audit thereon)

	1974	1973
REVENUES - Washington operations:		
Restuarant sales.....	\$2,150,888	\$1,951,000
Other income.....	4,132	
Total.....	\$2,155,020	\$1,951,000
DIRECT COSTS - Washington operations:		
Cost of goods sold.....	\$ 579,854	\$ 589,400
Labor costs.....	630,265	583,800
Operating expenses.....	122,840	145,200
Total.....	\$2,332,959	\$1,318,400
GROSS INCOME AFTER DIRECT COSTS.....	\$ 775,417	\$ 632,600
OTHER EXPENSES - Washington operations:		
Supervisory, office, and training expenses...	\$ 83,159	\$ 64,800
Rent, insurance, and taxes.....	161,382	155,210
Depreciation and amortization.....	52,474	52,220
Advertising and promotion expense.....	62,426	73,760
Officers' salaries.....	66,700	89,900
General and administrative expenses.....	128,116	92,880
Interest.....	16,953	13,690
Royalties.....	51,815	48,750
Total.....	\$ 625,025	\$ 591,200
NET INCOME - Washington operations.....	\$ 90,388	\$ 41,679
EXTRAORDINARY ITEM, NET (LOSS) - Canadian subsidiary - Note 11.....	(125,235)	(87,500)
NET (LOSS) BEFORE CLAIMS FOR REFUND OR (PROVISION) FOR FEDERAL INCOME TAXES.....	\$ (38,837)	\$ (45,821)
CLAIMS FOR REFUND OR (PROVISION) FOR FEDERAL INCOME TAXES.....	50,000	(15,725)
NET INCOME (LOSS) (Per share: 1974 - \$0.29; 1973 - \$(1.64)).....	\$ 11,169	\$ (61,546)
RETAINED EARNINGS, BEGINNING OF YEAR.....	310,871	172,017
RETAINED EARNINGS, END OF YEAR - Note 1.....	\$ 322,040	\$ 110,471

See accompanying Notes to Financial Statements.



State of DELAWARE

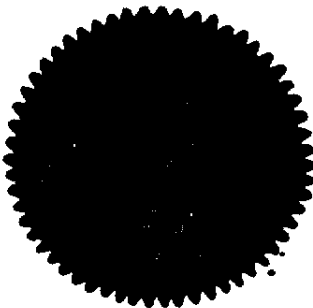
Office of SECRETARY OF STATE

*I, Robert H. Reed, Secretary of State of the State of Delaware,
do hereby certify that the above and foregoing is a true and correct copy of*

Certificate of Agreement of Merger of the "EIGHTEEN NINETY, INC.", a corporation organized and existing under the laws of the State of Washington, merging with and into the "MARRIOTT CORPORATION", a corporation organized and existing under the laws of the State of Delaware, under the name of "MARRIOTT CORPORATION", as received and filed in this office the eleventh day of July, A.D. 1974, at 10 o'clock A.M.

And I do hereby further certify that the aforesaid Corporation shall be governed by the laws of the State of Delaware.

In Testimony Whereof, I have hereunto set my hand
and official seal at Dover this nineteenth day
of November in the year of our Lord
one thousand nine hundred and seventy-four.



Robert H. Reed

Secretary of State

Grover A. Biddle Assistant Secretary of State