As filed with the Securities and Exchange Commission on July 12, 2006

File No. 001-32876

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

AMENDMENT NO. 4

To

FORM 10

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

WYNDHAM WORLDWIDE CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**20-0052541** **(I.R.S. Employer Identification No.)**
Seven Sylvan Way **Parsippany, New Jersey** **(Address of Principal Executive Offices)**	**07054** **(Zip Code)**

(973) 496-8900
(Registrant's Telephone Number, Including Area Code)

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

Title of each class to be so registered	Name of each exchange on which each class is to be registered
Common Stock, par value $.01 per share	New York Stock Exchange
Preferred Stock Purchase Right	New York Stock Exchange

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

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

Our information statement is filed as Exhibit 99.1 to this Form 10. For your convenience, we have provided below a cross-reference sheet identifying where the items required by Form 10 can be found in the information statement.

Item No.	Caption	Location in Information Statement
Item 1.	Business	See "Summary," "Risk Factors," "The Separation," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Certain Relationships and Related Party Transactions"
Item 1A.	Risk Factors	See "Risk Factors"
Item 2.	Financial Information	See "Summary," "Capitalization," "Selected Historical Combined Financial Data," "Unaudited Pro Forma Combined Condensed Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"
Item 3.	Properties	See "Business—Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Properties and Facilities"
Item 4.	Security Ownership of Certain Beneficial Owners and Management	See "Security Ownership of Certain Beneficial Owners and Management"
Item 5.	Directors and Executive Officers	See "Management"
Item 6.	Executive Compensation	See "Management" and "Certain Relationships and Related Party Transactions"
Item 7.	Certain Relationships and Related Transactions	See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Certain Relationships and Related Party Transactions"
Item 8.	Legal Proceedings	See "Business—Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Legal Proceedings"
Item 9.	Market Price of and Dividends on the Registrant's Common Equity and Related Shareholder Matters	See "Summary," "The Separation," "Capitalization" and "Dividend Policy"
Item 10.	Recent Sales of Unregistered Securities	Not Applicable
Item 11.	Description of Registrant's Securities to be Registered	See "Summary," "The Separation," "Dividend Policy" and "Description of Capital Stock"
Item 12.	Indemnification of Directors and Officers	See "Management" and "Description of Capital Stock"
Item 13.	Financial Statements and Supplementary Data	See "Unaudited Pro Forma Combined Condensed Financial Statements" and "Index to Financial Statements" and the statements referenced therein

Item No.	Caption	Location in Information Statement
Item 14.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Not Applicable
Item 15.	Financial Statements and Exhibits	See "Unaudited Pro Forma Combined Condensed Financial Statements" and "Index to Financial Statements" and the statements referenced therein

(a) Listof Financial Statements

(1) Unaudited Pro Forma Combined Condensed Financial Statements of Wyndham Worldwide Corporation; and
(2) Combined Financial Statements, including Report of Independent Registered Public Accounting Firm

(b) Exhibits

The following documents are filed as exhibits hereto:

Exhibit No.	Exhibit Description
2.1	Form of Separation and Distribution Agreement among Wyndham Worldwide Corporation, Cendant Corporation, Realogy Corporation and Travelport Inc. (Incorporated by reference to Exhibit 2.1 to Realogy Corporation's Registration Statement on Form 10 dated June 2, 2006)
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4.1	Form of Rights Agreement between Wyndham Worldwide Corporation and Rights Agent (†)
4.2	Form of Certificate of Designations of Series A Junior Participating Preferred Stock (attached as an exhibit to the Form of Rights Agreement filed as Exhibit 4.1 hereto) (†)
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10.16	Indenture and Servicing Agreement dated as of March 31, 2003, by and among Sierra 2003-1 Receivables Funding Company, LLC, as Issuer, and Fairfield Acceptance Corporation—Nevada(***), and Wachovia Bank, National Association, as Trustee, and Wachovia Bank, National Association, as Collateral Agent (Incorporated by reference to Exhibit 10.5 to Cendant Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003 dated May 9, 2003)
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10.17	Indenture and Servicing Agreement dated as of December 5, 2003, by and among Sierra 2003-2 Receivables Funding Company, LLC, as Issuer, and Fairfield Acceptance Corporation—Nevada(***), as Servicer, and Wachovia Bank, National Association, as Trustee, and Wachovia Bank, National Association, as Collateral Agent (Incorporated by reference to Exhibit 10.70 to Cendant Corporation's Annual Report on Form 10-K for the year ended December 31, 2003 dated March 1, 2004)

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10.19	Indenture and Servicing Agreement, dated as of August 11, 2005, by and among Cendant Timeshare 2005-1 Receivables Funding, LLC(*****), as Issuer, Cendant Timeshare Resort Group-Consumer Finance, Inc.(**), as Servicer, Wells Fargo Bank, National Association, as Trustee, and Wachovia Bank, National Association, as Collateral Agent (Incorporated by reference to Exhibit 10.1 to Cendant Corporation's Current Report on Form 8-K dated August 17, 2005)
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10.21	Amendment Agreement, dated as of October 11, 2005, amending the Asset Purchase Agreement, dated as of September 13, 2005, by and among Cendant Corporation, as Buyer, and Wyndham Management Corporation, GH-Galveston, Inc., W-Isla, LLC, Performance Hospitality Management Company, Wyndham (Bermuda) Management Company, Ltd., Wyndham Hotels & Resorts (Aruba) N.V., WHC Franchise Corporation, Wyndham International Inc., Wyndham IP Corporation, Wyndham 58th Street, L.L.C., Grand Bay Management Company and Wyndham International Operating Partnership, L.P., as Sellers (†)
10.22	Amended and Restated FairShare Vacation Plan Use Management Trust Agreement, dated as of January 1, 1996, by and among FairShare Vacation Owners Association, Fairfield Communities, Inc., Fairfield Myrtle Beach, Inc., such other subsidiaries of Fairfield Communities, Inc. and such other unrelated third parties as may from time to time desire to subject property to this Trust Agreement (†)
10.23	First Amendment to the Amended and Restated FairShare Vacation Plan Use Management Trust Agreement, dated as of February 29, 2000, by and between the FairShare Vacation Owners Association and Fairfield Communities, Inc. (†)

Exhibit No.	Exhibit Description
10.24	Second Amendment to the Amended and Restated FairShare Vacation Plan Use Management Trust Agreement, dated as of February 19, 2003, by and between the FairShare Vacation Owners Association and Fairfield Resorts, Inc., formerly known as Fairfield Communities, Inc. (†)
10.25	Management Agreement, dated as of January 1, 1996, by and between FairShare Vacation Owners Association and Fairfield Communities, Inc. (†)
10.26	Form of Declaration of Vacation Owner Program of WorldMark, the Club (†)
10.27	Performance Guaranty, dated as of June 16, 2006, by Wyndham Worldwide Corporation in favor of Sierra 2003-1 Receivables Funding Company, LLC, as Issuer, Sierra Deposit Company, LLC, as Depositor, and U.S. Bank, National Association, as Trustee and Collateral Agent (†)
10.28	Performance Guaranty, dated as of June 16, 2006, by Wyndham Worldwide Corporation in favor of Sierra 2003-2 Receivables Funding Company, LLC, as Issuer, Sierra Deposit Company, LLC, as Depositor, and U.S. Bank, National Association, as Trustee and Collateral Agent (†)
10.29	Performance Guaranty, dated as of June 16, 2006, by Wyndham Worldwide Corporation in favor of Sierra Timeshare 2004-1 Receivables Funding, LLC, as Issuer, Sierra Deposit Company, LLC, as Depositor, and U.S. Bank, National Association, as Trustee and Collateral Agent (†)
10.30	Performance Guaranty, dated as of June 16, 2006, by Wyndham Worldwide Corporation in favor of Sierra Timeshare 2005-1 Receivables Funding, LLC, as Issuer, Sierra Deposit Company, LLC, as Depositor, Wells Fargo Bank, National Association, as Trustee, and U.S. Bank, National Association, as Collateral Agent (†)
10.31	Credit Agreement, dated as of July 7, 2006, among Wyndham Worldwide Corporation, as Borrower, certain financial institutions as lenders, JPMorgan Chase Bank, N.A., as Administrative Agent, Citicorp USA, Inc., as Syndication Agent, Bank of America, N.A., The Bank of Nova Scotia and The Royal Bank of Scotland PLC, as Documentation Agents, and Credit Suisse, Cayman Islands Branch, as Co-Documentation Agent
10.32	Interim Term Loan Agreement, dated as of July 7, 2006, among Wyndham Worldwide Corporation, as Borrower, certain financial institutions as lenders, JPMorgan Chase Bank, N.A., as Administrative Agent, The Royal Bank of Scotland PLC and The Bank of Nova Scotia, as Syndication Agents, and Bank of America, N.A., and Credit Suisse, Cayman Islands Branch, as Documentation Agents
10.33	Performance Guaranty, dated as of July 7, 2006, by Wyndham Worldwide Corporation in favor of Sierra Deposit Company, LLC, as Depositor, Sierra Timeshare Conduit Receivables Funding Company, LLC, as Issuer, and U.S. Bank National Association, as successor to Wachovia Bank, National Association, as Trustee and Collateral Agent
10.34	Indenture and Servicing Agreement, dated as of July 11, 2006, by and among Sierra Timeshare 2006-1 Receivables Funding, LLC, as Issuer, and Wyndham Consumer Finance, Inc., as Servicer, and Wells Fargo Bank, National Association, as Trustee, and U.S. Bank National Association, as Collateral Agent
10.35	Performance Guarantee, dated as of July 11, 2006, by Cendant Corporation and Wyndham Worldwide Corporation in favor of Sierra Timeshare 2006-1 Receivables Funding, LLC, as issuer, Sierra Deposit Company, LLC, as Depositor, Wells Fargo Bank, National Association, as Trustee, and U.S. Bank, National Association, as Collateral Agent
21.1	Subsidiaries of Wyndham Worldwide Corporation (†)
99.1	Information Statement of Wyndham Worldwide Corporation, subject to completion, dated July 12, 2006

† Previously filed.
* Renamed Sierra Timeshare Conduit Receivables Funding, LLC.
** Renamed Wyndham Consumer Finance, Inc.
*** Fairfield Acceptance Corporation—Nevada was previously renamed Cendant Timeshare Resort Group—Consumer Finance, Inc. and has since been renamed Wyndham Consumer Finance, Inc.
**** Renamed Sierra Timeshare 2004-1 Receivables Funding, LLC.
***** Renamed Sierra Timeshare 2005-1 Receivables Funding, LLC.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this amendment no. 4 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

WYNDHAM WORLDWIDE CORPORATION

By: /s/ STEPHEN P. HOLMES
Name: Stephen P. Holmes
Title: Chairman and Chief Executive Officer

Dated: July 12, 2006

EXHIBIT INDEX

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10.32	Interim Term Loan Agreement, dated as of July 7, 2006, among Wyndham Worldwide Corporation, as Borrower, certain financial institutions as lenders, JPMorgan Chase Bank, N.A., as Administrative Agent, The Royal Bank of Scotland PLC and The Bank of Nova Scotia, as Syndication Agents, and Bank of America, N.A., and Credit Suisse, Cayman Islands Branch, as Documentation Agents
10.33	Performance Guaranty, dated as of July 7, 2006, by Wyndham Worldwide Corporation in favor of Sierra Deposit Company, LLC, as Depositor, Sierra Timeshare Conduit Receivables Funding Company, LLC, as Issuer, and U.S. Bank National Association, as successor to Wachovia Bank, National Association, as Trustee and Collateral Agent
10.34	Indenture and Servicing Agreement, dated as of July 11, 2006, by and among Sierra Timeshare 2006-1 Receivables Funding, LLC, as Issuer, and Wyndham Consumer Finance, Inc., as Servicer, and Wells Fargo Bank, National Association, as Trustee, and U.S. Bank National Association, as Collateral Agent
10.35	Performance Guarantee, dated as of July 11, 2006, by Cendant Corporation and Wyndham Worldwide Corporation in favor of Sierra Timeshare 2006-1 Receivables Funding, LLC, as issuer, Sierra Deposit Company, LLC, as Depositor, Wells Fargo Bank, National Association, as Trustee, and U.S. Bank, National Association, as Collateral Agent
21.1	Subsidiaries of Wyndham Worldwide Corporation (†)
99.1	Information Statement of Wyndham Worldwide Corporation, subject to completion, dated July 12, 2006

† Previously filed.
* Renamed Sierra Timeshare Conduit Receivables Funding, LLC.
** Renamed Wyndham Consumer Finance, Inc.
*** Fairfield Acceptance Corporation—Nevada was previously renamed Cendant Timeshare Resort Group—Consumer Finance, Inc. and has since been renamed Wyndham Consumer Finance, Inc.
**** Renamed Sierra Timeshare 2004-1 Receivables Funding, LLC.
***** Renamed Sierra Timeshare 2005-1 Receivables Funding, LLC.

Exhibit 10.9

EXECUTION COPY

MASTER INDENTURE AND SERVICING AGREEMENT

Dated as of August 29, 2002

and

Amended and Restated as of July 7, 2006

by and among

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC,
as Issuer

and

WYNDHAM CONSUMER FINANCE, INC.,
as Master Servicer

and

U.S. BANK, NATIONAL ASSOCIATION,
as successor to Wachovia Bank, National Association,
as Trustee

and

U.S. BANK, NATIONAL ASSOCIATION,
as successor to Wachovia Bank, National Association,
as Collateral Agent

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EXHIBITS

SCHEDULES

AMENDED AND RESTATED
MASTER INDENTURE AND SERVICING AGREEMENT

THIS AMENDED AND RESTATED MASTER INDENTURE AND SERVICING AGREEMENT dated as of August 29, 2002 and amended and restated as of July 7, 2006 is by and between **SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC**, a limited liability company organized under the laws of the State of Delaware, as issuer, **WYNDHAM CONSUMER FINANCE, INC**., a Delaware corporation, as master servicer, U.S. **BANK, NATIONAL ASSOCIATION**, a national banking association, as successor to Wachovia Bank, National Association, as trustee and as collateral agent. This Agreement may be supplemented and amended from time to time in accordance with Article XIII. If a conflict exists between the terms and provisions of this Agreement and any Series Supplement, the terms and provisions of the Series Supplement shall be controlling with respect to the related Series.

RECITALS

The Issuer has duly authorized the execution and delivery of this Agreement to provide for issuances of its loan-backed notes to be issued in one series as provided in this Agreement and the Series Supplement.

All covenants and agreements made by the Issuer herein are for the benefit and security of the Noteholders of the Series and, to the extent and as provided for in the Series Supplement, the Series Enhancers.

The Issuer is entering into this Agreement, and the Trustee is accepting the trusts created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. All things necessary have been done to make the Notes, when executed by the Issuer and authenticated and delivered by the Trustee hereunder and under the Series Supplement and duly issued by the Issuer, the valid obligations of the Issuer, and to make this Agreement a valid agreement of the Issuer, enforceable in accordance with their and its terms. All covenants and agreements made by the Issuer herein are for the benefit and security of the Noteholders and, to the extent and as provided for in the Series Supplement, the Series Enhancers.

NOW THEREFORE, in consideration of the mutual agreements herein contained, each party agrees as follows for the benefit of the other parties and for the benefit of the Noteholders and, to the extent and as provided for in the Series Supplement, the Series Enhancers.

ARTICLE I

DEFINITIONS

Section 1.1 Definitions

Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Account" shall mean any Collection Account and any other Series Account.

"Addition Date" shall mean, with respect to any Series, each date subsequent to the Closing Date for that Series on which a security interest is granted in Loans to secure the Notes of that Series.

"Administrative Services Agreement" shall mean either the Depositor Administrative Services Agreement dated as of August 29, 2002 by and between the Depositor and the Administrator or the Issuer Administrative Services Agreement dated as of August 29, 2002 by and between the Issuer and the Administrator, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms of the respective agreements.

"Administrator" shall mean, with respect to the Administrative Services Agreements, Wyndham, as administrator with respect to the Depositor and the Issuer, respectively, or any other entity which becomes the Administrator under the terms of the respective Administrative Services Agreements.

"Affiliate" shall mean, when used with respect to any person, any other person directly or indirectly controlling, controlled by or under common control with such person, and "control" means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Agent Members" shall mean members of, or participants in Euroclear or Clearstream.

"Aggregate Principal Amount" shall mean, as of any day of calculation, an amount equal to the sum of the principal amount outstanding for all Series of Notes or, if used with respect to a Series, an amount equal to the sum of the principal amount outstanding for that Series of Notes.

"Agreement" shall mean this Master Indenture and Servicing Agreement as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Amortization Event" shall have, with respect to any Series, the meaning assigned to that term in the applicable Series Supplement.

"Authentication Agent" shall mean a Person designated by the Trustee to authenticate Notes on behalf of the Trustee.

"Authorized Officer" shall mean, with respect to the Issuer, any officer who is authorized to act for the Issuer in matters relating to the Issuer, and with respect to the Trustee or any other bank or trust company acting as trustee of an express trust or as custodian or authenticating agent, a Responsible Officer. Each party may receive and accept a certification of the authority of any other party as conclusive evidence of the authority of any person to act, and such certification may be considered as in full force and effect until receipt by such other party of written notice to the contrary.

"Bankruptcy Code" shall mean the United States Bankruptcy Code, Title 11 of the United States Code, as amended.

"Bearer Notes" shall have the meaning set forth in Section 2.1.

"Benefit Plan" shall mean any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Issuer, any eligible Originator, any eligible Seller or any ERISA Affiliate of the Issuer is, or at any time during the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

"Book-Entry Notes" shall mean security entitlements to the Notes, ownership and transfers of which shall be made through book entries by a Clearing Agency or a Foreign Clearing Agency, as described in Section 2.11.

"Business Day" shall mean any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in New York, New York, Las Vegas, Nevada, Chicago, Illinois, Charlotte, North Carolina, or the city in which the Corporate Trust Office of the Trustee is located, are authorized or obligated by law or executive order to be closed.

"Cendant" shall mean Cendant Corporation or any successor thereof.

"Class" shall mean, with respect to any Series, any one of the classes of Notes of that Series.

"Clearing Agency" shall mean an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Agency Participant" shall mean a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Clearstream" shall mean Clearstream Banking, société anonyme, a professional depository incorporated under the laws of Luxembourg, and its successors.

"Closing Date" shall mean, with respect to any Series, the closing date specified in the related Series Supplement.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall mean the Series Collateral for any one or more Series.

"Collateral Agency Agreement" shall mean the Ninth Amendment to the Collateral Agency Agreement dated as of August 11, 2005 by and among the Collateral Agent, the Trustee and the trustees for other series of notes as described therein, as such Collateral Agency Agreement may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms.

"Collateral Agent" shall mean U.S. Bank, National Association in its capacity as collateral agent under this Agreement, the Series Supplements and the Collateral Agency Agreement or any successor collateral agent appointed under the Collateral Agency Agreement.

"Collection Account" shall mean with respect to any Series the account described in Section 7.1 hereof and established in the respective Series Supplement for the deposit of Collections related to that Series.

"Collections," with respect to any Pledged Loan, shall have the meaning assigned thereto in the applicable Purchase Agreement.

"Corporate Trust Office" shall mean the office of the Trustee at which at any particular time its corporate trust business is administered, which office at the date of the execution of this Agreement is located at 401 South Tryon Street, NC-1179, 12th Floor, Charlotte, NC 28288-1179, Attention: Structured Finance Trust Services, Sierra Timeshare Conduit Receivables Funding, LLC Series 2002-1.

"Coupons" shall have the meaning set forth in Section 2.1.

"Credit Card Account" shall mean an arrangement whereby an Obligor makes Scheduled Payments under a Loan via pre-authorized debit to a Major Credit Card.

"Credit Standards and Collection Policies" shall mean the Credit Standards and Collection Policies of Wyndham and FRI, Trendwest or any other Seller, as attached to the applicable Purchase Agreement and as amended from time to time in accordance with the applicable Purchase Agreement and the restrictions of Section 4.2(c).

"Custodial Agreement" shall mean the Fifth Amended and Restated Custodial Agreement dated as of August 11, 2005 by and among the Issuer, other subsidiaries of the Depositor which have issued notes, Wyndham, Trendwest, Wachovia Bank, National Association, as Custodian, the Trustee and the Collateral Agent as well as the trustees for other issues of notes, as the same may be further amended, supplemented or otherwise modified from time to time hereafter in accordance with its terms.

"Custodian" shall mean, at any time, the custodian under the applicable Custodial Agreement.

"Customary Practices" shall, with respect to the servicing and administration of any Pledged Loans, have the meaning assigned to that term in the Purchase Agreement under which such Loan was transferred from the Seller to the Depositor.

"Cut-Off Date" shall mean, with respect to the Pledged Loans for any Series, the date stated as the Cut-Off Date in the related Series Supplement.

"Debt" of any Person shall mean (a) indebtedness of such Person for borrowed money, (b) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) obligations of such Person to pay the deferred purchase price of property or services, (d) obligations of such Person as lessee under leases which have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, (e) obligations secured by any lien, security interest or other charge upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, (f) obligations of such Person under direct or indirect guaranties in respect of,

and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (e) above, and (g) liabilities in respect of unfunded vested benefits under Benefit Plans covered by Title IV of ERISA.

"Debtor Relief Laws" shall mean the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"Definitive Notes" shall have the meaning set forth in Section 2.11.

"Depositor" shall mean Sierra Deposit Company, LLC, a Delaware limited liability company, as depositor under the Pool Purchase Agreement.

"Depository Agreement" shall mean, if applicable with respect to any Series or Class of Book-Entry Notes, the agreement among the Issuer, the Trustee and a Clearing Agency or, if applicable, the Foreign Clearing Agency.

"Determination Date" shall mean, with respect to any Payment Date, the second Business Day preceding such Payment Date or any other date designated as the Determination Date for a Series under the applicable Series Supplement.

"Due Period" shall mean, for any Payment Date, the immediately preceding calendar month or any other period designated as the Due Period for a Series under the applicable Series Supplement.

"Effective Date" shall mean the date on which Wyndham Worldwide and its subsidiaries cease to be subsidiaries of Cendant.

"Eligible Institution" shall mean any depository institution the short term unsecured senior indebtedness of which is rated at least "F-l" by Fitch, "A-l" by S&P or "P-l" by Moody's, and the long term unsecured indebtedness rating of which is rated at least "A" by Fitch, "A" by S&P or "A-2" by Moody's.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as such Person; (ii) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with such Person; or (iii) a member of the same affiliated service group (within the meaning of Section 414(n) of the Code) as such Person, any corporation described in clause (i) or any trade or business described in clause (ii).

"Euroclear Operator" shall mean Euroclear Bank S.A./N.V., as operator of the Euroclear System, and its successor and assigns in such capacity.

"Euroclear Participants" shall mean the participants of the Euroclear System, for which the Euroclear System holds securities.

"Event of Default" shall mean, with respect to any Series, each event which is stated to constitute an Event of Default under the applicable Series Supplement.

"Exchange Act" shall mean the U. S. Securities Exchange Act of 1934, as amended.

"Facility Documents" shall mean, collectively, this Agreement, the Series Supplements, the Purchase Agreements, the Series Purchase Supplements, the Pool Purchase Agreement, the Custodial Agreements, the Lockbox Agreements, the Title Clearing Agreements, the Loan Conveyance Documents, the Collateral Agency Agreement, the Administrative Services Agreements, the Financing Statements and all other agreements, documents and instruments delivered pursuant thereto or in connection therewith, and "Facility Document" shall mean any of them.

"Financing Statements" shall mean, collectively, the UCC financing statements and the amendments thereto to be executed and delivered in connection with any of the transactions contemplated hereby or any of the other Facility Documents.

"Fitch" shall mean Fitch, Inc. or any successor thereto.

"Foreign Clearing Agency" shall mean Clearstream and the Euroclear Operator.

"FRI" shall mean Fairfield Resorts, Inc., a Delaware corporation and its successors and assigns.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Global Note" shall have the meaning specified in Section 2.14.

"Grant" shall mean, as to any asset or property, to pledge, assign and grant a security interest in such asset or property. A Grant of any item of Series Collateral shall include all rights, powers and options of the Granting party thereunder or with respect thereto, including without limitation the immediate and continuing right to claim, collect, receive and give receipt for principal, interest and other payments in respect of such item of Series Collateral, principal and interest payments and receipts in respect of the Permitted Investments, Insurance Proceeds, purchase prices and all other monies payable thereunder and all income, proceeds, products, rents and profits thereof, to give and receive notices and other communications, to make waivers or other agreements, to exercise all such rights and options, to bring Proceedings in the name of the Granting party or otherwise, and generally to do and receive anything which the Granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Initial Closing Date" shall mean August 29, 2002.

"Insolvency Event" shall mean, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person

or any substantial part of its property in an involuntary case under any applicable Debtor Relief Law now or hereafter in effect, or the filing of a petition against such Person in an involuntary case under any applicable Debtor Relief Law now or hereafter in effect, which case remains unstayed and undismissed within 30 days of such filing, or the appointing of a receiver, conservator, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the ordering of the winding-up or liquidation of such Person's business; or (b) the commencement by such Person of a voluntary case under any applicable Debtor Relief Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such Debtor Relief Law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due or the admission by such Person of its inability to pay its debts generally as they become due.

"Insolvency Proceeding" shall mean any proceeding relating to an Insolvency Event.

"Installment Contract" shall mean an installment sale contract as defined in the applicable Purchase Agreement.

"Insurance Proceeds" shall have the meaning assigned to that term in the applicable Purchase Agreement.

"Investment Company Act" shall mean the U.S. Investment Company Act of 1940, as amended.

"Issuer" shall mean Sierra Timeshare Conduit Receivables Funding, LLC, a Delaware limited liability company formerly known as Cendant Timeshare Conduit Receivables Funding, LLC, and its successors and assigns.

"Issuer Order" shall mean a written order or request dated and signed in the name of the Issuer by an Authorized Officer of the Issuer.

"Lien" shall mean any mortgage, security interest, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC (other than any such financing statement filed for informational purposes only) or comparable law of any jurisdiction to evidence any of the foregoing.

"LLC Agreement" shall mean the Limited Liability Agreement of Sierra Timeshare Conduit Receivables Funding, LLC dated as of August 29, 2002 as amended, supplemented, restated or otherwise modified from time to time.

"Loan" shall mean each loan, installment contract or contract for deed or contract or note secured by a mortgage, deed or trust, vendor's lien or retention of title originated or acquired by a Seller and relating to the sale of one or more Timeshare Properties.

"Loan Balance" shall mean the outstanding principal balance due under or in respect of a Pledged Loan.

"Loan Conveyance Documents" shall mean, with respect to any Pledged Loan, (a) the Purchase Agreement, Series Purchase Supplement or assignment of additional loans under which such Pledged Loan was transferred from the Seller to the Depositor, (b) the Pool Purchase Agreement or assignment of additional loans under which such Pledged Loan was transferred from the Depositor to the Issuer, (c) the applicable Series Supplement or Supplemental Grant pursuant to which the Pledged Loan is Granted to the Collateral Agent for the benefit of the Trustee and (d) any such other releases, documents, instruments or agreements as may be required by the Depositor, the Issuer, the Collateral Agent or the Trustee in order to more fully effect the transfer or Grant (including any prior assignments) of such Pledged Loan and any related Pledged Assets from the Originator to the Depositor, from the Depositor to the Issuer and from the Issuer to the Collateral Agent or the Trustee.

"Loan Documents" shall mean, with respect to any Pledged Loan have the meaning assigned to that term in the Purchase Agreement under which such Pledged Loan was transferred from the Seller to the Depositor.

"Loan File" shall, with respect to any Pledged Loan, have the meaning assigned to that term in the Purchase Agreement under which such Pledged Loan was transferred from the Seller to the Depositor.

"Loan Rate" shall mean the annual rate at which interest accrues on any Pledged Loan, as modified from time to time in accordance with the terms of any related Credit Standards and Collection Policies.

"Loan Schedule" shall, with respect to any Series, mean the Loan Schedule described in the Series Purchase Supplement for that Series or if Pledged Loans for such Series are sold under more than one Purchase Agreement, the Loan Schedules described in all of the applicable Series Purchase Supplements and all revisions thereto.

"Lockbox Account" shall mean any of the accounts established pursuant to a Lockbox Agreement.

"Lockbox Agreement" shall have the meaning assigned to such term in the applicable Purchase Agreement.

"Lockbox Bank" shall mean any of the commercial banks holding one or more Lockbox Accounts.

"Lot" shall mean a fully or partially developed parcel of real estate.

"Major Credit Card" shall mean a credit card issued by any VISA USA, Inc., MasterCard International Incorporated, American Express Company, Discover Bank or Diners Club International Ltd. credit card entity.

"Majority Holders" shall mean with respect to all Notes issued and outstanding, the Holders of fifty-one percent or more of the Aggregate Principal Amount of all Notes and, with respect to any Series, the Holders of fifty-one percent or more of the Aggregate Principal Amount of that Series.

"Master Servicer" shall mean Wyndham Consumer Finance, Inc. in its capacity as master servicer pursuant to this Agreement and, after any Service Transfer, the Successor Master Servicer.

"Material Adverse Effect" shall mean, with respect to any Person and any event or circumstance, a material adverse effect on:

(a) the business, properties, operations or condition (financial or otherwise) of any of such Person;

(b) the ability of such Person to perform its respective obligations under any of the Facility Documents to which it is a party;

(c) the validity or enforceability of, or collectibility of amounts payable under, this Agreement or any of the Facility Documents to which it is a party;

(d) the status, existence, perfection or priority of any Lien arising through or under such Person under any of the Facility Documents to which it is a party; or

(e) the value, validity, enforceability or collectibility of the Pledged Loans with respect to any Series or any of the other Pledged Assets with respect to any Series.

"Member" shall have the meaning assigned thereto in the LLC Agreement.

"Monthly Master Servicer Fee" shall mean, in respect of any Payment Date, with respect to each Series, the Monthly Master Servicer Fee for the preceding Due Period, calculated as provided in the related Series Supplement.

"Monthly Servicing Report" shall mean each monthly report prepared by the Master Servicer as provided in Section 6.2 and in the Series Supplements.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor thereto.

"Mortgage" shall mean any mortgage, deed of trust, purchase money deed of trust or deed to secure debt encumbering the related Timeshare Property, granted by the related Obligor to the Originator of a Loan to secure payments or other obligations under such Loan.

"Multiemployer Plan" shall have the meaning set forth in Section 3(37) of ERISA.

"Nominee" shall have the meaning set forth in the Purchase Agreements.

"Notes" shall mean all Series of Notes issued by the Issuer pursuant to this Agreement and the respective Series Supplements.

"Note Register" shall have the meaning specified in Section 2.5.

"Note Registrar" shall have the meaning specified in Section 2.5.

"Noteholder" or "Holder" shall mean the Person in whose name a Note is registered in the Note Register.

"Obligor" shall mean, with respect to any Loan, the Person or Persons obligated to make Scheduled Payments thereon.

"Officer's Certificate" shall mean, unless otherwise specified in this Agreement, a certificate delivered to the Trustee signed by any Vice President or more senior officer of the Issuer or the Master Servicer, as the case may be, or, in the case of a Successor Master Servicer, a certificate signed by any Vice President or more senior officer or the financial controller (or an officer holding an office with equivalent or more senior responsibilities) of such Successor Master Servicer, and delivered to the Trustee.

"Opinion of Counsel" shall mean a written opinion of counsel who may be counsel for, or an employee of, the Person providing the opinion and who shall be reasonably acceptable to the Trustee.

"Originator," with respect to any Pledged Loan, shall have the meaning assigned to such term in applicable Purchase Agreement or if such term is not so defined, the entity which originates or acquires Loans and transfers such Loans directly or through a Seller to the Depositor.

"PAC" shall mean an arrangement whereby an Obligor makes Scheduled Payments under a Loan via pre-authorized debit.

"Parent Corporation" (i) prior to the Effective Date, shall mean Cendant and (ii) on and after the Effective Date, shall mean Wyndham Worldwide.

"Paying Agent" shall mean, with respect to any Series of Notes, the Trustee or any successor thereto, in its capacity as paying agent.

"Payment Date" shall mean the 13th day of each calendar month, or, if such 13th day is not a Business Day, the next succeeding Business Day or, with respect to any Series such other date as is specified in the related Series Supplement.

"Performance Guarantor" (i) prior to the Effective Date shall mean Cendant and (ii) on and after the Effective Date shall mean Wyndham Worldwide.

"Permitted Encumbrances" shall, with respect to any Pledged Loan, have the meaning assigned to that term in the Purchase Agreement under which such Pledged Loan was transferred from the Seller to the Depositor.

"Permitted Investments" shall mean (i) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities on or before the first Payment Date after the date of acquisition; (ii) time deposits and certificates of deposit having maturities on or before the first Payment Date after the date of acquisition, maintained with or issued by any commercial bank having capital and surplus in excess of $500,000,000 and having a short term senior unsecured debt rating of at least "F-l" by Fitch, "A-1" by S&P or "P-l" by Moody's; (iii) repurchase agreements having maturities on or before the first Payment Date after the date of acquisition for underlying securities of the types described in clauses (i) and (ii) above or clause (iv) below with any institution having a short term senior unsecured debt rating of at least "F-l" by Fitch, "A-l" by S&P, or "P-l" by Moody's; (iv) commercial paper maturing on or before the first Payment Date after the date of acquisition and having a short term senior unsecured debt rating of at least "F-l" by Fitch, "A-l" by S&P or "P-l" by Moody's; (v) money market funds rated "Aaa" by Moody's which invest solely in any of the foregoing, including any such funds in which the Trustee or an Affiliate of the Trustee acts as an investment advisor or provides other investment related services; and (vi) with respect to any Series Accounts any other investments permitted by the applicable Series Supplement; provided, however, that no obligation of any Seller shall constitute a Permitted Investment.

"Person" shall mean any person or entity including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity or other entity or organization of any nature, whether or not a legal entity.

"Plan" shall mean an employee benefit plan or other retirement arrangement subject to ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time.

"Plan Insolvency" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Pledged Loan" shall mean a Loan listed on a Loan Schedule.

"Pledged Assets" shall mean with respect to any Series the assets designated in the related Series Supplement as the "Series_____ Pledged Assets."

"POA" shall have the meaning assigned thereto in the applicable Purchase Agreement.

"Pool Assets" shall have the meaning set forth in the Pool Purchase Agreement.

"Pool Purchase Agreement" shall mean the purchase agreement dated August 29, 2002 by and between the Depositor and the Issuer as amended and restated on July 7, 2006 and as thereafter amended from time to time.

"Post Office Box" shall mean each post office box to which Obligors are directed to mail payments in respect of the Pledged Loans.

"Primary Custodial Documents" shall have the meaning specified in Section 4.1(k).

"Principal Amount" shall mean the initial principal amount of a Series, plus additional principal amounts issued as part of that Series less principal payments previously paid as of such date.

"Proceeding" shall have the meaning specified in Section 9.3.

"Purchase" shall mean a purchase (whether by means of cash payment, delivery of a note or capital contribution) of Pledged Loans and any related Pool Assets by the Issuer from the Depositor pursuant to the Pool Purchase Agreement.

"Purchase Agreement" shall have the meaning assigned thereto in the Pool Purchase Agreement.

"Rating Agency" shall mean, with respect to any outstanding Series or Class of a Series, each statistical rating agency, as specified in the applicable Series Supplement, selected by the Issuer to rate the Notes of such Series or Class.

"Rating Agency Condition" shall mean, with respect to any action, that each Rating Agency shall have notified the Issuer and the Trustee in writing that such action will not result in a reduction or withdrawal of the then existing rating of any outstanding Series or Class with respect to which it is a Rating Agency; provided, however, that if such Series or Class has not been rated, the Rating Agency Condition with respect to any such action shall be defined in the related Series Supplement or, if not defined therein, shall not apply.

"Record Date" shall mean the date on which Noteholders entitled to receive a payment of interest or principal on the succeeding Payment Date are determined, such date as to any Payment Date being the day preceding such Payment Date (or if such day is not a Business Day, the next preceding Business Day) except as otherwise provided with respect to any Series or Class of a Series in the related Series Supplement.

"Records" shall, with respect to any Pledged Loan, have the meaning assigned thereto in the applicable Purchase Agreement.

"Registered Notes" shall have the meaning set forth in Section 2.1.

"Release Price" shall mean, with respect to a Pledged Loan of a Series, the Release Price for that Loan as specified in the applicable Series Supplement.

"Reorganization" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event" shall mean any of the events described in Section 4043 of ERISA.

"Resort" shall have the meaning set forth in the applicable Purchase Agreement.

"Responsible Officer" shall mean any officer assigned to the Corporate Trust Office (or any successor thereto), including any Vice President, Assistant Vice President, Trust Officer, any Assistant Secretary, any trust officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers, in each case having direct responsibility for the administration of this Agreement.

"S&P" shall mean Standard & Poor's Ratings Services or any successor thereto.

"Sale" shall have the meaning specified in Section 9.13(a).

"Scheduled Payment" shall mean the scheduled monthly payment of principal and interest on a Pledged Loan.

"Securities Act" shall mean the U.S. Securities Act of 1933, as amended.

"Seller" shall, with respect to each Purchase Agreement, have the meaning assigned to that term in such Purchase Agreement.

"Series" shall mean any series of Notes issued pursuant to this Agreement and a related Series Supplement.

"Series Account" shall mean any deposit, trust, escrow or similar account maintained for the benefit of the Noteholders of any Series or Class, as specified in any Series Supplement.

"Series Collateral" shall mean the collateral Granted to the Collateral Agent for the benefit of the Trustee to secure the Notes of any Series and to secure any other obligations described in the related Series Supplement.

"Series Enhancement" shall mean the rights and benefits provided to the Noteholders of any Series or Class pursuant to any letter of credit, surety bond, cash collateral guaranty, cash collateral account, insurance policy, spread account, reserve account, guaranteed rate agreement, maturity liquidity facility, tax protection agreement, interest rate swap agreement, interest rate cap agreement, currency exchange agreement, other derivative securities agreement or other similar arrangement. The subordination of any Class or Series to another Class or Series shall be a Series Enhancement.

"Series Enhancer" shall mean the Person or Persons providing any Series Enhancement, other than (except to the extent otherwise provided with respect to any Series in the Series Supplement for such Series) the Noteholders of any Class or Series which is subordinated to another Class or Series.

"Series Issuance Date" shall mean, with respect to any Series, the date on which the Notes of such Series are to be originally issued in accordance with Section 2.10 and the related Series Supplement.

"Series Purchase Supplement" shall mean with respect to any Series, each of the supplements to the respective Purchase Agreements which supplements provide for the sale of Loans to the Depositor which Loans will provide the collateral for such Series.

"Series Supplement" shall mean with respect to any Series, the Supplement to this Agreement which sets forth the terms of such Series.

"Series 2002-1 Notes" shall mean the Series 2002-1 Loan Backed Variable Funding Notes issued pursuant to the Agreement and the Series 2002-1 Supplement.

"Series 2002-1 Supplement" shall mean the Series 2002-1 Supplement to the Master Indenture and Servicing Agreement dated as of August 29, 2002 and amended and restated as of July 7, 2006 by and between the Issuer, the Master Servicer, the Trustee and the Collateral Agent, as amended from time to time.

"Servicer Default" shall mean the defaults specified in Section 10.1.

"Service Transfer" shall have the meaning set forth in Section 10.1.

"Servicing Officer" shall mean any officer of the Master Servicer involved in, or responsible for, the administration and servicing of the Loans whose name appears on a list of servicing officers furnished to the Trustee by the Master Servicer, as such list may be amended from time to time.

"Subservicer" shall mean each entity which enters into a Subservicing Agreement with the Master Servicer and agrees to service all or a portion of the Pledged Loans.

"Subservicing Agreement" shall mean the agreement between the Master Servicer and Trendwest relating to the servicing of Pledged Loans originated by Trendwest or, with respect to Acquired Portfolio Loans, an agreement between the Master Servicer and the originator of such Acquired Portfolio Loans or another third party to service such loans on behalf of the Master Servicer, or if Wyndham is no longer the Master Servicer, the agreement between the Master Servicer and Wyndham relating to the servicing of the Pledged Loans originated by Wyndham or, with respect to any other Seller, the agreement between the Master Servicer and such Seller relating to the servicing of the Pledged Loans originated by such Seller.

"Subsidiary" shall mean, as to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the Board of Directors or other Persons performing similar functions are at the time directly or indirectly owned by such Person.

"Successor Master Servicer" shall have the meaning set forth in Section 10.2.

"Supplement" shall mean any Series Supplement and any other documents executed under the terms of Section 13.1 in connection with this Agreement which amend or supplement the terms hereof.

"Termination Date" shall have the meaning specified in Section 12.1.

"Termination Notice" shall have the meaning specified in Section 10.1.

"Timeshare Property" shall have the meaning assigned thereto in the applicable Purchase Agreement.

"Timeshare Property Regime" shall have the meaning assigned thereto in the applicable Purchase Agreement.

"Timeshare Upgrade" shall have the meaning assigned thereto in the applicable Purchase Agreement.

"Title Clearing Agreement" shall have the meaning assigned thereto in the applicable Purchase Agreement.

"Trendwest" shall mean Trendwest Resorts, Inc., an Oregon corporation and its successors and assigns.

"Trustee" shall mean U.S. Bank, National Association or its successor in interest, or any successor trustee appointed as provided in this Agreement.

"Trustee Fee Letter" shall mean the schedule of fees attached as Schedule 1, and all amendments thereof, supplements thereto or replacements thereto.

"UCC" shall mean the Uniform Commercial Code, as amended from time to time, as in effect in any applicable jurisdiction.

"UDI" shall have the meaning assigned thereto in the respective Purchase Agreements.

"Wyndham" shall mean Wyndham Consumer Finance, Inc., a Delaware corporation—formerly known as Cendant Timeshare Resort Group – Consumer Finance, Inc. and prior to that known as Fairfield Acceptance Corporation - Nevada—domiciled in Nevada.

"Wyndham Worldwide" shall mean Wyndham Worldwide Corporation and its successors and assigns.

Section 1.2 Other Definitional Provisions.

(a) With respect to terms used in this Agreement and not otherwise defined herein such terms shall have the meanings ascribed to them in the Pool Purchase Agreement.

(b) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein.

(c) As used in this Agreement and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in Section 1.1, and accounting terms partly defined in Section 1.1 to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles and as in effect from time to time. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained herein or in any such certificate or other document shall control.

(d) Any reference to each Rating Agency shall only apply to any specific rating agency if such rating agency is then rating any outstanding Series or Class of a Series.

(e) Unless otherwise specified, references to any amount as on deposit or outstanding on any particular date shall mean such amount at the close of business on such day.

(f) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; and Article, Section, subsection, Schedule and Exhibit references contained in this Agreement are references to Articles, Sections, subsections, Schedules and Exhibits in or to this Agreement unless otherwise specified.

Section 1.3 Intent and Interpretation of Documents

The arrangement by this Agreement, the Series Supplements, the Purchase Agreements and the Series Purchase Supplements, the Pool Purchase Agreement, the Custodial Agreements, the Collateral Agency Agreement and the other Facility Documents is intended not to be a taxable mortgage pool for federal income tax purposes, and is intended to constitute a sale of the Loans by the applicable Seller to the Depositor for commercial law purposes. Each of the Depositor and the Issuer are and are intended to be a legal entity separate and distinct from each Seller for all purposes other than tax purposes. This Agreement and the other Facility Documents shall be interpreted to further these intentions.

Section 1.4 References.

References to "Series" or "Series of Notes" in this Agreement, shall, for all purposes, refer only to the Series 2002-1 Notes. References to "Series Supplement" or "Series Supplements" in this Agreement, shall, for all purposes, refer only to the Series 2002-1 Supplement.

ARTICLE II

THE NOTES

Section 2.1 Form Generally.

The Notes of any Series or Class shall be issued in fully registered form without interest coupons (the "Registered Notes") unless the applicable Series Supplement provides, in accordance with then applicable laws, that such Notes be issued in bearer form ("Bearer Notes") with attached interest coupons and a special coupon (collectively the "Coupons"). Such Registered Notes or Bearer Notes, as the case may be, shall be substantially in the form provided in the applicable Series Supplement with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement or the applicable Series Supplement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may, consistently herewith, be determined by the

officers executing such Notes, as evidenced by their execution of such Notes. Any portion of the text of any Note may be set forth on the reverse or subsequent pages thereof, with an appropriate reference thereto on the face of the Note.

The Notes shall be typewritten, word processed, printed, lithographed or engraved or produced by any combination of these methods, all as determined by the officers executing such Notes, as evidenced by their execution of such Notes. If specified in any Series Supplement, the Notes of any Series or Class shall be issued upon initial issuance as one or more notes evidencing the aggregate original principal amount of such Series or Class as described in Section 2.10.

All Notes shall be dated as provided in the applicable Series Supplement.

Section 2.2 Denominations.

Except as otherwise specified in the related Series Supplement and the Notes, each Class of Notes of each Series shall be issued in fully registered form in minimum amounts of U.S. $1,000 and in integral multiples of U.S. $1,000 in excess thereof (except that one Note of each Class may be issued in a different amount, so long as such amount exceeds the applicable minimum denomination for such Class).

Section 2.3 Execution, Authentication and Delivery.

Each Note shall be executed by manual or facsimile signature on behalf of the Issuer by an Authorized Officer of the Issuer.

Notes bearing the manual or facsimile signature of an individual who was, at the time when such signature was affixed, authorized to sign on behalf of the Issuer shall not be rendered invalid, notwithstanding the fact that such individual ceased to be so authorized prior to the authentication and delivery of such Notes or does not hold such office at the date of issuance such Notes.

At any time and from time to time after the execution and delivery of this Agreement, the Issuer may deliver Notes executed by the Issuer to the Trustee for authentication and delivery, and the Trustee shall authenticate and deliver such Notes as provided in this Agreement or the related Series Supplement and not otherwise.

No Note shall be entitled to any benefit under this Agreement or the applicable Series Supplement or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for herein or in the related Series Supplement executed by or on behalf of the Trustee by the manual signature of a duly authorized signatory, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

Section 2.4 Authentication Agent.

(a) The Trustee may appoint one or more Authentication Agents with respect to the Notes which shall be authorized to act on behalf of the Trustee in authenticating the Notes in

connection with the issuance, delivery, registration of transfer, exchange or repayment of the Notes. Whenever reference is made in this Agreement to the authentication of Notes by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication on behalf of the Trustee by an Authentication Agent and a certificate of authentication executed on behalf of the Trustee by an Authentication Agent. Each Authentication Agent must be acceptable to the Issuer and the Master Servicer.

(b) Any institution succeeding to the corporate agency business of an Authentication Agent shall continue to be an Authentication Agent without the execution or filing of any power or any further act on the part of the Trustee or such Authentication Agent.

(c) An Authentication Agent may at any time resign by giving notice of resignation to the Trustee and to the Issuer. The Trustee may at any time terminate the agency of an Authentication Agent by giving notice of termination to such Authentication Agent and to the Issuer and the Servicer. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an Authentication Agent shall cease to be acceptable to the Trustee or the Issuer, the Trustee may promptly appoint a successor Authentication Agent. Any successor Authentication Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authentication Agent. No successor Authentication Agent shall be appointed unless acceptable to the Issuer and the Master Servicer.

(d) The Issuer agrees to pay to each Authentication Agent from time to time reasonable compensation for its services under this Section 2.4.

(e) The provisions of Sections 11.1 and 11.3 shall be applicable to any Authentication Agent.

(f) Pursuant to an appointment made under this Section 2.4, the Notes may have endorsed thereon, in lieu of or in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in substantially the following form:

"This is one of the Notes described in the within-mentioned Agreement.

_____

_____

as Authentication Agent
for the Trustee

By: _____
Authorized Signatory"

Section 2.5 Registration of Transfer and Exchange of Notes.

(a) The Issuer shall cause to be kept at the Corporate Trust Office, a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the registration of Notes and the registration of transfers of Notes shall be provided. A note registrar (which may be the Trustee) (in such capacity, the "Note Registrar") shall provide for the registration of Registered Notes and transfers and exchanges of Registered Notes as herein provided. The Note Registrar shall initially be the Trustee. Any reference in this Agreement to the Note Registrar shall include any co-note registrar unless the context requires otherwise.

The Trustee may revoke such appointment and remove any Note Registrar if the Trustee determines in its sole discretion that such Note Registrar failed to perform its obligations under this Agreement in any material respect. Any Note Registrar shall be permitted to resign as Note Registrar upon thirty (30) days' notice to the Issuer and the Trustee; provided, however, that such resignation shall not be effective and such Note Registrar shall continue to perform its duties as Note Registrar until the Trustee has appointed a successor Note Registrar (which may be the Trustee) reasonably acceptable to the Issuer.

Upon surrender for registration of transfer or exchange of any Registered Note at any office or agency of the Note Registrar maintained for such purpose, subject to any transfer restrictions contained in the applicable Series Supplement, one or more new Registered Notes (of the same Series and Class) in authorized denominations of like tenor and aggregate principal amount shall be executed, authenticated and delivered, in the name of the designated transferee or transferees.

At the option of a Registered Noteholder, subject to the provisions of this Section 2.5 and any restrictions contained in the applicable Series Supplement, Registered Notes (of the same Series and Class) may be exchanged for other Registered Notes of authorized denominations of like tenor and aggregate principal amount, upon surrender of the Registered Notes to be exchanged at any such office or agency; Registered Notes, including Registered Notes received in exchange for Bearer Notes, may not be exchanged for Bearer Notes. At the option of the Holder of a Bearer Note, subject to applicable laws and regulations, Bearer Notes may be exchanged for other Bearer Notes or Registered Notes (of the same Series and Class) of authorized denominations of like tenor and aggregate principal amount, upon surrender of the Bearer Notes to be exchanged at an office or agency of the Note Registrar located outside the United States. Each Bearer Note surrendered pursuant to this Section shall have attached thereto all unmatured Coupons.

All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Agreement, and the applicable Series Supplement, as the Notes surrendered upon such registration of transfer or exchange.

The preceding provisions of this Section 2.5(a) notwithstanding, the Trustee or the Note Registrar, as the case may be, shall not be required to register the transfer of or exchange any Note for a period of fifteen (15) days preceding the due date for any payment with respect to the Note.

Whenever any Notes are so surrendered for exchange, subject to any restrictions contained in the applicable Series Supplement, the Issuer shall execute and the Trustee shall authenticate and deliver (in the case of Bearer Notes, outside the United States) the Notes which the Noteholder making the exchange is entitled to receive. Every Note presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in a form satisfactory to the Trustee or the Note Registrar duly executed by the Noteholder or the attorney-in-fact thereof duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Notes, but the Note Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any such transfer or exchange.

All Notes (together with any Coupons) surrendered for registration of transfer and exchange or for payment shall be canceled and disposed of in a manner satisfactory to the Trustee. The Trustee shall cancel and destroy any Global Note upon its exchange in full for definitive Notes and shall deliver a certificate of destruction to the Issuer. Such certificate shall also state that a certificate or certificates of a Foreign Clearing Agency referred to in the applicable Series Supplement was received with respect to each portion of the Global Note exchanged for definitive Notes.

The Issuer shall execute and deliver to the Trustee Notes in such amounts and at such times as are necessary to enable the Trustee to fulfill its responsibilities under this Agreement, the Series Supplements and the Notes.

(b) The Note Registrar will maintain at its expense in the Borough of Manhattan, The City of New York, an office or agency where Notes may be surrendered for registration of transfer or exchange (except that Bearer Notes may not be surrendered for exchange at any such office or agency in the United States or its territories and possessions).

Section 2.6 Mutilated, Destroyed, Lost or Stolen Notes.

If (a) any mutilated Note (together, in the case of Bearer Notes, with all unmatured Coupons (if any) appertaining thereto) is surrendered to the Note Registrar, or the Note Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (b) in case of destruction, loss or theft there is delivered to the Note Registrar such security or indemnity as may be required by it to hold the Issuer, the Note Registrar and the Trustee harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Trustee that such Note has been acquired by a protected purchaser (as defined in the New York UCC), the Issuer shall execute, and the Trustee shall authenticate and the Note Registrar shall deliver (in the case of Bearer Notes, outside the United States), in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note of like tenor and aggregate principal amount, bearing a number not contemporaneously outstanding; provided, however, that if any such mutilated, destroyed, lost or stolen Note shall have become or within seven days shall be due and payable, or shall have been selected or called for redemption, instead of issuing a replacement Note, the Issuer may pay such Note without surrender thereof, except that any mutilated Note shall be surrendered. If, after the delivery of such replacement Note or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a protected purchaser of the

original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer and the Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assignee of such Person, except a protected purchaser and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Trustee in connection therewith.

In connection with the issuance of any replacement Note under this Section 2.6, the Issuer or the Note Registrar may require the payment by the Holder of such Note of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the reasonable fees and expenses of the Trustee or the Note Registrar) connected therewith.

Any replacement Note issued pursuant to this Section in replacement of any mutilated, destroyed, lost or stolen Note shall constitute complete and indefeasible evidence of a debt of the Issuer, as if originally issued, whether or not the destroyed, lost or stolen Note shall be found at any time, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 2.6 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.7 Persons Deemed Owners.

The Trustee, the Paying Agent, the Note Registrar, the Depositor, the Issuer and any agent of any of them may (a) prior to due presentation of a Registered Note for registration of transfer, treat the Person in whose name any Registered Note is registered as the owner of such Registered Note for the purpose of receiving distributions pursuant to the terms of the applicable Series Supplement and for all other purposes whatsoever, and (b) treat the bearer of a Bearer Note or Coupon as the owner of such Bearer Note or Coupon for the purpose of receiving distributions pursuant to the terms of the applicable Series Supplement and for all other purposes whatsoever; and, in any such case, neither the Trustee, the Paying Agent, the Note Registrar, the Depositor, the Issuer nor any agent of any of them shall be affected by any notice to the contrary.

Section 2.8 Appointment of Paying Agent.

The Paying Agent shall make distributions to Noteholders from the applicable Collection Account or other applicable Series Account pursuant to the provisions of the applicable Series Supplement and shall report the amounts of such distributions to the Issuer. Any Paying Agent shall have the revocable power to withdraw funds from the applicable Collection Account or applicable Series Account for the purpose of making the distributions referred to above. The Issuer may revoke such power and remove the Paying Agent if the Issuer determines in its sole discretion that the Paying Agent shall have failed to perform its obligations under this Agreement in any material respect. The Issuer reserves the right at any time to vary or terminate the appointment of a Paying Agent for the Notes, and to appoint additional or other Paying Agents,

provided that it will at all times maintain the Trustee as a Paying Agent. In the event that any Paying Agent shall resign, the Issuer may appoint a successor to act as Paying Agent. Any reference in this Agreement to the Paying Agent shall include any co-paying agent unless the context requires otherwise.

Section 2.9 Cancellation.

All Notes surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Issuer may at any time deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any lawful manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes cancelled as provided in this Section, except as expressly permitted by this Agreement. All cancelled Notes held by the Trustee shall be destroyed unless the Issuer shall direct by a timely order that they be returned to it.

Section 2.10 New Issuances.

(a) Pursuant to this Agreement and the Series Supplement, the Issuer may issue only one Series of Notes. The total principal amount of Notes that may be authenticated and delivered and Outstanding under this Agreement and the Series Supplement is not limited.

(b) On or before the Series Issuance Date relating to the Series 2002-1 Notes, the parties hereto executed and delivered the Series Supplement which specifies the terms of the Series. The terms of such Series Supplement may modify or amend the terms of this Agreement solely as applied to such Series.

Section 2.11 Book-Entry Notes.

If so specified in any related Series Supplement for any Series or Class, the Notes of that Series or Class, upon original issuance, shall be issued in the form of one or more Notes representing the Book-Entry Notes, to be delivered to the Clearing Agency or Foreign Clearing Agency on behalf of the Issuer. If issued as Book-Entry Notes, such Notes shall initially be registered on the Note Register in the name of the Clearing Agency or Foreign Clearing Agency or its nominee, and no beneficial owner will receive a definitive note representing such beneficial owner's interest in the Notes, except as provided in Section 2.13. In such case and until definitive, fully registered Notes ("Definitive Notes") have been issued to the applicable beneficial owners pursuant to Section 2.13 or as otherwise specified in any such Series Supplement:

(a) the provisions of this Section 2.11 shall be in full force and effect with respect to each such Series or Class;

(b) the Issuer, the Depositor and the Trustee shall be entitled to deal with the Clearing Agency or Foreign Clearing Agency for all purposes of this Agreement (including the meaning of distributions) as the authorized representatives of the beneficial owners;

(c) to the extent that the provisions of this Section 2.11 conflict with any other provisions of this Agreement or the applicable Series Supplement, the provisions of this Section 2.11 shall control with respect to each such Series or Class; and

(d) the rights of the respective owners of security entitlements to the Notes of each such Series or Class shall be exercised only through the Clearing Agency or Foreign Clearing Agency and the applicable Clearing Agency Participants and shall be limited to those established by law and agreements between such beneficial owners and the Clearing Agency or Foreign Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Depository Agreement applicable to a Series or Class, unless and until Definitive Notes of such Series or Class are issued pursuant to Section 2.13, the initial Clearing Agency shall make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal and interest on the related Series or Class to such Clearing Agency Participants.

For purposes of any provision of this Agreement requiring or permitting actions with the consent of, or at the direction of, Noteholders evidencing a specified percentage of the aggregate unpaid principal amount of Notes of a Series, such direction or consent may be given by beneficial owners (acting through the Clearing Agency and the Clearing Agency Participants) owning security entitlements to the Notes evidencing the requisite percentage of principal amount of Notes.

Section 2.12 Notices to Clearing Agency or Foreign Clearing Agency.

Whenever a notice or other communication is required to be given to the Noteholders of any Series or Class with respect to which Book-Entry Notes have been issued, unless and until Definitive Notes shall have been issued to the related beneficial owners pursuant to Section 2.13, the Trustee shall give all such notices and communications to the Clearing Agency or Foreign Clearing Agency, as applicable.

Section 2.13 Definitive Notes.

If Book-Entry Notes have been issued with respect to any Series or Class and (i) the Issuer, at its option, advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency or Foreign Clearing Agency with respect to such Series or Class or (ii) after the occurrence of a Servicer Default or an Event of Default, beneficial owners of such Series or Class representing not less than 50% of the principal amount of the Book-Entry Notes of such Series or Class advise the Trustee and the applicable Clearing Agency or Foreign Clearing Agency in writing through the applicable Clearing Agency Participants that the continuation of a book-entry system with respect to the Notes of such Series or Class is no longer in the best interests of the beneficial owners of such Series or Class, then the Trustee shall notify all beneficial owners of such Series or Class, through the Clearing Agency or Foreign Clearing Agency, as applicable, of the occurrence of such event and of the availability of Definitive Notes to beneficial owners of such Series or Class. Upon surrender to the Trustee of such Notes by the Clearing Agency, accompanied by registration instructions from the applicable Clearing Agency for registration, the Issuer shall execute and the Trustee shall authenticate Definitive Notes of such Class and shall recognize the registered holders of such Definitive Notes as Noteholders under this Agreement. Neither the Issuer nor the Trustee shall be liable for any delay in delivery

of such instructions, and the Issuer and the Trustee may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Notes of such Series, all references herein to obligations imposed upon or to be performed by the applicable Clearing Agency or Foreign Clearing Agency shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Definitive Notes, and the Trustee shall recognize the registered Holders of such Definitive Notes of such Series or Class as Noteholders of such Series or Class hereunder. Definitive Notes will be transferable and exchangeable at the offices of the Note Registrar.

Section 2.14 Global Note.

If specified in the related Series Supplement for any Series or Class, the Notes for such Series or Class will initially be issued in the form of a single temporary global Note (the "Global Note") in bearer form, without interest coupons, in the denomination of the entire aggregate principal amount of such Series or Class and substantially in the form set forth in the applicable Series Supplement. The Global Note will be executed by the Issuer and authenticated by the Trustee at the written direction of the Issuer upon the same conditions, in substantially the same manner and with the same effect as the Definitive Notes. The Global Note may be exchanged for Bearer or Registered Notes in definitive form, as provided in the related Series Supplement. Except as otherwise specifically provided in the Series Supplement, any Notes that are issued in bearer form shall be issued in accordance with the requirements of Section 163(f)(2) of the Code.

Section 2.15 Meetings of Noteholders.

To the extent and as more specifically provided by the Series Supplement for any Series issued in whole or in part in Bearer Notes, the Trustee may at any time call a meeting of the Noteholders of such Series, for the purpose of approving, as provided in subsection 13.1(b), a modification of or amendment to, or obtaining a waiver of, any covenant or condition set forth in the applicable Series Supplement or this Agreement.

Section 2.16 Confidentiality. The Trustee and the Collateral Agent hereby agree not to disclose to any Person any of the names or addresses of the Obligor under any Pledged Loan or other information contained in the Loan Schedule or the data transmitted to the Trustee or the Collateral Agent hereunder, except (i) as may be required by law, rule, regulation or order applicable to it or in response to any subpoena or other valid legal process, (ii) as may be necessary in connection with any request of any federal or state regulatory authority having jurisdiction over it or the National Association of Insurance Commissioners, (iii) in connection with the performance of its duties hereunder, (iv) to a Successor Master Servicer appointed pursuant to Section 10.2, (v) in enforcing the rights of Noteholders and (vi) as requested by any Person in connection with the financing statements filed pursuant to this Agreement or any Series Supplement. The Trustee and the Collateral Agent hereby agree to take such measures as shall be reasonably requested by the Issuer of it to protect and maintain the security and confidentiality of such information. The Trustee and the Collateral Agent shall use reasonable efforts to provide the Issuer with written notice five days prior to any disclosure pursuant to this Section 2.16.

Section 2.17 144A Information. The Issuer agrees to furnish to the Trustee, for each Noteholder or any prospective transferee of a Note at such Noteholder's (or transferee's) request, all information with respect to the Issuer or the Master Servicer, the Pledged Loans or the Notes required pursuant to Rule 144A promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, to enable such Noteholder to effect resales of the Notes (or interests therein) pursuant to such rule.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

Section 3.1 Representations and Warranties Regarding the Issuer. The Issuer hereby represents and warrants to the Trustee and the Collateral Agent on the date of execution of this Agreement and to Noteholders of a Series as of the Series Issuance Date or any Addition Date for that Series as follows:

(a) Due Formation and Good Standing. The Issuer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, and has full power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under each of the Facility Documents to which it is a party. The Issuer is duly qualified to do business and is in good standing as a foreign entity, and has obtained all necessary licenses and approvals in each jurisdiction in which failure to qualify or to obtain such licenses and approvals would render any Pledged Loan unenforceable by the Issuer or would otherwise have a Material Adverse Effect.

(b) Due Authorization and No Conflict. The execution, delivery and performance by the Issuer of each of the Facility Documents to which it is a party, and the consummation by the Issuer of each of the transactions contemplated hereby and thereby, including without limitation the acquisition of the Pledged Loans under the Pool Purchase Agreement and the making of the Grants contemplated hereunder and under the Series Supplements, have in all cases been duly authorized by the Issuer by all necessary action, do not contravene (i) the Issuer's certificate of formation or the LLC Agreement, (ii) any existing law, rule or regulation applicable to the Issuer, (iii) any contractual restriction contained in any material indenture, loan or credit agreement, lease, mortgage, deed of trust, security agreement, bond, note, or other material agreement or instrument binding on or affecting the Issuer or its property or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting the Issuer or its property (except where such contravention would not have a Material Adverse Effect), and do not result in or require the creation of any Lien upon or with respect to any of its properties (except as provided in such Facility Documents); and no transaction contemplated hereby requires compliance with any bulk sales act or similar law. Each of the other Facility Documents to which the Issuer is a party have been duly executed and delivered by the Issuer.

(c) Governmental and Other Consents. All approvals, authorizations, consents, orders of any court or governmental agency or body required in connection with the execution and delivery by the Issuer of any of the Facility Documents to which the Issuer is a party, the consummation by the Issuer of the transactions contemplated hereby or thereby, the performance

by the Issuer of and the compliance by the Issuer with the terms hereof or thereof, have been obtained, except where the failure so to do would not have a Material Adverse Effect on the Issuer.

(d) Enforceability of Facility Documents. Each of the Facility Documents to which the Issuer is a party have been duly and validly executed and delivered by the Issuer and constitute the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as enforceability may be subject to or limited by Debtor Relief Laws or by general principles of equity (whether considered in a suit at law or in equity).

(e) No Litigation. Except, with respect to a Series, as disclosed in a schedule to the Series Supplement for such Series, there are no proceedings or investigations pending or, to the best knowledge of the Issuer, threatened, against the Issuer before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (i) asserting the invalidity of this Agreement or any of the other Facility Documents, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any of the other Facility Documents, (iii) seeking any determination or ruling that would adversely affect the performance by the Issuer of its obligations under this Agreement or any of the other Facility Documents to which the Issuer is a party, (iv) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or any of the other Facility Documents or (v) seeking any determination or ruling which would be reasonably likely to have a Material Adverse Effect on the Issuer.

(f) Use of Proceeds. All proceeds of the issuance of the Notes shall be used by the Issuer to acquire Loans from the Depositor under the Pool Purchase Agreement, to pay costs related to the issuance of the Notes, to pay principal and/or interest on any Notes or to otherwise fund costs and expenses permitted to be paid under the terms of the Facility Documents.

(g) Governmental Regulations. The Issuer is not (1) an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, or (2) a "public utility company" or a "holding company," a "subsidiary company" or an "affiliate" of any public utility company within the meaning of Section 2(a)(5), 2(a)(7), 2(a)(8)or 2(a)(11) of the Public Utility Holding Company Act of 1935, as amended.

(h) Margin Regulations. The Issuer is not engaged, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" (as each of the quoted terms is defined or used in any of Regulations T, U or X of the Board of Governors of the Federal Reserve System, as in effect from time to time). No part of the proceeds of any of the Notes has been used for so purchasing or carrying margin stock or for any purpose which violates, or which would be inconsistent with, the provisions of any of Regulations T, U or X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

(i) Location of Chief Executive Office and Records. As of the date hereof, the principal place of business and chief executive office of the Issuer is located at 10750 West Charleston Boulevard, Suite 130, Mail Stop 2046, Las Vegas, Nevada 89135. As of the date

hereof, the principal place of business and chief executive office of the Master Servicer is located at 10750 West Charleston Boulevard, Suite 130, Las Vegas, Nevada 89135. As of the date hereof, neither the Issuer nor the Master Servicer operates its business or maintains the Records at any other locations. As of the date hereof, the issuer is a limited liability company organized under the law of the State of Delaware, whose correct name is set forth in the signature pages hereof.

(j) Lockbox Accounts. Except in the case of any Lockbox Account pursuant to which only collections in respect of loans subject to a PAC or Credit Card Account are deposited, the Issuer has filed or has caused to be filed a standing delivery order with the United States Postal Service authorizing each Lockbox Bank to receive mail delivered to the related Post Office Box. The account numbers of all Lockbox Accounts, together with the names, addresses, ABA numbers and names of contact persons of all the Lockbox Banks maintaining such Lockbox Accounts and the related Post Office Boxes, are specified in the exhibits to the respective Purchase Agreements. From and after the Initial Closing Date the Trustee shall hold all right and title to and interest in all of the monies, checks, instruments, depository transfers or automated clearing house electronic transfers and other items of payment and their proceeds and all monies and earnings, if any, thereon in the Lockbox Accounts. The Issuer has no other lockbox accounts for the collection of Scheduled Payments in respect of Pledged Loans except for the Lockbox Accounts.

(k) No Trade Names. Subject to the Issuer's rights under Section 4.2(p), the Issuer has no trade names, fictitious names, assumed names or "doing business as" names, and has not had any such names or had any other legal name at any time since its formation.

(l) Subsidiaries. The Issuer has no Subsidiaries and does not own or hold, directly or indirectly, any capital stock or equity security of, or any equity interest in, any Person, other than Permitted Investments.

(m) Facility Documents. The Pool Purchase Agreement is the only agreement pursuant to which the Issuer purchases the Pledged Loans and the related Pledged Assets. The Issuer has furnished to the Trustee and the Collateral Agent, true, correct and complete copies of each Facility Document to which the Issuer is a party, each of which is in full force and effect. Neither the Issuer nor any Affiliate thereof is in default of any of its obligations thereunder in any material respect. Upon each Purchase pursuant to the Pool Purchase Agreement, the Issuer shall be the lawful owner of, and have good title to, each Pledged Loan and all related Pledged Assets, free and clear of any Liens (other than the Lien of the applicable Series Supplement and any Permitted Encumbrances on the related Timeshare Properties), or shall have a first-priority perfected security interest therein. All such Pledged Loans and other related Pledged Assets are purchased without recourse to the Depositor except as described in the Pool Purchase Agreement. The Purchases by the Issuer under the Pool Purchase Agreement constitute either sales or first-priority perfected security interests, enforceable against creditors of the Depositor.

(n) Business. Since its formation, the Issuer has conducted no business other than the execution, delivery and performance of the Facility Documents contemplated hereby, the Purchase of Loans thereunder, the issuance and payment of Notes and such other activities as are incidental to the foregoing. The Issuer has incurred no Debt except that expressly incurred hereunder and under the other Facility Documents.

(o) Ownership of the Issuer. One hundred percent (100%) of the outstanding equity interest in the Issuer is directly owned (both beneficially and of record) by the Depositor.

(p) Taxes. The Issuer has timely filed or caused to be timely filed all federal, state and local tax returns which are required to be filed by it, and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings and with respect to which the Issuer has set aside adequate reserves on its books in accordance with GAAP and which proceedings have not given rise to any Lien.

(q) Solvency. The Issuer, both prior to and immediately after giving effect to any Purchase occurring on any day (i) is not "insolvent" (as such term is defined in the Bankruptcy Code); (ii) is able to pay its debts as they become due; and (iii) does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage.

(r) ERISA. There has been no (i) occurrence or expected occurrence of any Reportable Event with respect to any Benefit Plan subject to Title IV of ERISA of the Issuer or any of its ERISA Affiliates, or any withdrawal from, or the termination, Reorganization or Plan Insolvency of any Multiemployer Plan or (ii) institution of proceedings or the taking of any other action by the Pension Benefit Guaranty Corporation or the Issuer or any of its ERISA Affiliates or any such Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Plan Insolvency of, any such Plan.

(s) No Adverse Selection. No selection procedures materially adverse to the Noteholders of a Series, the Trustee or the Collateral Agent have been employed by the Issuer in selecting the Pledged Loans for inclusion in the Series Collateral for such Series on the related Closing Date for such Series.

Section 3.2 Representations and Warranties Regarding the Loan Files. The Issuer represents and warrants to each of the Trustee, the Collateral Agent, the Master Servicer and the Noteholders as to each Pledged Loan that:

(a) Possession. On or immediately prior to each Closing Date or an Addition Date, as applicable, a Custodian will have possession of each original Pledged Loan and the related Loan File, and will have acknowledged such receipt and its undertaking to hold such documents for purposes of perfection of the Collateral Agent's interests in such original Pledged Loan and the related Loan File; provided, however, that the fact that any of the Loans not required to be in its respective Loan File under the terms of the respective Purchase Agreements is not in the possession of the Custodian in its respective Loan File does not constitute a breach of this representation; and provided that, possession of Loan Documents may be in the form of microfiche or other electronic copies of the Loan Documents to the extent provided in the Custodial Agreement.

(b) Marking Records. On or before each Closing Date and each Addition Date, each of the Issuer and the Master Servicer shall have caused the portions of the computer files relating to the Pledged Loans Granted to the Collateral Agent on such date to be clearly and unambiguously marked to indicate that such Loans constitute part of the Series Collateral Granted by the Issuer in accordance with the terms of a Series Supplement.

The representations and warranties of the Issuer set forth in this Section 3.2 shall be deemed to be remade without further act by any Person on and as of each Closing Date and each Addition Date with respect to each Loan Granted by the Issuer on and as of each such date. The representations and warranties set forth in this Section 3.2 shall survive any Grant of the respective Loans by the Issuer.

Section 3.3 Rights of Obligors and Release of Loan Files.

(a) Notwithstanding any other provision contained in this Agreement, including the Collateral Agent's, the Trustee's and the Noteholders' remedies pursuant hereto and pursuant to the Collateral Agency Agreement, the rights of any Obligor to any Timeshare Property subject to a Pledged Loan shall, so long as such Obligor is not in default thereunder, be superior to those of the Collateral Agent, the Trustee and the Noteholders, and none of the Collateral Agent, the Trustee or the Noteholders, so long as such Obligor is not in default thereunder, shall interfere with such Obligor's use and enjoyment of the Timeshare Property subject thereto.

(b) If pursuant to the terms of this Agreement or the Series Supplement, the Collateral Agent or the Trustee shall acquire through foreclosure the Issuer's interest in any portion of the Timeshare Property subject to a Pledged Loan, the Collateral Agent and the Trustee hereby specifically agree to release or cause to be released any Timeshare Property from any Lien under the appropriate Series Supplement upon completion of all payments and the performance of all the terms and conditions required to be made and performed by such Obligor under such Pledged Loan, and each of the Collateral Agent and the Trustee hereby consents to any such release by, or at the direction of, the Collateral Agent.

(c) At such time as an Obligor has paid in full the purchase price or the requisite percentage of the purchase price for deeding pursuant to a Pledged Loan and has otherwise fully discharged all of such Obligor's obligations and responsibilities required to be discharged as a condition to deeding, the Master Servicer shall notify the Trustee by a certificate substantially in the form attached hereto as Exhibit A (which certificate shall include a statement to the effect that all amounts received in connection with such payment have been deposited in the appropriate Collection Account) of a Servicing Officer and shall request delivery to the Master Servicer from the Custodian of the related Loan Files. Upon receipt of such certificate and request or at such earlier time as is required by applicable law, the Trustee and the Collateral Agent (a) shall be deemed, without the necessity of taking any action, to have approved release by the Custodian of the Loan Files to the Master Servicer (in all cases in accordance with the provisions of the Custodial Agreements), (b) shall be deemed to approve the release by the Nominee of the related deed of title, and any documents and records maintained in connection therewith, to the Obligor as provided in the Title Clearing Agreement, provided that title to the Timeshare Property has not already been deeded to the Obligor and/or (c) shall execute such documents and instruments of transfer and assignment and take such other action as is necessary

to release its interest in the Timeshare Property subject to deeding (in the case of any Pledged Loan which has been paid in full). The Master Servicer shall cause each Loan File or any document therein so released which relates to a Pledged Loan for which the Obligor's obligations have not been fully discharged to be returned to the Custodian for the sole benefit of the Collateral Agent when the Master Servicer's need therefor no longer exists.

ARTICLE IV

ADDITIONAL COVENANTS OF ISSUER

Section 4.1 Affirmative Covenants. The Issuer shall;

(a) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties, and all Pledged Loans and Facility Documents to which it is a party (including without limitation the laws, rules and regulations of each state governing the sale of timeshare contracts).

(b) Preservation of Existence. Preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing as a foreign entity, and maintain all necessary licenses and approvals, in each jurisdiction in which it does business, except where the failure to preserve and maintain such existence, rights, franchises, privileges, qualifications, licenses and approvals would not have a Material Adverse Effect.

(c) Adequate Capitalization. Ensure that at all times it is adequately capitalized to engage in the transactions contemplated by this Agreement and the Series Supplements hereto and, in particular, that it shall limit its debt so that at all times it has a positive net worth of not less than $5 million.

(d) Keeping of Records and Books of Account. Maintain and implement administrative and operating procedures (including without limitation an ability to recreate records evidencing the Pledged Loans in the event of the destruction or loss of the originals thereof) and keep and maintain, all documents, books, records and other information reasonably necessary or advisable for the collection of all Pledged Loans (including without limitation records adequate to permit the daily identification of all Collections with respect to, and adjustments of amounts payable under, each Pledged Loan).

(e) Performance and Compliance with Receivables and Loans. At its expense, timely and fully perform and comply in all material respects with all material provisions, covenants and other promises required to be observed by it under the Pledged Loans.

(f) Credit Standards and Collection Policies. Comply in all material respects with the Credit Standards and Collection Policies and Customary Practices in regard to each Pledged Loan and the related Pledged Assets.

(g) Collections. (1) Instruct or cause all Obligors to be instructed to either:

(A) send all Collections directly to a Post Office Box for credit to a Lockbox Account or directly to a Lockbox Account, or

(B) in the alternative, make Scheduled Payments by way of pre-authorized debits from a deposit account of such Obligor pursuant to a PAC or from a credit card of such Obligor pursuant to a Credit Card Account from which Scheduled Payments shall be electronically transferred directly to a Lockbox Account immediately upon each such debit (provided that, for the avoidance of doubt, each Obligor may at any time cease to pay its Scheduled Payments directly to a Post Office Box or a Lockbox Account or pursuant to a PAC or Credit Card Account, so long as the Master Servicer promptly instructs such Obligor to commence one of the two alternative methods of funds transfer provided for in either of sub-classes (A) or (B) of this clause (1)).

(2) In the case of funds transfers pursuant to a PAC or Credit Card Account, take, or cause each of the Master Servicer, a Lockbox Bank and/or the Trustee to take, all necessary and appropriate action to ensure that each such pre-authorized debit is credited directly to a Lockbox Account.

(3) If the Issuer shall receive any Collections, the Issuer shall hold such Collections in trust for the benefit of the Trustee and the Noteholders of the appropriate Series and deposit such Collections into a Lockbox Account or the appropriate Collection Account within two Business Days following the Issuer's receipt thereof.

(h) Compliance with ERISA. Comply in all material respects with the provisions of ERISA, the Code, and all other applicable laws and the regulations and interpretations thereunder.

(i) Perfected Security Interest. Take such action with respect to each Pledged Loan as is necessary to ensure that the Collateral Agent maintains on behalf of the Trustee, a first priority perfected security interest in such Pledged Loan and the Pledged Assets relating thereto, in each case free and clear of any Liens (other than the Lien created by this Agreement and in the case of any Timeshare Properties, any Permitted Encumbrance).

(j) No Release. Not take any action and shall use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's material covenants or material obligations under any document, instrument or agreement included in the Series Collateral for any Series, or which would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such document, instrument or agreement except as expressly provided in this Agreement or such other instrument or document.

(k) Insurance and Condemnation.

(i) The Issuer shall do or cause to be done all things that it may accomplish with a reasonable amount of cost or effort to cause each of the POAs for each Resort to (A) maintain one or more policies of "all-risk" property and general liability insurance

with financially sound and reputable insurers, providing coverage in scope and amount which (x) satisfies the requirements of the declarations (or any similar charter document) governing the POA for the maintenance of such insurance policies and (y) is at least consistent with the scope and amount of such insurance coverage obtained by prudent POAs and/or management of other similar developments in the same jurisdiction; and (B) apply the proceeds of any such insurance policies in the manner specified in the relevant declarations (or any similar charter document) governing the POA and/or any similar charter documents of such POA (which efforts shall include, in any case, voting as a member of the POA or as a proxy or attorney-in-fact for a member). For the avoidance of doubt, the parties hereto acknowledge that the ultimate discretion and control relating to the maintenance of any such insurance policies is vested in the POAs in accordance with the respective declaration (or any similar charter document) relating to each Timeshare Property Regime.

(ii) The Issuer shall remit to the appropriate Collection Account the portion of any proceeds received pursuant to a condemnation of property in any Resort to the extent that such proceeds relate to any of the Timeshare Properties.

(l) Custodian.

(i) On or before each Closing Date and thereafter promptly upon the generation of any documents, instruments and agreements evidencing or otherwise relating to the Pledged Loans or related Pledged Assets received by any of the Issuer or the Master Servicer, the Issuer shall deliver or cause to be delivered directly to the Custodian for the benefit of the Collateral Agent pursuant to the Custodial Agreement all such documents, instruments and agreements of the Issuer, including without limitation all original Pledged Loans (or in the case of Pledged Loans consisting of a sales contract and a separate promissory note, the original of such promissory note), installment promissory notes, mortgages, and all ancillary and collateral documentation executed in connection therewith (collectively, the "Primary Custodial Documents"). Such Primary Custodial Documents may be provided in microfiche or other electronic form to the extent permitted under the Custodial Agreement. The Issuer shall cause the Custodian to hold, maintain and keep custody of all such Primary Custodial Documents for the benefit of the Collateral Agent in a secure fire retardant location at an office of the Custodian, which location shall be reasonably acceptable to the Collateral Agent and the Trustee.

(ii) The Issuer shall cause the Custodian at all times to maintain control of the Primary Custodial Documents for the benefit of the Collateral Agent on behalf of the Trustee and the Noteholders, in each case pursuant to the Custodial Agreement. Each of the Issuer and the Master Servicer may access the Primary Custodial Documents at the Custodian's storage facility only for the purposes and upon the terms and conditions set forth herein and in the Custodial Agreement. Each of the Issuer and the Master Servicer may only remove Primary Custodial Documents for collection services and other routine servicing requirements from such facility in accordance with the terms of the Custodial Agreement, all as set forth and pursuant to the "Bailment Agreement" (as defined in and attached as an exhibit to the Custodial Agreement).

(iii) The Issuer shall at all times comply in all material respects with the terms of its obligations under the Custodial Agreements and shall not enter into any modification, amendment or supplement of or to, and shall not terminate, either Custodial Agreement, without the Collateral Agent's and Trustee's prior written consent.

(iv) Notwithstanding the foregoing provisions of this subsection (l), the Issuer shall not be required to deliver Primary Custodial Documents to the Custodian earlier than the requirements contained in the respective Purchase Agreement.

(m) Separate Identity. Take all actions required to maintain the Issuer's status as a separate legal entity. Without limiting the foregoing, the Issuer shall:

(i) Maintain in full effect its existence, rights and franchises as a limited liability company under the laws of the state of its formation and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement and the other Facility Documents to which the Issuer is a party and each other instrument or agreement necessary or appropriate to proper administration hereof and permit and effectuate the transactions contemplated hereby.

(ii) Except as provided herein, maintain its own deposit, securities and other account or accounts with financial institutions, separate from those of any Affiliate of the Issuer. The funds of the Issuer will not be diverted to any other Person or for other than the use of the Issuer, and, except as may be expressly permitted by this Agreement or any other Facility Document to which the Issuer is a party, the funds of the Issuer shall not be commingled with those of any other Person.

(iii) Ensure that, to the extent that it shares the same officers or other employees as any of its members, managers or other Affiliates, the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with all such common officers and employees.

(iv) Ensure that, to the extent that it jointly contracts with any of its stockholders, members or managers or other Affiliates to do business with vendors or service providers or to share overhead expenses, the costs incurred in so doing shall be allocated fairly among such entities, and each such entity shall bear its fair share of such costs. To the extent that the Issuer contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods and services are provided, and each such entity shall bear its fair share of such costs.

(v) Ensure that all material transactions between the Issuer and any of its Affiliates shall be only on an arm's-length basis and shall not be on terms more favorable to either party than the terms that would be found in a similar transaction involving unrelated third parties. All such transactions shall receive the approval of the Issuer's board of directors including at least one Independent Director (defined below).

(vi) Maintain a principal executive and administrative office through which its business is conducted and a telephone number separate from those of its members, managers and other Affiliates. To the extent that the Issuer and any of its members, managers or other Affiliates have offices in contiguous space, there shall be fair and appropriate allocation of overhead costs (including rent) among them, and each such entity shall bear its fair share of such expenses.

(vii) Conduct its affairs strictly in accordance with its certificate of formation and limited liability company agreement and observe all necessary, appropriate and customary formalities, including, but not limited to, holding all regular and special meetings of the board of directors appropriate to authorize all actions of the Issuer, keeping separate and accurate minutes of such meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, intercompany transaction accounts. Regular meetings of the board of directors shall be held at least annually.

(viii) Ensure that its board of directors shall at all times include at least one Independent Director (for purposes hereof, Independent Director" shall mean any member of the board of directors of the Issuer that is not and has not at any time been (x) an officer, agent, advisor, consultant, attorney, accountant, employee or shareholder of any Affiliate of the Issuer which is not a special purpose entity, (y) a director of any Affiliate of the Issuer other than an independent director of any Affiliate which is a special purpose entity or (z) a member of the immediate family of any of the foregoing).

(ix) Ensure that decisions with respect to its business and daily operations shall be independently made by the Issuer (although the officer making any particular decision may also be an officer or director of an Affiliate of the Issuer) and shall not be dictated by an Affiliate of the Issuer.

(x) Act solely in its own company name and through its own authorized members, managers, officers and agents, and no Affiliate of the Issuer shall be appointed to act as agent of the Issuer. The Issuer shall at all times use its own stationery and business forms and describe itself as a separate legal entity.

(xi) Except as contemplated by the Facility Documents, ensure that no Affiliate of the Issuer shall loan money to the Issuer, and no Affiliate of the Issuer will otherwise guaranty debts of the Issuer.

(xii) Other than organizational expenses and as contemplated by the Facility Documents, pay all expenses, indebtedness and other obligations incurred by it using its own funds.

(xiii) Except as provided herein and in any other Facility Document, not enter into any guaranty, or otherwise become liable, with respect to or hold its assets or creditworthiness out as being available for the payment of any obligation of any Affiliate of the Issuer nor shall the Issuer make any loans to any Person.

(xiv) Ensure that any financial reports required of the Issuer shall comply with generally accepted accounting principles and shall be issued separately from, but may be consolidated with, any reports prepared for any of its Affiliates so long as such consolidated reports contain footnotes describing the effect of the transactions between the Issuer and such Affiliate and also state that the assets of the Issuer are not available to pay creditors of the Affiliate.

(xv) Ensure that at all times it is adequately capitalized to engage in the transactions contemplated in its certificate of formation and its limited liability company agreement.

(n) Computer Files. Mark or cause to be marked each Pledged Loan in its computer files as described in Section 3.2(b).

(o) Taxes. File or cause to be filed, and cause each of its Affiliates with whom it shares consolidated tax liability to file, all federal, state and local tax returns which are required to be filed by it, except where the failure to file such returns could not reasonably be expected to have a Material Adverse Effect, or which could otherwise be reasonably expected to expose the Issuer to a material liability. The Issuer shall pay or cause to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings and with respect to which the Issuer or the applicable Affiliate shall have set aside adequate reserves on its books in accordance with GAAP, and which proceedings could not reasonably be expected to have a Material Adverse Effect, or which could otherwise be reasonably expected to expose the Issuer to a material liability.

(p) Facility Documents. Comply in all material respects with the terms of, employ the procedures outlined in and enforce the obligations of the Depositor under the Pool Purchase Agreement and of the Parties to each of the other Facility Documents, and take all such action as may reasonably be required to maintain all such Facility Documents to which the Issuer is a party in full force and effect.

(q) Loan Schedule. At least once each calendar month, provide to the Trustee with respect to each Series an amendment to the Loan Schedule, or cause the Master Servicer to provide an amendment to the Loan Schedule, listing for the Pledged Loans added to the Series Collateral for that Series and the Pledged Loans released from the Series Collateral for that Series and amending the Loan Schedule to reflect terms or discrepancies in such schedule that become known to the Issuer since the filing of the original Loan Schedule for that Series or since the most recent amendment thereto.

(r) Segregation of Collections.

(i) Prevent the deposit into any Series Account of any funds other than Collections or other funds to be deposited into such accounts under this Agreement, a Series Supplement or the other Facility Documents (provided that, this covenant shall not be breached to the extent that funds are inadvertently deposited into any of such accounts and are promptly segregated and removed from the account); and

(ii) With respect to each Lockbox Account either (i) prevent the deposit into such account of any funds other than Collections in respect of Pledged Loans or (ii) enter into an intercreditor agreement with other entities which have an interest in the amounts in the Lockbox Account to allocate the Collections with respect to the Pledged Loans to the Issuer and transfer such amounts to the Trustee for deposit into the appropriate Collection Account; (provided that, the covenant in clause (i) of this paragraph (ii) shall not be breached to the extent that funds not constituting Collections in respect of the Pledged Loans are inadvertently deposited into such Lockbox Account and are promptly segregated and remitted to the owner thereof).

(s) Filings; Further Assurances.

(i) On or prior to each Closing Date, the Issuer shall have caused at its sole expense the Financing Statements, assignments and amendments thereof necessary to perfect the security interest in the Series Collateral to be filed or recorded in the appropriate offices.

(ii) The Issuer shall, at its sole expense, from time to time authorize, prepare, execute and deliver, or authorize and cause to be prepared, executed and delivered, all such Financing Statements, continuation statements, amendments, instruments of further assurance and other instruments, in such forms, and shall take such other actions, as shall be required by the Master Servicer or the Trustee or as the Master Servicer or the Trustee otherwise deems reasonably necessary or advisable to perfect the Lien created by a Series Supplement in the Series Collateral. The Master Servicer agrees, at its sole expense, to cooperate with and assist the Issuer in taking any such action (whether at the request of the Issuer or the Trustee). Without limiting the foregoing, the Issuer shall from time to time, at its sole expense, authorize, execute, file, deliver and record all such supplements and amendments hereto and to the Series Supplements and all such Financing Statements, amendments thereto, continuation statements, instruments of further assurance, or other statements, specific assignments or other instruments or documents and take any other action that is reasonably necessary to, or that any of the Master Servicer or the Trustee deems reasonably necessary or advisable to: (i) Grant more effectively all or any portion of the Series Collateral; (ii) maintain or preserve the Lien Granted under a Series Supplement (and the priority thereof) or carry out more effectively the purposes hereof or thereof; (iii) perfect, maintain the perfection of, publish notice of, or protect the validity of any Grant made or to be made pursuant to any Series Supplement; (iv) enforce any of the Pledged Loans or any of the other Pledged Assets (including without limitation by cooperating with the Trustee, at the expense of the Issuer, in filing and recording such Financing Statements against such Obligors as the Master Servicer or the Trustee shall deem necessary or advisable from time to time); (v) preserve and defend title to any Pledged Loans or all or any other part of the Pledged Assets, and the rights of the Trustee in such Pledged Loans or other related Pledged Assets, against the claims of all Persons and parties; or (vi) pay any and all taxes levied or assessed upon all or any part of any Series Collateral.

(iii) The Issuer shall, on or prior to the date of Grant of any Pledged Loans under any Series Supplement, deliver or cause to be delivered all original copies of the Pledged Loan (other than in the case of any Pledged Loans not required under the terms of the relevant Purchase Agreement to be in the relevant Loan File), together with the related Loan File, to the Custodian, in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Trustee. Such "original copies" may be provided in microfiche or other electronic form to the extent permitted under the Custodial Agreement. In the event that the Issuer receives any other instrument or any writing which, in either event, evidences a Pledged Loan or other Pledged Assets, the Issuer shall deliver such instrument or writing to the Custodian to be held as collateral in which the Collateral Agent has a security interest for the benefit of the Trustee within two Business Days after the Issuer's receipt thereof, in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Trustee.

(iv) The Issuer hereby authorizes the Trustee, and gives the Collateral Agent its irrevocable power of attorney (which authorization is coupled with an interest and is irrevocable), in the name of the Issuer or otherwise, to execute, deliver, file and record any Financing Statement, continuation statement, amendment, specific assignment or other writing or paper and to take any other action that the Trustee in its sole discretion, may deem necessary or appropriate to further perfect the Lien created hereby. Any expenses incurred by the Trustee or the Collateral Agent pursuant to the exercise of its rights under this Section 4.l(s)(iv) shall be for the sole account and responsibility of the Issuer.

(t) Management of Resorts. The Issuer hereby covenants and agrees that it will with respect to each Resort cause the Originator with respect to that Resort (to the extent that such Originator is otherwise responsible for maintaining such Resort) to do or cause to be done all things which it may accomplish with a reasonable amount of cost or effort, in order to maintain each such Resort (including without limitation all grounds, waters and improvements thereon) in at least as good condition, repair and working order as would be customary for prudent managers of similar timeshare properties.

Section 4.2 Negative Covenants of the Issuer. So long as any of the Notes are outstanding, the Issuer shall not:

(a) Sales, Liens, Etc., Against Receivables and Related Security. Except for the releases contemplated under the respective Series Supplements sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist, any Lien (other than the Lien created by the Series Supplements or, with respect to Timeshare Properties relating to Pledged Loans, any Permitted Encumbrances thereon) upon or with respect to, any Pledged Loan or any other Pledged Assets, or any interests in either thereof, or upon or with respect to any Series Collateral under any Series Supplements. The Issuer shall immediately notify the Trustee and the Collateral Agent of the existence of any Lien on any Pledged Loan or any other Pledged Assets, and the Issuer shall defend the right, title and interest of each of the Issuer and the Collateral Agent, Trustee and Noteholders in, to and under the Pledged Loans and all other Pledged Assets, against all claims of third parties.

(b) Extension or Amendment of Loan Terms. Extend (other than as a result of a Timeshare Upgrade or in accordance with Customary Practices), amend, waive or otherwise modify the terms of any Pledged Loan or permit the rescission or cancellation of any Pledged Loan, whether for any reason relating to a negative change in the related Obligor's creditworthiness or inability to make any payment under the Pledged Loan or otherwise.

(c) Change in Business or Credit Standard and Collection Policies. (i) Make any change in the character of its business or (ii) make any change in the Credit Standards and Collection Policies, or (iii) deviate from the exercise of Customary Practices, which change or deviation would, in any such case, materially impair the value or collectibility of any Pledged Loan.

(d) Change in Payment Instructions to Obligors. Add or terminate any bank as a Lockbox Bank from those listed in the exhibits to the respective Purchase Agreements or make any change in the instructions to Obligors regarding payments to be made to any Lockbox Account at a Lockbox Bank, unless the Trustee shall have received (i) 30 days' prior notice of such addition, termination or change; (ii) written confirmation from the Issuer that after the effectiveness of any such termination, there shall be at least one (1) Lockbox Account in existence; and (iii) prior to the effective date of such addition, termination or change, (x) executed copies of Lockbox Agreements executed by each new Lockbox Bank, the Issuer, the Trustee and the Master Servicer and (y) copies of all agreements and documents signed by either the Issuer or the respective Lockbox Bank with respect to any new Lockbox Account.

(e) Stock, Merger, Consolidation, Etc. Consolidate with or merge into or with any other Person, or purchase or otherwise acquire all or substantially all of the assets or capital stock, or other ownership interest of, any Person or sell, transfer, lease or otherwise dispose of all or substantially all of its assets to any Person, except as expressly permitted under the terms of this Agreement.

(f) Change in Name, Etc. Use any trade names, fictitious names, assumed names or "doing business as" names.

(g) ERISA Matters. Establish or maintain or contribute to any Benefit Plan that is covered by Title IV of ERISA.

(h) Terminate or Reject Loans. Without limiting anything in subsection 4.2(b), terminate or reject any Pledged Loan prior to the end of the term of such Loan, whether such rejection or early termination is made pursuant to an equitable cause, statute, regulation, judicial proceeding or other applicable law, unless prior to such termination or rejection, such Pledged Loan and any related Pledged Assets have been released from the Lien created by the applicable Series Supplement.

(i) Debt. Create, incur, assume or suffer to exist any Debt except as contemplated by the Facility Documents.

(j) Guarantees. Guarantee, endorse or otherwise be or become contingently liable (including by agreement to maintain balance sheet tests) in connection with the obligations of any other Person, except endorsements of negotiable instruments for collection in the ordinary course of business and reimbursement or indemnification obligations as provided for under this Agreement or as contemplated by the Facility Documents.

(k) Limitation on Transactions with Affiliates. Enter into, or be a party to any transaction with any Affiliate, except for:

(i) the transactions contemplated hereby and by the other Facility Documents; and

(ii) to the extent not otherwise prohibited under this Agreement, other transactions upon fair and reasonable terms materially no less favorable to the Issuer than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate.

(l) Lines of Business. Conduct any business other than that described in the LLC Agreement, or enter into any transaction with any Person which is not contemplated by or incidental to the performance of its obligations under the Facility Documents to which it is a party.

(m) Limitation on Investments. Make or suffer to exist any loans or advances to, or extend any credit to, or make any investments (by way of transfer of property, contributions to capital, purchase of stock or securities or evidences of indebtedness, acquisition of the business or assets or otherwise) in, any Affiliate or any other Person except for (i) Permitted Investments and (ii) the purchase of Loans pursuant to the terms of the Pool Purchase Agreement.

(n) Insolvency Proceedings. Seek dissolution or liquidation in whole or in part of the Issuer.

(o) Distributions to Member. Make any distribution to its Member except as provided in the LLC Agreement.

(p) Place of Business; Change of Name. Change (x) its type or jurisdiction of organization from that listed in Section 3.1(i), (y) its name or (z) the location of its Records relating to the Series Collateral or its chief executive office from the location listed in Section 3.1(i), unless in any such event the Issuer shall have given the Trustee and the Collateral Agent at least thirty (30) days prior written notice thereof and, in the case of (x) or (y) shall take all action necessary or reasonably requested by the Trustee or the Collateral Agent within 30 days of such request, to amend its existing Financing Statements and file additional Financing Statements in all applicable jurisdictions necessary or advisable to maintain the perfection of the Lien of the Collateral Agent under each Series Supplement.

ARTICLE V

SERVICING OF PLEDGED LOANS

Section 5.1 Responsibility for Loan Administration. The Master Servicer shall manage, administer, service and make collections on the Pledged Loans on behalf of the Trustee and Issuer. Without limiting the generality of the foregoing, but subject to all other provisions hereof, the Trustee and the Issuer grant to the Master Servicer a limited power of attorney to execute and the Master Servicer is hereby authorized and empowered to so execute and deliver, on behalf of itself, the Issuer and the Trustee or any of them, any and all instruments of satisfaction or cancellation or of partial or full release or discharge and all other comparable instruments with respect to the Pledged Loans, any related Mortgages and the related Timeshare Properties, but only to the extent deemed necessary by the Master Servicer.

The Trustee, the Issuer and the Collateral Agent, at the request of a Servicing Officer, shall furnish the Master Servicer with any reasonable documents or take any action reasonably requested, necessary or appropriate to enable the Master Servicer to carry out its servicing and administrative duties hereunder (subject, in the case of requests for documents contained in any Loan Files, to the requirements of Section 4.1(l)(ii)).

Wyndham Consumer Finance, Inc. is hereby appointed as the Master Servicer until such time as another entity becomes the Master Servicer under subsection 5.12(b) or until such time as any Service Transfer shall be effected under Article X.

Section 5.2 Standard of Care. In managing, administering, servicing and making collections on the Pledged Loans pursuant to this Agreement, the Master Servicer will exercise that degree of skill and care consistent with Customary Practices and the Credit Standards and Collection Policies.

Section 5.3 Records. The Master Servicer shall, during the period it is Master Servicer hereunder, maintain such books of account, computer data files and other records as will enable the Trustee to determine the status of each Pledged Loan and will enable such Loan to be serviced in accordance with the terms of this Agreement by a Successor Master Servicer following a Service Transfer.

Section 5.4 Loan Schedules. The Master Servicer shall at all times maintain each Loan Schedule and provide to the Trustee, the Issuer, the Collateral Agent and the Custodian a current, complete copy of each Loan Schedule. Such Loan Schedules may be in one or multiple documents including an original listing and monthly amendments listing changes.

Section 5.5 Enforcement.

(a) The Master Servicer will, consistent with Section 5.2, act with respect to the Pledged Loans in such manner as will maximize the receipt of Collections in respect of such Pledged Loans (including, to the extent necessary, instituting foreclosure proceedings against the Timeshare Property, if any, underlying a Pledged Loan or disposing of the underlying Timeshare Property, if any).

(b) The Master Servicer may sue to enforce or collect upon Pledged Loans, in its own name, if possible, or as agent for the Issuer. If the Master Servicer elects to commence a legal proceeding to enforce a Pledged Loan, the act of commencement shall be deemed to be an automatic assignment of the Pledged Loan to the Master Servicer for purposes of collection only.

If, however, in any enforcement suit or legal proceeding it is held that the Master Servicer may not enforce a Pledged Loan on the grounds that it is not a real party in interest or a holder entitled to enforce the Pledged Loan, the Trustee on behalf of the Issuer shall, at the Master Servicer's expense, take such steps as the Master Servicer and the Trustee may mutually agree are necessary (such agreement not to be unreasonably withheld) to enforce the Pledged Loan, including bringing suit in its name or the name of the Issuer. The Master Servicer shall provide to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred thereby.

(c) The Master Servicer, upon notice to the Trustee, may grant to the Obligor on any Pledged Loan any rebate, refund or adjustment out of the appropriate Collection Account that the Master Servicer in good faith believes is required as a matter of law; provided that, on any Business Day on which such rebate, refund or adjustment is to be paid hereunder, such rebate, refund or adjustment shall only be paid to the extent of funds otherwise available for distribution from the appropriate Collection Account.

(d) The Master Servicer will not extend, amend, waive or otherwise modify the terms of any Pledged Loan (other than as a result of a Timeshare Upgrade or in accordance with Customary Practices) or permit the rescission or cancellation of any Pledged Loan, whether for any reason relating to a negative change in the related Obligor's creditworthiness or inability to make any payment under the Pledged Loan or otherwise.

(e) Except as otherwise provided in the Series Supplement and with respect to the Series Collateral for the Series, the Master Servicer shall have the discretion to sell the collateral which secures any Defaulted Loans free and clear of the Lien of the Series Supplement, in exchange for cash, in accordance with Customary Practices and Credit Standards and Collection Policies. All proceeds of any such sale of such collateral shall be deposited by the Master Servicer into the Series Collection Account.

(f) The Master Servicer shall not sell any Defaulted Loan or any collateral securing a Defaulted Loan to any Seller or Originator except for amount at least equal to the fair market value thereof.

(g) Notwithstanding any other provision of this Agreement, the Master Servicer shall have no obligation to, and shall not, foreclose on the collateral securing any Pledged Loan unless the proceeds from such foreclosure will be sufficient to cover the expenses of such foreclosure. Notwithstanding any other provision of this Agreement, proceeds from the foreclosure by the Master Servicer on the collateral securing any Pledged Loans shall first be applied by the Master Servicer to reimburse itself for the expenses of such foreclosure, and any remaining proceeds shall be deposited into the applicable Collection Account.

Section 5.6 Trustee and Collateral Agent to Cooperate. Upon request of a Servicing Officer, the Trustee and the Collateral Agent shall perform such other acts as are reasonably requested by the Master Servicer (including without limitation the execution of documents) and otherwise cooperate with the Master Servicer in enforcement of the Trustee's rights and remedies with respect to Pledged Loans.

Section 5.7 Other Matters Relating to the Master Servicer. The Master Servicer is hereby authorized and empowered to:

(a) advise the Trustee in connection with the amount of withdrawals from Accounts in accordance with the provisions of this Agreement and any Series Supplement;

(b) execute and deliver, on behalf of the Issuer, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Pledged Loans and, after the delinquency of any Pledged Loan and to the extent permitted under and in compliance with applicable law and regulations, to commence enforcement proceedings with respect to such Pledged Loan including without limitation the exercise of rights under any power-of-attorney granted in any Pledged Loan; and

(c) make any filings, reports, notices, applications, registrations with, and to seek any consents or authorizations from the Securities and Exchange Commission and any state securities authority on behalf of the Issuer as may be necessary or advisable to comply with any federal or state securities or reporting requirements laws.

Prior to the occurrence of an Event of Default hereunder, the Trustee agrees that, except to the extent it is directed to take instructions from a different party under the terms of a Series Supplement, it shall promptly follow the instructions of the Master Servicer duly given to withdraw funds from the Accounts.

Section 5.8 Servicing Compensation. As compensation for its servicing activities hereunder and under each Series Supplement, the Master Servicer shall be entitled to receive the Monthly Master Servicer Fee with respect to each Series which shall be calculated for each Series under the applicable Series Supplement and be paid to the Master Servicer pursuant to the terms of the respective Series Supplements.

Section 5.9 Costs and Expenses. The costs and expenses incurred by the Master Servicer in carrying out its duties hereunder, including without limitation the fees and expenses incurred in connection with the enforcement of Pledged Loans, shall be paid by the Master Servicer and the Master Servicer shall be entitled to reimbursement hereunder from the Issuer as provided herein and in the respective Series Supplements. Failure by the Master Servicer to receive reimbursement shall not relieve the Master Servicer of its obligations under this Agreement and the Series Supplements.

Section 5.10 Representations and Warranties of the Master Servicer. The Master Servicer hereby represents and warrants to the Trustee and the Collateral Agent as of the date of this Agreement and represents to the Noteholders of a Series as of the Series Issuance Date for that Series:

(a) Organization and Good Standing. The Master Servicer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power, authority, and legal right to own its property and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement and the Series Supplements. The Master Servicer is duly qualified to do business and is in good standing as a foreign corporation,

and has obtained all necessary licenses and approvals in each jurisdiction necessary for the enforcement of each Pledged Loan or in which failure to qualify or to obtain such licenses and approvals would have a Material Adverse Effect on the Noteholders of any Series.

(b) Due Authorization. The execution and delivery by the Master Servicer of each of the Facility Documents to which it is a party, and the consummation by the Master Servicer of the transactions contemplated hereby and thereby have been duly authorized by the Master Servicer by all necessary corporate action on the part of the Master Servicer.

(c) Binding Obligations. Each of the Facility Documents to which Master Servicer is a party constitutes a legal, valid and binding obligation of the Master Servicer enforceable against the Master Servicer in accordance with its terms, except as such enforceability may be subject to or limited by applicable Debtor Relief Laws and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(d) No Conflict; No Violation. The execution and delivery by the Master Servicer of each of the Facility Documents to which the Master Servicer is a party, and the performance by the Master Servicer of the transactions contemplated by such agreements and the fulfillment by the Master Servicer of the terms hereof and thereof applicable to the Master Servicer, will not conflict with, violate, result in any breach of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any provision of any existing law or regulation or any order or decree of any court applicable to the Master Servicer or its certificate of incorporation or bylaws or any material indenture, contract, agreement, mortgage, deed of trust or other material instrument, to which the Master Servicer is a party or by which it is bound, except where such conflict, violation, breach or default would not have a Material Adverse Effect.

(e) No Proceedings. There are no proceedings or investigations pending or, to the knowledge of the Master Servicer threatened, against the Master Servicer, before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (i) asserting the invalidity of this Agreement or any of the other Facility Documents, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any of the other Facility Documents, (iii) seeking any determination or ruling that, in the reasonable judgment of the Master Servicer, would adversely affect the performance by the Master Servicer of its obligations under this Agreement or any of the other Facility Documents, (iv) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or any of the other Facility Documents or (v) seeking any determination or ruling that would have a Material Adverse Effect.

(f) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or any governmental body or official required in connection with the execution and delivery by the Master Servicer of this Agreement or of the other Facility Documents to which it is a party or the performance by the Master Servicer of the transactions contemplated hereby and thereby and the fulfillment by the Master Servicer of the terms hereof and thereof, have been obtained, except where the failure so to do would not have a Material Adverse Effect.

Section 5.11 Additional Covenants of the Master Servicer. The Master Servicer further agrees as provided in this Section 5.11.

(a) Change in Payment Instructions to Obligors. The Master Servicer will not add or terminate any bank as a Lockbox Bank from those listed in the exhibits to the respective Purchase Agreements or make any change in its instructions to Obligors regarding payments to be made to any Lockbox Bank, unless the Trustee shall have received (i) 30 Business Days' prior notice of such addition, termination or change and (ii) prior to the effective date of such addition, termination or change, (x) fully executed copies of the new or revised Lockbox Agreements executed by each new Lockbox Bank, the Issuer, the Trustee and the Master Servicer and (y) copies of all agreements and documents signed by either the Issuer or the respective Lockbox Bank with respect to any new Lockbox Account.

(b) Collections. If the Master Servicer receives any Collections, the Master Servicer shall hold such Collections in trust for the benefit of the Trustee and deposit such Collections into a Lockbox Account or the appropriate Collection Account as soon as practicable but in any event within two Business Days following the Master Servicer's receipt thereof.

(c) Compliance with Requirements of Law. The Master Servicer will maintain in effect all qualifications required under all relevant laws, rules, regulations and orders in order to service each Pledged Loan, and shall comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties, and the servicing of the Pledged Loans (including without limitation the laws, rules and regulations of each state governing the sale of timeshare contracts).

(d) Protection of Rights. The Master Servicer will take no action that would impair in any material respect the rights of any of the Collateral Agent or the Trustee in the Pledged Loans or any other Series Collateral, or violate the Collateral Agency Agreement.

(e) Credit Standards and Collection Policies. The Master Servicer will comply in all material respects with the Credit Standards and Collection Policies and Customary Practices with respect to each Pledged Loan.

(f) Notice to Obligors. The Master Servicer will ensure that the Obligor of each Pledged Loan either:

(1) has been instructed, pursuant to the Master Servicer's routine distribution of a periodic statement to such Obligor next succeeding:

(A) the date the Loan becomes a Pledged Loan, or

(B) the day on which a PAC ceased to apply to such Pledged Loan, in the case of a Pledged Loan formerly subject to a PAC,

but in no event later than the then next succeeding due date for a Scheduled Payment under the related Pledged Loan, to remit Scheduled Payments thereunder to a Post Office Box for credit to a Lockbox Account, or directly to a Lockbox Account, in each case maintained at a Lockbox Bank pursuant to the terms of a Lockbox Agreement, or

(2) has entered into a PAC, pursuant to which a deposit account of such Obligor is made subject to a pre-authorized debit in respect of Scheduled Payments as they become due and payable, and the Issuer has, and has caused each of the Master Servicer, a Lockbox Bank and/or the Trustee, to take all necessary and appropriate action to ensure that each such pre-authorized debit is credited directly to a Lockbox Account.

(g) Relocation of Master Servicer. The Master Servicer shall give the Trustee, the Collateral Agent and each Rating Agency at least 30 days, prior written notice of any relocation of any office from which it services Pledged Loans or keeps records concerning the Pledged Loans. The Master Servicer shall at all times maintain each office from which it services Pledged Loans within the United States of America.

(h) Instruments. The Master Servicer will not remove any portion of the Pledged Loans or other collateral that consists of money or is evidenced by an instrument, certificate or other writing (including any Pledged Loan) from the jurisdiction in which it is then held unless the Trustee has first received an Opinion of Counsel to the effect that the Lien created by the appropriate Series Supplement with respect to such property will continue to be maintained after giving effect to such action or actions; provided, however, that each Custodian, the Collateral Agent and the Master Servicer may remove Loans from such jurisdiction to the extent necessary to satisfy any requirement of law or court order, in all cases in accordance with the provisions of the Custodial Agreement, the Collateral Agency Agreement and this Agreement.

(i) Loan Schedule. With respect to each Series, the Master Servicer will promptly amend the related Loan Schedule to reflect terms or discrepancies that become known to the Master Servicer at any time.

(j) Segregation of Collections. The Master Servicer will:

(i) prevent the deposit into any Series Account of any funds other than Collections or other funds to be deposited into such accounts under this Agreement, a Series Supplement or the other Facility Documents (provided that, this covenant shall not be breached to the extent that funds are inadvertently deposited into any of such accounts and are promptly segregated and removed from the account); and

(ii) with respect to each the Lockbox Account either (i) prevent the deposit into such account of any funds other than Collections in respect of Pledged Loans or (ii) enter into an intercreditor agreement with other entities which have an interest in the amounts in the Lockbox Account to allocate the Collections with respect to Pledged Loans to the Issuer and transfer such amounts to the Trustee for deposit into the appropriate Collection Account; (provided that, the covenant in clause (i) of this paragraph (b) shall not be breached to the extent funds not constituting Collections in respect of Pledged Loans are inadvertently deposited into such Lockbox Account and are promptly segregated and remitted to the owner thereof.

(k) Terminate or Reject Loans. Without limiting anything in subsection 4.2(b), the Master Servicer will not terminate any Pledged Loan prior to the end of the term of such Loan, whether such early termination is made pursuant to an equitable cause, statute, regulation,

judicial proceeding or other applicable law, unless prior to such termination, the Issuer consents and any related Pledged Assets have been released from the Lien of the respective Series Supplement.

(l) Change in Business or Credit Standards and Collection Policies The Master Servicer will not make any change in the Credit Standards and Collection Policies or deviate from the exercise of Customary Practices, which change or deviation would materially impair the value or collectibility of any Pledged Loan.

(m) Keeping of Records and Books of Account. The Master Servicer shall maintain and implement administrative and operating procedures (including without limitation an ability to recreate records evidencing the Pledged Loans in the event of the destruction or loss of the originals thereof) and keep and maintain, all documents, books, records and other information reasonably necessary or advisable for the collection of all Pledged Loans (including without limitation records adequate to permit the daily identification of all Collections with respect to, and adjustments of amounts payable under, each Pledged Loan).

Section 5.12 Master Servicer not to Resign. The entity then serving as Master Servicer shall not resign from the obligations and duties hereby imposed on it hereunder except upon determination that (i) the performance of its duties hereunder is no longer permissible under applicable law, (ii) there is no reasonable action which can be taken to make the performance of its duties hereunder permissible under applicable law and (iii) a Successor Master Servicer shall have been appointed and accepted the duties as Master Servicer pursuant to Section 10.2. Any such determination permitting the resignation of the Master Servicer pursuant to clause (i) of the preceding sentence shall be evidenced by an Opinion of Counsel to such effect delivered to the Trustee. No such resignation shall be effective until a Successor Master Servicer shall have assumed the responsibilities and obligations of the Master Servicer in accordance with Section 10.2.

Section 5.13 Merger or Consolidation of, or Assumption of the Obligations of Master Servicer.

The Master Servicer shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person unless:

(i) the corporation formed by such consolidation or into which the Master Servicer is merged or the Person which acquires by conveyance or transfer the properties and assets of the Master Servicer substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America or any state or the District of Columbia and, if the Master Servicer is not the surviving entity, shall expressly assume by an agreement supplemental hereto, executed and delivered to the Trustee in form satisfactory to the Trustee, the performance of every covenant and obligation of the Master Servicer hereunder;

(ii) the Master Servicer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 5.13, and all conditions precedent provided for herein relating to such transaction have been satisfied;

(iii) the Rating Agency Condition has been satisfied with respect to such consolidation, amendment, merger, conveyance or transfer; and

(iv) immediately prior to and after the consummation of such merger, consolidation, conveyance or transfer, no event which, with notice or passage of time or both, would become a Servicer Default under the terms of this Agreement shall have occurred and be continuing.

Section 5.14 Examination of Records. Each of the Issuer and the Master Servicer shall clearly and unambiguously identify each Pledged Loan in its respective computer or other records to reflect that such Pledged Loan has been Granted to the Collateral Agent pursuant to this Agreement or pursuant to a Series Supplement. Each of the Issuer and the Master Servicer shall, prior to the sale or transfer to a third party of any Loan similar to the Pledged Loans held in its custody, examine its computer and other records to determine that such Loan is not a Pledged Loan.

Section 5.15 Subservicing Agreements. The Master Servicer, including any Successor Master Servicer, may enter into the Subservicing Agreements with the Subservicers for the servicing and administration of all or a part of the Pledged Loans for which the Master Servicer is responsible hereunder, provided that, in each case, the Subservicing Agreement is not inconsistent with this Agreement or any Series Supplement. References in this Agreement and the Series Supplements to actions taken or to be taken by the Master Servicer include actions taken or to be taken by a Subservicer. As part of its servicing activities hereunder, the Master Servicer shall monitor the performance and enforce the obligations of each Subservicer retained by it under the related Subservicing Agreement. Subject to the terms of the Subservicing Agreement, the Master Servicer shall have the right to remove a Subservicer retained by it at any time it considers to be appropriate. Upon the resignation or removal of a Master Servicer, all Subservicing Agreements shall also be terminated unless accepted or reaffirmed by the Successor Master Servicer.

Notwithstanding anything to the contrary contained herein, or any Subservicing Agreement, the Master Servicer shall remain obligated and liable to the Trustee, the Issuer, the Collateral Agent and the Noteholders for the servicing and administration of the Pledged Loans in accordance with the provisions of this Agreement and the Series Supplement to the same extent and under the same terms and conditions as if it alone were servicing and administering the Pledged Loans.

The fees of a Subservicer shall be the obligation of the Master Servicer and neither the Issuer nor any other Person shall bear any responsibility for such fees.

ARTICLE VI

REPORTS

Section 6.1 Noteholder Statements. By not later than 3:00 p.m., Las Vegas, Nevada time, on each Determination Date, the Master Servicer shall transmit to the Trustee in a form or forms acceptable to the Trustee information necessary to direct the Trustee to transfer funds and make payments in accordance with the terms of the Series Supplements and to produce the statements to be delivered by the Trustee for the immediately following Payment Date. Transmission of such information to the Trustee shall be deemed to be a representation and warranty by the Master Servicer to the Trustee, the Issuer, and the Noteholders that such information is true and correct in all material respects. Each such statement shall be delivered as provided in and contain the information required in the Series Supplement.

Section 6.2 Monthly Servicing Reports. On each Payment Date, the Master Servicer shall, with respect to each Series, deliver the monthly servicing report in the form set forth in the Series Supplement for that Series.

Section 6.3 Other Data. In addition, the Master Servicer shall at the reasonable request of the Trustee, the Issuer or a Rating Agency, furnish to the Trustee, the Issuer or such Rating Agency such underlying data as can be generated by the Master Servicer's existing data processing system without undue modification or expense; provided, however, nothing in this Section 6.3 shall permit any of the Trustee, the Issuer or any Rating Agency to materially change or modify the ongoing data reporting requirements under this Article VI.

Section 6.4 Annual Master Servicer's Certificate. The Master Servicer will deliver to the Issuer, the Trustee and each Rating Agency within forty-five (45) days after the end of each fiscal year, beginning with the fiscal year, ending December 31, 2002, an Officer's Certificate stating that (a) a review of the activities of the Master Servicer during the preceding calendar year (or, in the case of the first such Officer's Certificate, the period since the Initial Closing Date) and of its performance under this Agreement and the Series Supplements during such period was made under the supervision of the officer signing such certificate and (b) to the Master Servicer's knowledge, based on such review, the Master Servicer has fully performed all of its obligations under this Agreement and all Series Supplements for the relevant time period, or, if there has been a default in the performance of any such obligation, specifying each such default known to such officer and the nature and status thereof.

Section 6.5 Notices to Wyndham. In the event that Wyndham is not acting as Master Servicer, any Successor Master Servicer appointed and acting pursuant to Section 10.2 shall deliver or make available to the Issuer and Wyndham each certificate and report required to be prepared, forwarded or delivered thereafter pursuant to the provisions of this Article VI.

ARTICLE VII

RIGHTS OF NOTEHOLDERS;
ACCOUNTS AND PRIORITY OF PAYMENTS

Section 7.1 Collection Accounts. The Trustee shall pursuant to the terms of the respective Series Supplements establish for each Series and maintain in the name of the Trustee, a segregated account in its name designated as the "Sierra Timeshare Conduit Receivables Funding, LLC Collection Account" and indicating in the designation, the applicable Series and each such designation.

Section 7.2 Lockbox Accounts. The Issuer has established or has caused to be established and shall maintain or cause to be maintained a system of operations, accounts and instructions with respect to the Obligors and Lockbox Accounts at the Lockbox Banks as described in Sections 3.1(j), 4.l(g), 4.l(r) and 4.2(d). Pursuant to the Lockbox Agreement to which it is party, each Lockbox Bank shall be irrevocably instructed to initiate an electronic transfer of all funds on deposit in the relevant Lockbox Account or to the extent the Lockbox Account is operated under an intercreditor agreement all funds in the Lockbox Account and derived from Pledged Loans for a specific Series, to the appropriate Collection Accounts on the Business Day on which such funds become available. Prior to the occurrence of an Event of Default the Trustee shall be authorized to allow the Master Servicer to effect or direct deposits into the Lockbox Accounts. The Trustee is hereby irrevocably authorized and empowered, as the Issuer's attorney-in-fact, to endorse any item deposited in a Lockbox Account, or presented for deposit in any Lockbox Account or a Collection Account, requiring the endorsement of the Issuer, which authorization is coupled with an interest and is irrevocable.

All funds in each Lockbox Account shall be transferred daily by or upon the order of the Trustee by electronic funds transfer or intra-bank transfer to the appropriate Collection Accounts.

Section 7.3 Tax Treatment. The Issuer has structured this Agreement and the Notes with the intention that the Notes will qualify under applicable tax law as indebtedness of the Issuer, and the Issuer and each Noteholder by acceptance of its Note agree to treat the Notes (or beneficial interest therein) as indebtedness for purposes of federal, state and local income or franchise taxes or any other tax imposed on or measured by income.

ARTICLE VIII

INDEMNITIES

Section 8.1 Liabilities to Obligors. No obligation or liability to any Obligor under any of the Pledged Loans is intended to be assumed by the Trustee or the Noteholders under or as a result of this Agreement and the transactions contemplated hereby and, to the maximum extent permitted by law, the Trustee and the Noteholders expressly disclaim any such obligation and liability.

Section 8.2 Tax Indemnification. The Issuer agrees to pay, and to indemnify, defend and hold harmless the Trustee and the Noteholders from, any taxes which may at any time be asserted with respect to, and as of the date of, the Grant of the Pledged Loans to the Collateral Agent for the benefit of the Trustee and the Noteholders, including without limitation any sales, gross receipts, general corporation, personal property, privilege or license taxes (but not including any federal, state or other income or intangible asset taxes arising out of the issuance of the Notes or distributions with respect thereto, other than any such intangible asset taxes in respect of a jurisdiction in which the indemnified person is not otherwise subject to tax on its intangible assets) and costs, expenses and reasonable counsel fees in defending against the same.

Section 8.3 Master Servicer's Indemnities. Each entity serving as Master Servicer shall defend and indemnify the Trustee, the Issuer and the Noteholders against any and all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel and expenses of litigation, in respect of any action taken, or failure to take any action by such entity as Master Servicer (but not by any predecessor or successor Master Servicer) with respect to this Agreement, the Series Supplements or any Pledged Loan; provided, however, that such indemnity shall apply only in respect of any negligent action taken, or negligent failure to take any action, or reckless disregard of duties hereunder, or bad faith or willful misconduct by the Master Servicer. This indemnity shall survive any Service Transfer (but a Master Servicer's obligations under this Section 8.3 shall not relate to any actions of any Successor Master Servicer after a Service Transfer) and any payment of the amount owing hereunder or under the Series Supplement or any release by the Issuer of any such Pledged Loan.

Section 8.4 Operation of Indemnities. Indemnification under this Article VIII shall include without limitation reasonable fees and expenses of counsel and expenses of litigation. If the Master Servicer has made any indemnity payments to the Trustee, the Issuer or the Noteholders pursuant to this Article VIII and if either the Trustee, the Issuer or the Noteholders thereafter collect any of such amounts from others, the Trustee, the Issuer or the Noteholders will promptly repay such amounts collected to the Master Servicer without interest.

ARTICLE IX

EVENTS OF DEFAULT

Section 9.1 Events of Default. For each Series, the related Series Supplement shall set forth the events and circumstances which constitute an Event of Default for that Series.

Promptly after the occurrence of an Event of Default with respect to a Series, and, in any event, within two Business Days thereafter, the Trustee shall notify each Noteholder of the affected Series and each Rating Agency, if any, for that Series of the occurrence thereof to the extent a Responsible Officer of the Trustee has actual knowledge thereof based upon receipt of written information or other communication.

Section 9.2 Acceleration of Maturity; Rescission and Annulment.

(a) If an Event of Default for a Series has occurred and is continuing, then on the terms set forth in the Series Supplement, the Notes of that Series may be declared to be immediately due and payable, by a notice in writing to the Issuer (and to the Trustee if declared by Series Noteholders), and upon any such declaration the unpaid principal amount of the Notes of that Series, together with accrued or accreted and unpaid interest thereon through the date of acceleration, shall become immediately due and payable.

(b) At any time after such an acceleration or declaration of acceleration of a Series of Notes has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided in this Article IX such acceleration may be rescinded if so provided in the Series Supplement and if so provided, in accordance with the terms of the Series Supplement. No such rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

Section 9.3 Collection of Indebtedness and Suits for Enforcement by Trustee. The Issuer covenants that if the Notes of a Series are accelerated following the occurrence of an Event of Default, and such acceleration has not been rescinded and annulled, the Issuer shall, upon demand of the Trustee, pay to it, for the benefit of the Noteholders, the whole amount then due and payable on the Notes of the Series for principal and interest, with interest upon the overdue principal and upon overdue installments of interest, as determined for such Series and each Class within that Series in the respective Series Supplement, to the extent that payment of such interest shall be legally enforceable; and, in addition thereto, such further amount as shall be sufficient to cover the reasonable costs and expenses of collection, including the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; provided, however, the amount due under this Section 9.3 shall not exceed the aggregate proceeds from the sale of the relevant Series Collateral and amounts otherwise held by the Issuer and available for such purpose.

Until such demand is made by the Trustee, the Issuer shall pay the principal of and interest on the Notes of the affected Series to the Trustee for the benefit of the registered Holders to be applied as provided in the Series Supplements, whether or not the Notes are overdue.

If the Issuer fails to pay such amounts forthwith upon such demand, then the Trustee for the benefit of the Noteholders of the affected Series and as trustee of an express trust, may, with the prior written consent of or at the direction of the Series Majority Holders, institute suits in equity, actions at law or other legal, judicial or administrative proceedings (each, a "Proceeding") for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and may enforce the same against the Issuer and collect the monies adjudged or decreed to be payable in the manner provided by law out of the Series Collateral for such Series wherever situated. In the event a Proceeding shall involve the liquidation of Series Collateral, the Trustee shall pay all costs and expenses for such Proceeding and shall be reimbursed for such costs and expenses from the resulting liquidation proceeds. In the event that the Trustee determines that liquidation proceeds will not be sufficient to fully reimburse the Trustee, the Trustee shall receive indemnity satisfactory to it against such costs and expenses from the Noteholders (which indemnity may include, at the Trustee's option, consent by each Noteholder authorizing the Trustee to be reimbursed from amounts available in the appropriate Collection Accounts).

If an Event of Default occurs and is continuing with respect to a Series, the Trustee may, and with the prior written consent of or at the direction of the Series Majority Holders, shall, proceed to protect and enforce its rights and the rights of the Series Noteholders hereunder and under the applicable Series Supplement and under the Notes, by such appropriate Proceedings as are necessary to effectuate, protect and enforce any such rights, whether for the specific enforcement of any covenant, agreement, obligation or indemnity in this Agreement or the applicable Series Supplement or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 9.4 Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other Proceeding relative to the Issuer or the property of the Issuer or its creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise) shall be entitled and empowered, by intervention in such Proceeding or otherwise,

(a) with respect to each Series, to file a proof of claim for the whole amount of principal and interest owing and unpaid in respect of the Notes of such Series and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Noteholders of such Series allowed in such Proceeding, and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same to the Noteholders of the respective Series;

and any receiver, assignee, trustee, liquidator or sequestrator (or other similar official) in any such Proceeding is hereby authorized by each Noteholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Noteholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due to the Trustee under Article XI.

Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes of any Series or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Noteholder in any such Proceeding.

Section 9.5 Remedies.

(a) If an Event of Default shall have occurred and be continuing with respect to a Series, the Trustee and the Collateral Agent (upon direction by the Trustee) may, with the prior written consent of or at the direction of the Majority Holders of the affected Series, do one or more of the following (subject to Section 9.6):

(1) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes or under this Agreement and the Series Supplement, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Series Collateral and the property of the Issuer monies adjudged due;

(2) obtain possession of the Pledged Loans related to the affected Series in accordance with the terms of the Custodial Agreement and sell the Series Collateral or any portion thereof or rights or interests therein, at one or more public or private sales called and conducted in any manner permitted by law and in accordance with Section 9.13;

(3) institute Proceedings in its own name and as trustee of an express trust from time to time for the complete or partial foreclosure of the Series Supplement with respect to the Series Collateral; and

(4) exercise any remedies of a secured party under the UCC with respect to the Series Collateral (including any Series Accounts) and take any other appropriate action to protect and enforce the rights and remedies of the Trustee or the Holders of such Series and each other agreement contemplated hereby (including retaining the Series Collateral pursuant to Section 9.6 and applying distributions from the Series Collateral pursuant to Section 9.7);

provided, however, that neither the Trustee nor the Collateral Agent may sell or otherwise liquidate the Series Collateral which constitutes Loans and Pledged Assets following an Event of Default other than an Event of Default described in the Series Supplement resulting from an Insolvency Event, unless either (i) the Holders of 100% of the Aggregate Principal Amount of the Notes of the affected Series then outstanding consent thereto, (ii) the proceeds of such sale or liquidation distributable to the Noteholders of the Series are sufficient to discharge in full the amounts then due and unpaid upon the Notes of such Series for principal and accrued interest and the fees and other amounts required to be paid prior to payment of amounts due on the Notes of such Series pursuant to Section 9.7 or (iii) the Holders of 66 2/3% of the Aggregate Principal Amount of such Series consent thereto and the Trustee determines that the Series Collateral will not continue to provide sufficient funds for the payment of principal of, and interest on, the Notes of such Series as they would have become due if such Notes would not have been declared due and payable.

For purposes of clause (ii) or clause (iii) of the preceding paragraph and Section 9.6, the Trustee may, but need not, obtain and rely upon an opinion of an independent accountant or an independent investment banking firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the distributions and other amounts receivable with respect to the Series Collateral to make the required payments of principal of and interest on the Notes, and any such opinion shall be conclusive evidence as to such feasibility or sufficiency. The Issuer shall bear the reasonable costs and expenses of any such opinion.

(b) In addition to the remedies provided in Section 9.5(a), if so provided in the Series Supplement, the Trustee may, and at the request of the Majority Holders of such Series shall, institute a Proceeding in its own name and as trustee of an express trust solely to compel performance of a covenant, agreement, obligation or indemnity or to cure the representation or warranty or statement, the breach of which gave rise to the Event of Default; and the Trustee may enforce any equitable decree or order arising from such Proceeding.

Section 9.6 Optional Preservation of Collateral. If the Notes of a Series have been accelerated following an Event of Default and such acceleration and its consequences have not been rescinded and annulled, to the extent permitted by law, the Trustee may, and at the request of Holders of 66 2/3% of the Aggregate Principal Amount of the Notes of the affected Series shall, elect to retain the Series Collateral securing the Notes intact for the benefit of the Holders of the Notes and in such event it shall deposit all funds received with respect to the Series Collateral into the Collection Account for such Series and apply such funds in accordance with

the payment priorities set forth in the respective Series Supplements, as if there had not been such an acceleration;provided that, the Trustee shall have determined that the distributions and other amounts receivable with respect to the Series Collateral are sufficient to provide the funds required to pay the principal of and interest on the Notes of such Series as and when such principal and interest would have become due and payable pursuant to the terms of the Series Supplement and of such Notes if there had not been a declaration of acceleration of maturity of the Notes.

Until the Trustee has elected, or has determined not to elect, to retain the Series Collateral pursuant to this Section 9.6, the Trustee shall continue to apply all distributions received on such Series Collateral in accordance with the respective Series Supplement. If the Trustee determines to retain the Series Collateral as provided in this Section 9.6, such determination shall be deemed to be a rescission and annulment (but not a waiver) of the aforementioned Event of Default and its consequences pursuant to Section 9.2, but no such rescission and annulment shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 9.7 Application of Monies Collected During Event of Default. If the Notes of a Series have been accelerated following an Event of Default and such acceleration and its consequences have not been rescinded and annulled, and distributions on the Series Collateral securing the Notes of such Series are not being applied pursuant to Section 9.6, any monies collected by the Trustee pursuant to this Article IX or otherwise with respect to such Notes shall be applied in accordance with the respective Series Supplement.

Section 9.8 Limitation on Suits by Individual Noteholders. Subject to Section 9.9, no Noteholder shall have any right to institute any Proceeding with respect to this Agreement or the Series Supplement under which its Notes were issued, or for the appointment of a receiver or trustee, or for any other remedy hereunder or thereunder, unless:

(a) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(b) the Majority Holders of such Series shall have made written requests to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder and under the Series Supplement;

(c) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such Proceeding,

it being understood and intended that no one or more Noteholders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Agreement or the Series Supplement to affect, disturb or prejudice the rights of any other Noteholders or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Agreement or the Series Supplement, except in the manner herein provided.

Section 9.9 Unconditional Rights of Noteholders to Receive Principal and Interest. Notwithstanding any other provision in this Agreement or any Series Supplement, the Holder of any Note shall have the right, which right is absolute and unconditional, to receive payment of the principal and interest on such Note on or after the respective due dates thereof expressed in such Note or in this Agreement or the Series Supplement and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Noteholder.

Section 9.10 Restoration of Rights and Remedies. If the Trustee or any Noteholder has instituted any Proceeding to enforce any right or remedy under this Agreement or any Series Supplement and such Proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Noteholder, then and in every such case the Issuer, the Trustee and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Noteholders shall continue as though no such Proceeding had been instituted.

Section 9.11 Waiver of Event of Default. Prior to the Trustee's acquisition of a money judgment or decree for payment, in either case for the payment of all amounts owing by the Issuer in connection with a Series Supplement and the Notes issued thereunder the Holders of 66 2/3% of the Aggregate Principal Amount of Notes of such Series have the right to waive any Event of Default with respect to such Series and its consequences.

Upon any such waiver, such Event of Default shall cease to exist, and be deemed to have been cured, for every purpose of this Agreement and the Series Supplement but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 9.12 Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Agreement; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, on the basis of any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 9.13 Sale of Series Collateral.

(a) The power to effect any sale (a "Sale") of any portion of the Series Collateral pursuant to Section 9.5 shall not be exhausted by any one or more Sales as to any portion of such Series Collateral remaining unsold, but shall continue unimpaired until the entire Series Collateral shall have been sold or all amounts payable on the Notes of the affected Series and the respective Series Supplement with respect thereto shall have been paid, whichever occurs later. The Trustee may from time to time postpone any Sale by public announcement made at the time and place of such Sale. The Trustee hereby expressly waives its right to any amount fixed by law as compensation for any Sale. The Trustee may reimburse itself from the proceeds of any sale for the reasonable costs and expenses incurred in connection with such sale. The net proceeds of such sale shall be applied as provided in the applicable Series Supplement.

(b) The Trustee and the Collateral Agent shall execute and deliver an appropriate instrument of conveyance transferring its interest in any portion of the Series Collateral in connection with a Sale thereof. In addition, the Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey the Issuer's interest in any portion of the Series Collateral in connection with a Sale thereof, and to take all action necessary to effect such Sale. No purchaser or transferee at such Sale shall be bound to ascertain the Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any monies.

Section 9.14 Action on Notes. The Trustee's right to seek and recover judgment on the Notes or under this Agreement or a Series Supplement shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Agreement or the Series Supplement. None of the rights or remedies of the Trustee or the Noteholders hereunder shall be impaired by the recovery of any judgment by the Trustee or any Noteholder against the Issuer or by the levy of any execution under such judgment upon any portion of the Series Collateral or upon any of the assets of the Issuer.

Section 9.15. Control by Series of Noteholders. If an Event of Default with respect to a Series has occurred and is continuing, the Majority Holders of such Series or such other portion of the Holders of such Series as is specified in the Series Supplement shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Trustee with respect to the Notes of such Series or exercising any trust or power conferred on the Trustee; provided that

(i) such direction shall not be in conflict with any rule of law or with this Agreement;

(ii) any direction to the Trustee to sell or liquidate the Series Collateral which constitutes Loans and the related Pledged Assets shall be subject to the provisions of Sections 9.5 and 9.6;

(iii) if the conditions set forth in Section 9.6 have been satisfied and the Trustee elects to retain the Series Collateral pursuant to such Section, then any direction to the Indenture Trustee by Holders of Notes representing less than 66 2/3rds % of the Notes Principal Amount of such Series to sell or liquidate the Series Collateral shall be of no force and effect; and

(iv) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction;

provided, however, that, subject to Section 11.01, the Trustee need not take any action that it determines might involve it in liability.

ARTICLE X

SERVICER DEFAULTS

Section 10.1 Servicer Defaults. If any one of the following events (each, a "Servicer Default") shall occur and be continuing:

(a) any failure by the Master Servicer to make any payment, transfer or deposit on or before the date such payment, transfer or deposit is required to be made or given under the terms of this Agreement or a Series Supplement and such failure remains unremedied for two Business Days; provided, however, that if the Master Servicer is unable to make a payment, transfer or deposit when due and such failure is as a result of circumstances beyond the Master Servicer's control, the grace period shall be extended to five Business Days;

(b) failure on the part of the Master Servicer duly to observe or perform any other covenants or agreements of the Master Servicer set forth in this Agreement, a Series Supplement or any other Facility Document to which the Master Servicer is a party and such failure continues unremedied for a period of 20 days after the earlier of the date on which the Master Servicer has actual knowledge of the failure and the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Master Servicer by the Trustee, or to the Master Servicer and the Trustee by any Noteholder;

(c) any representation and warranty made by the Master Servicer in this Agreement shall prove to have been incorrect in any material respect when made and has a material and adverse impact on the Trustee's interest in the Pledged Loans and other Pledged Assets and the Master Servicer is not in compliance with such representation or warranty within ten Business Days after the earlier of the date on which the Master Servicer has actual knowledge of such breach and the date on which written notice of such breach requiring that such breach be remedied, shall have been given to the Master Servicer by the Trustee or to the Master Servicer and the Trustee by any Noteholder;

(d) an Insolvency Event shall occur with respect to the Master Servicer or the Parent Corporation;

(e) the Master Servicer fails to deliver reports to the Trustee in accordance with Section 6.1 of this Agreement and such failure remains unremedied for five Business Days; or

(f) the occurrence of any event which is designated as a Servicer Default under any Series Supplement.

THEN, so long as such Master Servicer Default shall be continuing, either the Trustee, or the Majority Holders of all Notes by notice then given in writing to the Master Servicer and each Rating Agency (and to the Trustee if given by the Majority Holders) (a "Termination Notice"), may terminate all of the rights and obligations of the Master Servicer as Master Servicer under this Agreement (such termination being herein called a "Service Transfer"). After receipt by the Master Servicer of such Termination Notice and subject to the terms of Section 10.2(a), the Trustee shall automatically assume the responsibilities of the Master Servicer hereunder until the date that a Successor Master Servicer shall have been appointed pursuant to Section 10.2 and all authority and power of the Master Servicer under this Agreement shall pass to and be vested in the Trustee or such Successor Master Servicer, as the case may be, without further action on the part of any Person, and, without limitation, the Trustee at the direction of the Majority Holders is

hereby authorized and empowered (upon the failure of the Master Servicer to cooperate) to execute and deliver, on behalf of the Master Servicer, as attorney-in-fact or otherwise, all documents and other instruments upon the failure of the Master Servicer to execute or deliver such documents or instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights.

The Master Servicer agrees to cooperate with the Trustee and such Successor Master Servicer in effecting the termination of the responsibilities and rights of the Master Servicer to conduct servicing hereunder, including without limitation the transfer to such Successor Master Servicer of all authority of the Master Servicer to service the Pledged Loans provided for under this Agreement, including without limitation all authority over any Collections which shall on the date of transfer be held by the Master Servicer for deposit in a Lockbox Account or which shall thereafter be received by the Master Servicer with respect to the Pledged Loans, and in assisting the Successor Master Servicer in enforcing all rights under this Agreement including, without limitation, allowing the Successor Master Servicer's personnel access to the Master Servicer's premises for the purpose of collecting payments on the Pledged Loans made at such premises. The Master Servicer shall promptly transfer its electronic records relating to the Pledged Loans to the Successor Master Servicer in such electronic form as the Successor Master Servicer may reasonably request and shall promptly transfer to the Successor Master Servicer all other records, correspondence and documents necessary for the continued servicing of the Pledged Loans in the manner and at such times as the Successor Master Servicer shall reasonably request. The Master Servicer shall allow the Successor Master Servicer access to the Master Servicer's officers and employees. To the extent that compliance with this Section 10.1 shall require the Master Servicer to disclose to the Successor Master Servicer information of any kind which the Master Servicer reasonably deems to be confidential, the Successor Master Servicer shall be required to enter into such customary licensing and confidentiality agreements as the Master Servicer shall deem necessary to protect its interest and as shall be satisfactory in form and substance to the Successor Master Servicer. The Master Servicer hereby consents to the entry against it of an order for preliminary, temporary or permanent injunctive relief by any court of competent jurisdiction, to ensure compliance by the Master Servicer with the provisions of this paragraph.

Section 10.2 Appointment of Successor.

(a) Appointment. On and after the receipt by the Master Servicer of a Termination Notice pursuant to Section 10.1, or any permitted resignation of the Master Servicer pursuant to Section 5.13, the Master Servicer shall continue to perform all servicing functions under this Agreement and all Series Supplements until the date specified in the Termination Notice or otherwise specified by the Trustee or until a date mutually agreed upon by the Master Servicer and the Trustee. Upon receipt by the Master Servicer of a Termination Notice, the Trustee or the Trustee, acting on behalf of the Majority Holders which gave the Termination Notice, shall as promptly as possible after the giving of a Termination Notice appoint a successor servicer (in any case, the "Successor Master Servicer") and such Successor Master Servicer shall accept its appointment by a written assumption in a form acceptable to the Trustee; provided that such appointment shall be subject to satisfaction of the Rating Agency Condition. In the event a Successor Master Servicer has not been appointed and accepted the appointment by the date of termination stated in the Termination Notice the Trustee shall automatically assume

responsibility for performing the servicing functions under this Agreement on the date of such termination. In the event that a Successor Master Servicer has not been appointed and has not accepted its appointment and the Trustee is legally unable or otherwise not capable of assuming responsibility for performing the servicing functions under this Agreement, the Trustee shall petition a court of competent jurisdiction to appoint any established financial institution having a net worth of not less than $100,000,000 and whose regular business includes the servicing of receivables similar to the Pledged Loans or other consumer finance receivables; provided, however, pending the appointment of a Successor Master Servicer, the Trustee will act as the Successor Master Servicer.

(b) Duties and Obligations of Successor Master Servicer. Upon its appointment, the Successor Master Servicer shall be the successor in all respects to the Master Servicer with respect to servicing functions under this Agreement and shall be subject to all the responsibilities and duties relating thereto placed on the Master Servicer by the terms and provisions hereof, and all references in this Agreement to the Master Servicer shall be deemed to refer to the Successor Master Servicer.

(c) Compensation of Successor Master Servicer; Costs and Expenses of Servicing Transfer. In connection with such appointment and assumption, the Trustee may make such arrangements for the compensation of the Successor Master Servicer as provided in the Series Supplements. The costs and expenses of transferring servicing shall be paid by the Master Servicer which is resigning or being replaced and to the extent such costs and expenses are not so paid, shall be paid from Collections as provided in the Series Supplements.

Section 10.3 Notification to Noteholders. Upon the occurrence of any Servicer Default or any event which, with the giving of notice or passage of time or both, would become a Servicer Default, the Master Servicer shall give prompt written notice thereof to the Trustee and the Issuer and the Trustee shall give notice to the Noteholders at their respective addresses appearing in the Note Register. Upon any termination or appointment of a Successor Master Servicer pursuant to this Article X, the Trustee shall give prompt written notice thereof to the Issuer and to the Noteholders at their respective addresses appearing in the Note Register.

Section 10.4 Waiver of Past Defaults. If a Servicer Default is a Servicer Default as described in subsection 10.1(f), the Majority Holders of the Notes of the Series issued under the Series Supplement containing such Servicer Default may waive such default and, with respect to a Servicer Default described in subsections 10.1(a) through (e), the Majority Holders of all Notes may, on behalf of all Holders, waive any default by the Master Servicer in the performance of its obligations hereunder and its consequences. Upon any such waiver of a past default, such default shall cease to exist, and any default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived.

Section 10.5 Termination of Master Servicer's Authority. All authority and power granted to the Master Servicer under this Agreement shall automatically cease and terminate upon termination of this Agreement pursuant to Section 12.1, and shall pass to and be vested in the Issuer and without limitation the Issuer is hereby authorized and empowered to execute and deliver, on behalf of the Master Servicer, as attorney-in-fact or otherwise, all documents and

other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights upon termination of this Agreement. The Master Servicer shall cooperate with the Issuer in effecting the termination of the responsibilities and rights of the Master Servicer to conduct servicing on the Pledged Loans. The Master Servicer shall transfer its electronic records relating to the Pledged Loans to the Issuer in such electronic form as Issuer may reasonably request and shall transfer all other records, correspondence and documents relating to the Pledged Loans to the Issuer in the manner and at such times as the Issuer shall reasonably request. To the extent that compliance with this Section 10.5 shall require the Master Servicer to disclose information of any kind which the Master Servicer deems to be confidential, the Issuer shall be required to enter into such customary licensing and confidentiality agreements as the Master Servicer shall deem necessary to protect its interests and as shall be reasonably satisfactory in form and substance to the Issuer.

Section 10.6 Matters Related to Successor Master Servicer.

The Successor Master Servicer will not be responsible for delays attributable to the Master Servicer's failure to deliver information, defects in the information supplied by the Master Servicer or other circumstances beyond the control of the Successor Master Servicer.

The Successor Master Servicer will make arrangements with the Master Servicer for the prompt and safe transfer of, and the Master Servicer shall provide to the Successor Master Servicer, all necessary servicing files and records, including (as deemed necessary by the Successor Master Servicer at such time): (i) microfiche loan documentation, (ii) servicing system tapes, (iii) Pledged Loan payment history, (iv) collections history and (v) the trial balances, as of the close of business on the day immediately preceding conversion to the Successor Master Servicer, reflecting all applicable Pledged Loan information. The current Master Servicer shall be obligated to pay the costs associated with the transfer of the servicing files and records to the Successor Master Servicer.

The Successor Master Servicer shall have no responsibility and shall not be in default hereunder nor incur any liability for any failure, error, malfunction or any delay in carrying out any of its duties under this Agreement if any such failure or delay results from the Successor Master Servicer acting in accordance with information prepared or supplied by a Person other than the Successor Master Servicer or the failure of any such Person to prepare or provide such information. The Successor Master Servicer shall have no responsibility, shall not be in default and shall incur no liability (i) for any act or failure to act by any third party, including the Master Servicer, the Issuer or the Trustee or for any inaccuracy or omission in a notice or communication received by the Successor Master Servicer from any third party or (ii) which is due to or results from the invalidity, unenforceability of any Pledged Loan under applicable law or the breach or the inaccuracy of any representation or warranty made with respect to any Pledged Loan.

If the Trustee or any other Successor Master Servicer assumes the role of Successor Master Servicer hereunder, such Successor Master Servicer shall be entitled to appoint subservicers whenever it shall be deemed necessary by such Successor Master Servicer.

ARTICLE XI

THE TRUSTEE; THE COLLATERAL AGENT; THE CUSTODIAN

Section 11.1 Duties of Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge and after the curing of all such Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Agreement. If an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge has occurred and has not been cured or waived, the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a prudent institutional trustee would exercise or use under the circumstances in the conduct of such institution's own affairs. The Trustee is hereby authorized and empowered to make the withdrawals and payments from the Accounts in accordance with the instructions set forth in this Agreement and the Series Supplements until the termination of this Agreement in accordance with Section 12.1 unless this appointment is earlier terminated pursuant to the terms hereof.

(b) The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee which are specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they conform to such requirements; provided, however, that the Trustee shall not be responsible for the accuracy or content of any resolution, certificate, statement, opinion, report, document, order or other instrument furnished by the Master Servicer, the Issuer or any other Person hereunder (other than the Trustee). The Trustee shall give prompt written notice to the Noteholders of any material lack of conformity of any such instrument to the applicable requirements of this Agreement discovered by the Trustee.

(c) Subject to Section 11.1(a), no provision of this Agreement shall be construed to relieve the Trustee from liability for its own gross negligence, reckless disregard of its duties, bad faith or misconduct; provided, however, that:

(i) the Trustee shall not be personally liable for an error of judgment made in good faith by a Responsible Officer or employees of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(ii) the Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with this Agreement or at the direction of the Majority Holders relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising or omitting to exercise any trust or power conferred upon the Trustee, under this Agreement;

(iii) the Trustee shall not be charged with knowledge of any failure by any other party hereto to comply with its obligations hereunder or of the occurrence of any Event of Default or Servicer Default unless a Responsible Officer of the Trustee obtains actual knowledge of such failure based upon receipt of written information or other

communication or a Responsible Officer of the Trustee receives written notice of such failure from the Master Servicer or any Noteholder. In the absence of receipt of notice or actual knowledge by a Responsible Officer the Trustee may conclusively assume there is no Event of Default or Servicer Default; and

(iv) Prior to the occurrence of an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge or have received notice and after all the curing of all such Events of Default which may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, no implied covenants or obligations shall be read into this Agreement against the Trustee and, in the absence of bad faith, willful misconduct or negligence on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement.

(d) The Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it (which adequate indemnity may include, at the Trustee's option, consent by the Series Majority Holders authorizing the Trustee to be reimbursed for any funds from amounts available in the Collection Account for such Series), and none of the provisions contained in this Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Master Servicer under this Agreement except during such time, if any, as the Trustee shall be the successor to, and be vested with the rights, duties, powers and privileges of, the Master Servicer in accordance with the terms of this Agreement.

(e) Except for actions expressly authorized by this Agreement, the Trustee shall take no action reasonably likely to impair the interests of the Issuer in any Pledged Loan now existing or hereafter created or to impair the value of any Pledged Loan now existing or hereafter created.

(f) Except as provided in this Agreement or the applicable Series Supplement, the Trustee shall have no power to dispose of or vary any Series Collateral.

(g) In the event that the Registrar shall fail to perform any obligation, duty or agreement in the manner or on the day required to be performed by the Registrar, as the case may be, under this Agreement, the Trustee (if it is not then the Registrar) shall be obligated promptly to perform such obligation, duty or agreement in the manner so required.

(h) The Trustee shall have no duty to (A) see to any recording, filing or depositing of this Agreement or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof, (B) see to any insurance, (C) see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against,

any part of any Series Collateral other than from funds available in the related Series Collection Account, or (D) confirm or verify the contents of any reports or certificates of the Master Servicer delivered to the Trustee pursuant to this Agreement believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

Section 11.2 Certain Matters Affecting the Trustee. Except for its own gross negligence, reckless disregard of its duties, bad faith or misconduct:

(a) the Trustee may rely on and shall be protected from liability to the Issuer and the Noteholders in acting on, or in refraining from acting in accord with, any resolution, Officer's Certificate, certificate of auditors or any other certificate, statement, conversation, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed, sent or made by the proper Person or Persons;

(b) the Trustee may consult with counsel and any advice of counsel (including without limitation counsel to the Issuer or the Master Servicer) shall be full and complete authorization and protection from liability to the Issuer and the Noteholders in respect to any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel;

(c) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or direction of any of the Noteholders, pursuant to the provisions of this Agreement, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; nothing contained herein shall, however, relieve the Trustee of the obligations, upon the occurrence of any Servicer Default of which a Responsible Officer of the Trustee shall have actual knowledge or have received notice (which has not been cured), to exercise such of the rights and powers vested in it by this Agreement, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs;

(d) neither the Trustee nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be personally liable for any action taken, suffered or omitted to be taken by the Trustee or such Person in good faith and believed by such Person to be authorized or within the discretion or rights or powers conferred upon it by this Agreement, nor for any action taken or omitted to be taken by any other party hereto;

(e) the Trustee shall not be bound to make any investigation into the facts of matters stated in any Monthly Servicing Report, any other report or statement delivered to the Trustee by the Master Servicer, resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing so to do by the Majority Holders; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not assured to the Trustee by the security afforded to it by the terms of this Agreement, the Trustee may require indemnity satisfactory to the Trustee against such cost, expense or liability as a condition to taking any such action.

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian, and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent, attorney or custodian appointed with due care by it hereunder;

(g) except as may be required by Section 11.1(b), the Trustee shall not be required to make any initial or periodic examination of any documents or records related to the Pledged Loans for the purpose of establishing the presence or absence of defects, the compliance by the Master Servicer or the Issuer with their respective representations and warranties or for any other purpose;

(h) the right of the Trustee to perform any discretionary act enumerated in this Agreement shall not be construed as a duty, and the Trustee shall not be answerable for the performance of such act; and

(i) the Trustee shall not be required to give any bond or surety in respect of the powers granted hereunder.

Section 11.3 Trustee Not Liable for Recitals in Notes or Use of Proceeds of Notes The Trustee assumes no responsibility for the correctness of the recitals contained herein and in the Notes (other than the certificate of authentication on the Notes) or for any statements, representations or warranties made herein by any Person other than the Trustee (except as expressly set forth herein). Except as set forth in Section 11.14, the Trustee makes no representations as to the validity, enforceability or sufficiency of this Agreement or of the Notes (other than the certificate of authentication on the Notes) or of any Pledged Loan or related document. The Trustee shall not be accountable for the use or application of funds properly withdrawn from any Account on the instructions of the Master Servicer or for the use or application by the Issuer of the proceeds of any of the Notes, or for the use or application of any funds paid to the Issuer in respect of the Pledged Loans. The Trustee shall not be responsible for the legality or validity of this Agreement or the validity, priority, perfection or sufficiency of the security for the Notes issued or intended to be issued hereunder. The Trustee shall have no responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or lien granted to it hereunder or to record this Agreement.

Section 11.4 Trustee May Own Notes; Trustee in its Individual Capacity. Wachovia Bank, National Association, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights as it would have if it were not the Trustee. Wachovia Bank, National Association and its Affiliates may generally engage in any kind of business with the Issuer or the Master Servicer as though Wachovia Bank, National Association were not acting in such capacity hereunder and without any duty to account therefor. Nothing contained in this Agreement shall limit in any way the ability of Wachovia Bank, National Association and its Affiliates to act as a trustee or in a similar capacity for other interval ownership and lot contract and installment note financings pursuant to agreements similar to this Agreement.

Section 11.5 Trustee's Fees and Expenses; Indemnification. The Trustee shall be entitled to receive from time to time pursuant to the Series Supplements and the Trustee Fee Letter, (a) such compensation as shall be agreed to between the Issuer and the Trustee (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by it in the execution of the trust hereby created and in the exercise and performance of any of the powers and duties hereunder as the Trustee and to be reimbursed for its out-of-pocket expenses (including reasonable attorneys' fees), incurred or paid in establishing, administering and carrying out its duties under this Agreement or the Collateral Agency Agreement and (b) subject to Section 8.3, the Issuer and the Master Servicer agree, jointly and severally, to pay, reimburse, indemnify and hold harmless the Trustee (without reimbursement from any Account or otherwise) upon its request for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever (including without limitation fees, expenses and disbursements of counsel) which may at any time (including without limitation at any time following the termination of this Agreement and payment on account of the Notes) be imposed on, incurred by or asserted against the Trustee in any way relating to or arising out of this Agreement, any Series Supplement, the Collateral Agency Agreement or any other Facility Document to which the Trustee is a party or the transactions contemplated hereby or any action taken or omitted by the Trustee under or in connection with any of the foregoing except for those liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence, reckless disregard of its duties, bad faith or willful misconduct of the Trustee and except that if the Trustee is appointed Successor Master Servicer pursuant to Section 10.2, the provisions of this Section 11.5 shall not apply to expenses, disbursements and advances made or incurred by the Trustee in its capacity as Successor Master Servicer. The agreements in this Section 11.5 shall survive the termination of this Agreement, the resignation or removal of the Trustee and all amounts payable on account of the Notes.

Anything in this Agreement to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 11.6 Eligibility Requirements for Trustee. The Trustee hereunder (if other than Wachovia Bank, National Association) shall at all times be an Eligible Institution and a corporation or banking association organized and doing business under the laws of the United States of America or any state thereof authorized under such laws to exercise corporate trust powers, and such Trustee (including Wachovia Bank, National Association) shall have a combined capital and surplus of at least $25,000,000 (or, in the case of a successor to the initial Trustee, $100,000,000) and subject to supervision or examination by federal or state authority. If such corporation or banking association publishes reports of condition at least annually, pursuant to law or to the requirements of federal or state supervising or examining authority, then for the purpose of this Section 11.6, the combined capital and surplus of such corporation or banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 11.6, the Trustee shall resign immediately in the manner and with the effect specified in Section 11.7.

Section 11.7 Resignation or Removal of Trustee.

(a) The Trustee may at any time resign and be discharged from the trust hereby created by giving 60 days prior written notice thereof to the Issuer, the Master Servicer, the Noteholders and each Rating Agency. Upon receiving such notice of resignation, the Issuer shall promptly arrange to appoint a successor trustee meeting the requirements of Section 11.6 and the Master Servicer shall notify the Trustee and each Rating Agency of such appointment by written instrument, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and have accepted within 30 days after the giving of such notice of resignation, a successor Trustee shall be appointed by Majority Holders. The successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the Trustee. If no successor Trustee shall have been so appointed by the Issuer or the Noteholders and shall have accepted appointment in the manner hereinafter provided, any Noteholder, on behalf of itself and all others similarly situated, or the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 11.6 and shall fail to resign after written request therefor by the Issuer or the Master Servicer, or if at any time the Trustee shall be legally unable to act, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer, the Master Servicer or the Majority Holders may remove the Trustee and promptly appoint a successor Trustee by written instrument, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee.

(c) At any time the Majority Holders may remove the Trustee and promptly appoint a successor Trustee by written instrument, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 11.7 shall not become effective until acceptance of appointment by the successor Trustee as provided in Section 11.8.

Section 11.8 Successor Trustee.

(a) Any successor Trustee, appointed as provided in Section 11.7, shall execute, acknowledge and deliver to the Issuer, the Master Servicer and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein. The predecessor Trustee shall deliver to the successor Trustee all money, documents and other property held by it hereunder; and Issuer and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Trustee all such rights, power, duties and obligations.

(b) No successor Trustee shall accept appointment as provided in this Section 11.8 unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of Section 11.6.

(c) Upon acceptance of appointment by a successor Trustee as provided in this Section 11.8, such successor Trustee shall mail notice of such succession hereunder to the Trustee, the Issuer, the Master Servicer and all Noteholders at their addresses as shown in the Note Register.

Section 11.9 Merger or Consolidation of Trustee. Any Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided, such corporation shall be eligible under the provisions of Section 11.6, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 11.10 Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Series Collateral may at the time be located, the Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Series Collateral and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, such title to the Series Collateral, or any part thereof, and subject to the other provisions of this Section 11.10, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 11.6 and no notice to the Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 11.8.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any laws of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Series Collateral, or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article XI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee and a copy thereof given to the Master Servicer.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or a successor trustee.

Section 11.11 Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Agreement or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the Noteholders in respect of which such judgment has been obtained.

Section 11.12 Suits for Enforcement. If an Event of Default or a Servicer Default shall occur and be continuing, the Trustee, in its discretion, may, subject to the provisions of Article IX and Section 10.1, proceed to protect and enforce its rights and the rights of the Noteholders under this Agreement by a suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Agreement or in aid of the execution of any power granted in this Agreement or for the enforcement of any other legal, equitable or other remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or the Noteholders.

Section 11.13 Rights of Noteholders to Direct the Trustee. The Majority Holders of a Series shall, with respect to such Series, have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that, subject to Section 11.1, the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Responsible Officers of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability or be unduly prejudicial to the rights of Noteholders not parties to such direction, or if the Trustee has not

been offered reasonable security or indemnity, as contemplated by Section 11.2, by such Holders; and provided further, that nothing in this Agreement shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by the Noteholders.

Section 11.14 Representations and Warranties of the Trustee. The Trustee represents and warrants that:

(a) the Trustee is a national banking association with trust powers organized, validly existing and in good standing under the laws of the United States;

(b) the Trustee has full power, authority and right to execute, deliver and perform this Agreement and the Series Supplements and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and the Series Supplements; and

(c) this Agreement has been duly executed and delivered by the Trustee and constitutes the legal, valid and binding agreement of the Trustee enforceable against the Trustee in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

Section 11.15 Maintenance of Office or Agency. The Trustee will maintain at its expense in The City of New York, State of New York, an office or offices or agency or agencies where notices and demands to or upon the Trustee in respect of the Notes and this Agreement may be served. The Trustee will give prompt written notice to the Issuer, the Master Servicer and the Noteholders of any change in the location of any such office or agency.

Section 11.16 No Assessment. Wachovia Bank, National Association's agreement to act as Trustee hereunder shall not constitute or be construed as Wachovia Bank, National Association's assessment of the Issuer's or any Obligor's creditworthiness or a credit analysis of any Loans.

Section 11.17 UCC Filings and Title Certificates. The Trustee and the Noteholders expressly recognize and agree that the Collateral Agent may be listed as the secured party of record on the various Financing Statements required to be filed under this Agreement and the Series Supplements in order to perfect the security interest in the Series Collateral, that such listings shall be for administrative convenience only in creating a representative of the secured party to take certain actions under the Facility Documents on behalf of one or more secured parties including the Trustee and that such listing will not affect in any way the respective status of the other secured parties under the Collateral Agency Agreement as the holders of their respective interests in other collateral. In addition, such listing shall impose no duties on the Collateral Agent other than those expressly and specifically undertaken in accordance with this Agreement and the Collateral Agency Agreement.

Section 11.18 Replacement of the Custodian. Each of the Issuer and the Master Servicer agree not to replace either of the Custodians unless the Rating Agency Condition has been satisfied with respect to such replacement.

ARTICLE XII

TERMINATION

Section 12.1 Termination of Agreement. The respective obligations and responsibilities of the Issuer, the Master Servicer and the Trustee created hereby (other than the obligation of the Trustee to make payments to Noteholders as hereafter set forth) shall terminate (the "Termination Date") on the day after the Payment Date following the date on which funds shall have been deposited in the appropriate Collection Accounts sufficient to pay the Aggregate Principal Amount of all Series plus all interest accrued on the Notes of all Series accrued through the day preceding such Payment Date; provided that, all amounts required to be paid on such Payment Date pursuant to this Agreement shall have been paid.

Section 12.2 Final Payment.

(a) Written notice of any termination of a Series or of all Series shall be given (subject to at least two Business Days' prior notice from the Master Servicer to the Trustee) by the Trustee to the Noteholders and each Rating Agency then rating any Notes mailed not later than the fifth day of the month of such final payment specifying (a) the Payment Date and (b) the amount of any such final payment. The Trustee shall give such notice to the Registrar at the time such notice is given to the Noteholders.

(b) On or after the final Payment Date, upon written request of the Trustee, the Noteholders shall surrender their Notes to the office specified in such request.

Section 12.3 Defeasance. The Issuer's obligations with respect to any Series of Notes may be defeased prior to payment of the Notes of that Series if so provided in the applicable Series Supplement and subject to the terms and conditions contained in that Series Supplement.

Section 12.4 Release of Collateral. Upon the termination of this Agreement pursuant to Sections 12.1, the Trustee shall release all liens and assign to the Issuer (without recourse, representation or warranty) all right, title and interest of the Trustee in and to the Series Collateral and all proceeds thereof. The Trustee shall execute and deliver such instruments of assignment, in each case without recourse, representation or warranty, as shall be reasonably requested by the Issuer to release the security interest of the Trustee in the Series Collateral.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1 Amendment.

(a) Supplemental Indentures and Amendments Without Consent of the Noteholders. The Issuer, the Trustee, the Collateral Agent and the Master Servicer, at any time and from time to time, without the consent of any of the Noteholders, may enter into one or more amendments or indentures supplemental to this Agreement or into a Series Supplement in form satisfactory to the Trustee for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power conferred upon the Issuer;

(ii) to Grant any additional property to the Trustee or the Collateral Agent or to be held by the Custodian, in each case, for the benefit of the Trustee and the Holders of the Notes of one or more Series;

(iii) to correct or amplify the description of any property at any time subject to the Lien of a Series Supplement, or to better assure, convey and confirm unto the Trustee or the Collateral Agent or deliver to the Custodian, in each case for the benefit of the Trustee and the Noteholders, any property subject to the Lien of a Series Supplement;

(iv) to cure any ambiguity, correct, modify or supplement any provision which is defective or inconsistent with any other provision herein;provided that, such correction, modification or supplement shall not alter in any material respect, the amount or timing of payments to or other rights of the Noteholders;

(v) to modify transfer restrictions on a Series of Notes, so long as any such modifications comply with the Securities Act and the Investment Company Act;

(vi) Reserved; or

(vii) make any other changes which do not, in the aggregate, materially and adversely affect the rights of any Noteholders.

provided that, (x) in each case, the Issuer shall have satisfied the Rating Agency Condition with respect to such corrections, amendments, modifications or clarifications and (y), with respect to any changes described in subsection (vii), the Issuer shall have delivered to the Trustee an Officer's Certificate of the Issuer and an Officer's Certificate of the Master Servicer both to the effect that such change will not adversely affect the rights of any Noteholders and evidence that any additional conditions to such amendment contained in one or more Series Supplements have been satisfied.

Subject to Section 13.1(c), the Trustee is hereby authorized to join in the execution of any such amendment or supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained. So long as any of the Notes are outstanding, at the cost of the Issuer, the Trustee shall provide to each Rating Agency then rating any Notes a copy of any proposed amendment or supplemental indenture prior to the execution thereof by the Trustee and, as soon as practicable after the execution by the Issuer, the Trustee and the Collateral Agent of any such amendment or supplemental indenture, provide to each Rating Agency a copy of the executed amendment or supplemental indenture, as the case may be.

(b) Amendments and Supplemental Indentures With Consent of the Noteholders. With the consent of the Majority Holders of each affected Series and upon satisfaction of the Rating Agency Condition, the Issuer and the Trustee may enter into an amendment or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Agreement or any Series Supplement, or modifying in any manner the rights of the Holders of the Notes under this Agreement or any Series

Supplement; provided that, no such amendment or supplemental indenture shall, without the consent of all affected Noteholders:

(i) reduce in any manner the amount of, or change the timing of, principal, interest and other payments required to be made on any Note;

(ii) change the application of proceeds of any Series Collateral to the payment of Notes of such Series;

(iii) reduce the percentage of Noteholders required to take or approve any action under this Agreement or any Series Supplement; or

(iv) permit the creation of any lien ranking prior to or on a parity with the lien of this Agreement or any Series Supplement, with respect to any part of the Series Collateral or terminate the lien of this Agreement or any Series Supplement on any property at any time subject thereto or deprive the Noteholders of the security afforded by the lien of this Agreement or any Series Supplement.

It shall not be necessary in connection with any consent of the Noteholders under this Section 13.1(b) for the Noteholders to approve the specific form of any proposed amendment or supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof. The Trustee will not be permitted to enter into any such supplemental indenture or amendment if, as a result of such supplemental indenture or amendment, the ratings of any outstanding Series or Class of Notes (if then rated) would be reduced without the consent of each affected Noteholder.

Promptly after the execution by the Issuer, the Trustee, the Collateral Agent and the Master Servicer of any amendment or supplemental indenture pursuant to this Section 13.1(b), the Trustee, at the expense of the Issuer shall mail to the Noteholders, the Luxembourg Stock Exchange (if and for so long as any Class of Notes is listed thereon) and each Rating Agency rating any of the Notes, a copy thereof.

(c) Execution of Amendments and Supplemental Indentures. In executing or accepting the additional trusts created by any amendment or supplemental indenture permitted by this Section 13.1 or the modifications thereby of the trusts created by this Agreement or any Series Supplement, the Trustee shall be entitled to receive, and (subject to Sections 11.1 and 11.2) shall be fully protected in relying in good faith upon, an Opinion of Counsel stating that the execution of such amendment or supplemental indenture is authorized or permitted by this Agreement and that all conditions precedent applicable thereto under this Agreement have been satisfied. The Trustee may, but shall not be obligated to, enter into any such amendment or supplemental indenture which affects the Trustee's own rights, duties or immunities under this Agreement, any Series Supplement, or otherwise.

(d) Effect of Amendments and Supplemental Indentures. Upon the execution of any amendment or supplemental indenture under this Section 13.1, this Agreement shall be modified in accordance therewith, and such amendment or supplemental indenture shall form a part of this Agreement for all purposes; and every Holder of a Note theretofore and thereafter authenticated and delivered hereunder shall be bound thereby.

(e) Reference in Notes to Amendments and Supplemental Indentures. Notes executed, authenticated and delivered after the execution of any amendment or supplemental indenture pursuant to this Section 13.1 may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such amendment or supplemental indenture. If the Issuer shall so determine, new Notes, so modified as to conform in the opinion of the Trustee and the Issuer to any such amendment or supplemental indenture, may be prepared and executed by the Issuer and authenticated and delivered by the Trustee or its authenticating agent in exchange for outstanding Notes.

(f) In determining whether the requisite percentage of Noteholders have concurred in any direction, waiver or consent, Notes owned by the Issuer or an Affiliate of the Issuer shall be considered as though they are not outstanding, except that for the purposes of determining whether the Trustee shall be protected in making such determination or relying on any such direction, waiver or consent, only Notes which a Responsible Officer of the Trustee knows pursuant to written notice (or in the case of the Issuer, by reference to the Note Register if the Trustee is also the Note Registrar) are so owned shall be so disregarded.

Section 13.2 Reserved.

Section 13.3 Limitation on Rights of the Noteholders.

(a) The death or incapacity of any Noteholder shall not operate to terminate this Agreement, nor shall such death or incapacity entitle such Noteholder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Series Collateral, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

(b) Nothing herein set forth, or contained in the terms of the Notes, shall be construed so as to constitute the Noteholders from time to time as partners or members of an association; nor shall any Noteholder be under any liability to any third person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

Section 13.4 Governing Law. This Agreement is governed by and shall be construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

Section 13.5 Notices. All communications and notices hereunder shall be in writing and shall be deemed to have been duly given if personally delivered to, or transmitted by overnight courier, or transmitted by telex or telecopy and confirmed by a mailed writing:

If to the Issuer:

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC
10750 West Charleston Boulevard
Suite 130
Mailstop 2046
Las Vegas, Nevada 89135
Attention: Mark A. Johnson
(or such other address as may hereafter be furnished to the Trustee, the Master Servicer and the Collateral Agent in writing by the Issuer).

If to the Master Servicer:

WYNDHAM CONSUMER FINANCE, INC.
10750 West Charleston Boulevard
Suite 130
Las Vegas, Nevada 89135
Fax number: 702-304-4211
Attention: Mark A. Johnson
(or such other address as may hereafter be furnished to the Trustee, the Issuer and the Collateral Agent in writing by the Master Servicer).

If to the Trustee:

U.S. BANK, NATIONAL ASSOCIATION
401 South Tryon Street
NC – 1179
12th Floor
Charlotte, North Carolina 28288-1179
Fax: Number: 704-383-6039
Attention: Structured Finance Trust Services
Re: Sierra Timeshare Conduit Receivables Funding, LLC
Series 2002-1
(or such other address as may be furnished to the Master Servicer, the Issuer or the Collateral Agent in writing by the Trustee).

If to the Collateral Agent:

U.S. BANK, NATIONAL ASSOCIATION
401 South Tryon Street
NC – 1179
12th Floor
Charlotte, North Carolina 28288-1179
Fax: Number: 704-383-6039
Attention: Structured Finance Trust Services
Re: Sierra Timeshare Conduit Receivables Funding, LLC
Series 2002-1
(or such other address as may be furnished in writing to the Trustee, the Issuer and the Master Servicer by the Collateral Agent).

If to each Rating Agency:

Moody's Investor Service, Inc.
99 Church Street
New York, New York 10007
Fax number: 212-553-4392
(or such other address as may be furnished in writing to the Trustee, the Issuer and the Master Servicer).

Standard & Poor's Ratings Services
55 Water Street
New York, New York 10041
Fax number: 212-438-2655
(or such other address as may be furnished in writing to the Trustee, the Issuer and the Master Servicer).

If to the Noteholders:
(to such addresses as may be furnished in writing by any Noteholder to the Trustee).

All communications and notices pursuant hereto to a Noteholder will be given by first-class mail, postage prepaid, to the registered holders of such Notes at their respective address as shown in the Note Register. Any notice so given within the time prescribed in this Agreement shall be conclusively presumed to have been duly given, whether or not the Noteholder receives such notice.

Section 13.6 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Notes or rights of the Noteholders thereof.

Section 13.7 Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Section 10.2, this Agreement may not be assigned by the Issuer or the Master Servicer without the prior consent of the Majority Holders.

Section 13.8 Notes Non-assessable and Fully Paid. It is the intention of the Issuer that the Noteholders shall not be personally liable for obligations of the Issuer and that the indebtedness represented by the Notes shall be non-assessable for any losses or expenses of the Issuer or for any reason whatsoever.

Section 13.9 Further Assurances. Each of the Issuer, the Master Servicer and the Collateral Agent agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the Trustee more fully to effect

the purposes of this Agreement, including without limitation the execution of any financing statements, amendments thereto, or continuation statements relating to the Pledged Loans for filing under the provisions of the UCC of any applicable jurisdiction.

Section 13.10 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Trustee or the Noteholders, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. No waiver of any provision hereof shall be effective unless made in writing. The rights, remedies, powers and privileges therein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

Section 13.11 Counterparts. This Agreement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 13.12 Third-Party Beneficiaries. This Agreement will inure to the benefit of and be binding upon the parties hereto, the Noteholders and their respective successors and permitted assigns. Except as otherwise provided in this Article XIII, no other person will have any right or obligation hereunder.

Section 13.13 Actions by the Noteholders.

(a) Wherever in this Agreement a provision is made that an action may be taken or a notice, demand or instruction given by the Noteholders, such action, notice or instruction may be taken or given by any Noteholder, unless such provision requires a specific percentage of the Noteholders. If, at any time, the request, demand, authorization, direction, consent, waiver or other act of a specific percentage of the Noteholders is required pursuant to this Agreement, written notification of the substance thereof shall be furnished to all Noteholders.

(b) Any request, demand, authorization, direction, consent, waiver or other act by a Noteholder binds such Noteholder and every subsequent holder of such Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done or omitted to be done by the Trustee, the Issuer or the Master Servicer in reliance thereon, whether or not notation of such action is made upon such Note.

Section 13.14 Merger and Integration. Except as set forth in the Trustee Fee Letter, and except asspecifically stated otherwise herein, this Agreement and the other Facility Documents set forth the entire understanding of the parties relating to the subject matter hereof, and, except as set forth in such Trustee Fee Letter, all prior understandings, written or oral, are superseded by this Agreement and the other Facility Documents. This Agreement may not be modified, amended, waived or supplemented except as provided herein.

Section 13.15 No Bankruptcy Petition. The Trustee, the Master Servicer, the Collateral Agent and each Noteholder, by accepting a Note, hereby covenant and agree that they will not at any time institute against the Issuer or the Depositor, or join in instituting against the Issuer or the Depositor, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any Debtor Relief Law.

Section 13.16 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

IN WITNESS WHEREOF, Issuer, the Master Servicer, the Trustee and the Collateral Agent have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC,
as Issuer

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

WYNDHAM CONSUMER FINANCE, INC., as
Master Servicer

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

U.S. BANK NATIONAL ASSOCIATION, as successor to
Wachovia Bank, National Association, as Trustee

By: /s/ Patricia O'Neill
Name: Patricia O'Neill
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as successor to
Wachovia Bank, National Association, as Collateral Agent

By: /s/ Patricia O'Neill
Name: Patricia O'Neill
Title: Vice President

[Signature page for Amended and Restated Master Indenture and Servicing Agreement]

Exhibit 10.10

EXECUTION COPY

SERIES 2002-1 SUPPLEMENT

Dated as of August 29, 2002

Amended and Restated as of July 7, 2006

to

MASTER INDENTURE AND SERVICING AGREEMENT

Dated as of August 29, 2002

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC

LOAN-BACKED

VARIABLE FUNDING NOTES,

SERIES 2002-1

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among

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC,

as Issuer

WYNDHAM CONSUMER FINANCE, INC.,

as Master Servicer

U.S. BANK, NATIONAL ASSOCIATION,
successor to Wachovia Bank, National Association,

as Trustee

and

U.S. BANK, NATIONAL ASSOCIATION,
successor to Wachovia Bank, National Association,

as Collateral Agent

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EXHIBITS

SERIES 2002-1 SUPPLEMENT, dated as of August 29, 2002 and amended and restated as of July 7, 2006, among SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC, a limited liability company formed under the laws of the State of Delaware, as Issuer, WYNDHAM CONSUMER FINANCE, INC., a Delaware corporation, as Master Servicer, U.S. BANK, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity, but solely as Trustee under the Agreement as successor to Wachovia Bank, National Association and U.S. BANK, NATIONAL ASSOCIATION, a national banking association, as Collateral Agent, as successor to Wachovia Bank, National Association.

Section 2.10 of the Agreement provides that the Issuer may, pursuant to one or more Supplements, issue one or more Series of Notes and set forth the terms of such Series.

Pursuant to this Supplement, the Issuer creates the Series 2002-1 Notes and specifies the terms thereof.

All things necessary to make this Supplement a valid agreement of the Issuer, the Master Servicer, the Trustee and the Collateral Agent in accordance with its terms have been done.

GRANTING CLAUSES

The Issuer hereby Grants to the Collateral Agent, for the benefit of the Trustee for the benefit of the Series 2002-1 Noteholders, all of the Issuer's right, title and interest, whether now owned or hereafter acquired, in, to and under the following:

(a) all Series 2002-1 Pledged Loans, together with all other Series 2002-1 Pledged Assets;

(b) the Collection Account and all money, investment property, instruments and other property credited to, carried in or deposited in the Collection Account including any sub-accounts within the Collection Account;

(c) all money, investment property, instruments and other property credited to, carried in or deposited in a Lockbox Account or any other bank or similar account into which Series 2002-1 Collections are deposited, to the extent such money, investment property, instruments and other property constitutes Series 2002-1 Collections;

(d) the Reserve Account and all moneys, investment property, instruments and other property credited to, carried in or deposited in the Reserve Account including any sub-accounts within the Reserve Account;

(e) the Hedge Agreement and all rights and interests therein and thereto;

(f) all rights, remedies, powers, privileges and claims of the Issuer under or with respect to the Series 2002-1 Pool Purchase Supplement and each Series 2002-1 Purchase Supplement including, without limitation all rights to enforce payment obligations of the Issuer, the Depositor and each Seller and all rights to collect all monies due and to become due to the Issuer from the Depositor or any Seller under or in connection with the Series 2002-1 Pool

Purchase Supplement or any Series 2002-1 Purchase Supplement (including without limitation all interest and finance charges for late payments accrued thereon and proceeds of any liquidation or sale of Series 2002-1 Pledged Loans or resale of Timeshare Properties or Vacation Credits and all other Collections on the Series 2002-1 Pledged Loans) and all other rights of the Issuer to enforce the Series 2002-1 Pool Purchase Supplement and each Series 2002-1 Purchase Supplement;

(g) to the extent related to the Series 2002-1 Pledged Loans or the Series 2002-1 Pledged Assets, all rights, remedies, powers, privileges and claims of the Issuer under or with respect to the Pool Purchase Agreement and the each of the Purchase Agreements including, without limitation all rights to enforce payment obligations of the Issuer, the Depositor and each Seller and all rights to collect all monies due and to become due to the Issuer from the Depositor or any Seller under or in connection with the Series 2002-1 Pledged Loans (including without limitation all interest and finance charges for late payments accrued thereon and proceeds of any liquidation or sale of Series 2002-1 Pledged Loans or resale of Timeshare Properties or Vacation Credits and all other Collections on the Series 2002-1 Pledged Loans) and all other rights of the Issuer to enforce the Pool Purchase Agreement and each Purchase Agreement;

(h) all certificates and instruments if any, from time to time representing or evidencing any of the foregoing property described in clauses (a) through (g) above;

(i) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing;

(j) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas and other minerals, consisting of, arising from, or relating to, any of the foregoing;

(k) all proceeds of the foregoing property described in clauses (a) through (j) above, any security therefor, and all interest, dividends, cash, instruments, financial assets and other investment property and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for or on account of the sale, condemnation or other disposition of, any or all of the then existing Series 2002-1 Collateral, and including all payments under Insurance Policies (whether or not a Seller or an Originator, the Depositor, the Issuer, the Collateral Agent or the Trustee is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the Series 2002-1 Collateral;

(l) the Trendwest Supplemental Agreement and all rights and interests therein and thereto; and

(m) all proceeds of the foregoing.

The property described in the preceding sentence is collectively referred to as the "Series 2002-1 Collateral." The Grant of the Series 2002-1 Collateral to the Collateral Agent is for the benefit

of the Trustee to secure the Series 2002-1 Notes equally and ratably without prejudice, priority or distinction among any Series 2002-1 Notes by reason of difference in time of issuance or otherwise, except as otherwise expressly provided in the Agreement or in this Supplement and to secure (i) the payment of all amounts due on the Series 2002-1 Notes in accordance with their respective terms, (ii) the payment of all other sums payable by the Issuer under the Series 2002-1 Documents or the Series 2002-1 Notes and (iii) compliance by the Issuer with the provisions of the Series 2002-1 Documents. This Supplement is a security agreement within the meaning of the UCC.

The Collateral Agent and the Trustee acknowledge the Grant of the Series 2002-1 Collateral, and the Collateral Agent accepts the Series 2002-1 Collateral in trust hereunder in accordance with the provisions hereof and agrees to perform the duties herein to the end that the interests of the Series 2002-1 Noteholders may be adequately and effectively protected.

The Trustee and the Collateral Agent are directed to enter into the Collateral Agency Agreement pursuant to which the Collateral Agent will act as agent for the benefit of the Trustee for the purpose of maintaining a security interest in the Series 2002-1 Collateral. The Trustee and Series 2002-1 Noteholders shall be bound by the terms of the Collateral Agency Agreement upon the Trustee's execution thereof on their behalf. The Series 2002-1 Collateral shall not secure the payment by or performance by the Issuer of any obligations related to any other Series.

ARTICLE I

DESIGNATION OF THE SERIES 2002-1 NOTES

Section 1.01. Designation.

(a) There is hereby created and designated a Series of Notes to be issued pursuant to the Agreement and this Supplement to be known as "SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC, Loan-Backed Variable Funding Notes, Series 2002-1," the "Series 2002-1 Notes" or the "Notes."

(b) The terms of the Series 2002-1 Notes shall be as set forth in this Supplement.

(c) In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Agreement, the terms and provisions of this Supplement shall be controlling.

ARTICLE II

DEFINITIONS

Section 2.01. Definitions.

Terms used herein, but not defined herein, shall have the meaning assigned to such terms in the Agreement or if not defined in the Agreement, the meaning assigned to such terms in the applicable Purchase Agreement or the applicable Series 2002-1 Purchase Supplement. Each capitalized term defined herein shall relate only to the Series 2002-1 Notes and no other Series issued by the Issuer. Whenever used in this Supplement, the following words and phrases shall have the following meanings, and the definitions of such terms are applicable to the singular as well as the plural forms of such terms and the masculine as well as the feminine and neuter genders of such terms.

"Accrual Period" means, with respect to the Series 2002-1 Notes for any Payment Date, the period beginning on and including the immediately preceding Payment Date and ending on and excluding the current Payment Date, except that the first Accrual Period will begin on and include the Closing Date and end on and exclude the September 2002 Payment Date.

"Acquired Portfolio Loan" means a loan (which shall be a loan, installment contract or other contractual obligation incurred to finance the acquisition of an interest in a vacation property or rights to use vacation properties or otherwise substantially similar to Loans) which a Seller has acquired either by purchase of a portfolio or by acquisition of an entity which owns the portfolio and new loans originated with respect to such entity, program or portfolio during the Transition Period; provided that, except for purposes of calculating the Transaction Period Excess Amount, the term Acquired Portfolio Loan shall not include loans acquired from Kona.

"Addition Cut-Off Date" means, with respect to Additional 2002-1 Pledged Loans, the cut-off date stated in the related Supplemental Grant.

"Addition Date" means, with respect to Additional 2002-1 Pledged Loans, the date designated in the related Supplemental Grant as the Addition Date.

"Additional 2002-1 Pledged Loans" means Loans (including Qualified Substitute Loans) pledged under this Supplement and a Supplemental Grant subsequent to the Closing Date.

"Advance Rate" means:

(a) for the November 2005 Payment Date or any other date occurring in November 2005, 81.71%; and

(b) for any date occurring on or after December 1, 2005, the percentage determined on the basis of weighted average seasoning of the Series 2002-1 Pledged Loans as of the end of the immediately preceding Due Period; for purposes of

determining the weighted average seasoning and the Advance Rate the following shall apply:

Seasoning	Wyndham Loans	Trendwest Loans
0-6 Months	80.00%	77.00%
7-9 Months	81.50%	78.50%
10-12 Months	82.75%	80.50%
13-15 Months	83.75%	81.75%
16-18 Months	85.50%	83.25%

(c) for purposes of determining the seasoning of a Loan, the number of months assigned to a Loan shall be the number of calendar months that have elapsed between the date of origination of the Loan to and including the last day of the Due Period immediately preceding the date of determination.

"Agreement" means the Master Indenture and Servicing Agreement dated as of August 29, 2002 and amended and restated as of July 7, 2006, among the Issuer, the Master Servicer, the Trustee and the Collateral Agent and as amended, supplemented and restated from time to time.

"Alternate Investor" has the meaning assigned to that term in the Note Purchase Agreement.

"Amortization Event" has the meaning specified in Section 9.01.

"Available Funds" for any Payment Date means (i) all payments (including prepayments) of principal, interest and fees collected from or on behalf of the Obligors during the related Due Period on the Series 2002-1 Pledged Loans; (ii) all Master Servicer Advances made on or prior to the Payment Date with respect to payments due from the Obligors on the Series 2002-1 Loans during the related Due Period; (iii) the Release Price paid to the Trustee for the release of any Series 2002-1 Pledged Loan and the related Series 2002-1 Pledged Assets; (iv) all Net Liquidation Proceeds from the disposition of a Series 2002-1 Defaulted Loan; (v) any Net Hedge Receipts; and (vi) any amount withdrawn from the Reserve Account under subsection 6.06(b) of this Supplement and deposited into the Collection Account to be included as Available Funds on or in respect of such Payment Date.

"Bank Base Rate" has the meaning assigned to that term in the Note Purchase Agreement.

"Borrowing Base" means, at any time, the product of

(i) the remainder of (A) the Series 2002-1 Adjusted Loan Balance at such time minus (B) the Excess Concentration Amount at such time multiplied by

(ii) the Advance Rate.

"Borrowing Base Shortfall" means, at any time, the amount, if any, by which the Notes Principal Amount exceeds the Borrowing Base then if effect.

"Business Day," for purposes of this Supplement, shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in New York, New York, Las Vegas, Nevada, Chicago, Illinois, Charlotte, North Carolina, or the city in which the Corporate Trust Office of the Trustee is located, are authorized or obligated by law or executive order to be closed or (iii) a day on which banks in London are closed.

"California Excess Amount" means, if on the last Business Day of any Due Period, Trendwest has not met the target for qualification of WorldMark Resorts with the California Department of Real Estate as set forth in subsection 7.01(d), then from such date until the target for qualification is satisfied, an amount by which (i) the sum of the Loan Balances for all Series 2002-1 Pledged Loans which are Trendwest California Loans exceeds (ii) five percent (5%) of the Series 2002-1 Adjusted Loan Balance.

"Cendant Guaranty" means that Performance Guaranty dated as of August 29, 2002 given by Cendant in favor of the Issuer, the Depositor and the Trustee.

"Change of Control" (i) prior to the Effective Date means that any of the Issuer, the Depositor, or any Seller of Series 2002-1 Pledged Loans ceases to be wholly owned, directly or indirectly, by Cendant and (ii) on and after the Effective Date means that any of the Issuer, the Depositor, or any Seller of Series 2002-1 Pledged Loans ceases to be wholly owned, directly or indirectly, by Wyndham Worldwide.

"Class" has the meaning assigned to that term in the Note Purchase Agreement.

"Class Agent" has the meaning assigned to that term in the Note Purchase Agreement.

"Class Facility Limit" with respect to each Class, has the meaning assigned to that term in the Note Purchase Agreement, as such limit is adjusted from time to time as provided in the Note Purchase Agreement.

"Closing Date" means August 30, 2002.

"Collection Account" means the account established pursuant to Section 6.05 of this Supplement.

"Collateral Agent" means U.S. Bank, National Association, a national banking association, as Collateral Agent, its successors and assigns and any entity which is substituted as Collateral Agent under the terms of the Collateral Agency Agreement.

"Conduit" has the meaning assigned to that term in the Note Purchase Agreement.

"Contract Rate" means, with respect to any Series 2002-1 Pledged Loan, the annual rate at which interest accrues on such Loan, as modified from time to time only in accordance with the terms of PAC or Credit Card Account (if applicable).

"Cut-Off Date" means (a) with respect to the Initial Series 2002-1 Pledged Loans, the Initial Cut-Off Date, (b) with respect to any Additional Series 2002-1 Pledged Loan including any Qualified Substitute Loan such date as is set forth in the Supplemental Grant.

"Deal Agent" means Bank of America, N.A. in its capacity as "Deal Agent" under the Note Purchase Agreement or any successor to or assignee thereof (to the extent such assignment is permitted under the Note Purchase Agreement).

"Defaulted Loan" means any Series 2002-1 Pledged Loan (a) with any portion of a Scheduled Payment delinquent more than 90 days, (b) with respect to which the Master Servicer shall have determined in good faith that the Obligor will not resume making Scheduled Payments, (c) for which the related Obligor shall have become the subject of a proceeding under a Debtor Relief Law or (d) for which cancellation or foreclosure actions have been commenced.

"Default Percentage" means for any Due Period a fraction (i) the numerator of which is the aggregate outstanding Loan Balance of all Series 2002-1 Pledged Loans which became Defaulted Loans during such Due Period and (ii) the denominator of which is the Series 2002-1 Aggregate Loan Balance as of the last day of such Due Period.

"Defective Loan" means (i) any Series 2002-1 Pledged Loan which is a Defective Loan as such term is defined in the Purchase Agreement under which such Series 2002-1 Pledged Loan was sold to the Depositor and (ii) any Series 2002-1 Pledged Loan which is a Missing Documentation Loan.

"Delayed Completion Green Loans" means Series 2002-1 Pledged Loans which are Green Loans and which have been Series 2002-1 Pledged Loans for 15 months or more and the Green Timeshare Property is still subject to completion.

"Delayed Completion Green Loans Excess Amount" means, at any time, the sum of the Loan Balances for all Series 2002-1 Pledged Loans which are Delayed Completion Green Loans.

"Delinquency Ratio" means for any Due Period, a fraction the numerator of which is the aggregate outstanding Loan Balance of all 2002-1 Pledged Loans which are Delinquent Loans at the end of such Due Period and the denominator of which is the Series 2002-1 Aggregate Loan Balance as of the last day of such Due Period.

"Delinquent Loan" means a Series 2002-1 Pledged Loan with any Scheduled Payment or portion of a Scheduled Payment delinquent more than 30 days other than a Loan that is a Defaulted Loan.

"Determination Date" means with respect to any Payment Date, the second Business Day prior to such Payment Date.

"Documents in Transit Loan" means any Series 2002-1 Pledged Loan with respect to which the original Loan and/or the related Loan File or any part thereof is not in the possession of the Custodian because either (i) the Mortgage and related documentation has been sent out for checking and recording or (ii) the documentation has not been delivered by the Seller to the Custodian.

"Documents in Transit Excess Amount" means, at any time, the amount by which (i) the sum of the Loan Balances for all Series 2002-1 Pledged Loans which are Documents in Transit Loans exceeds (ii) 7% of the Series 2002-1 Adjusted Loan Balance.

"Due Date" has, with respect to any Series 2002-1 Pledged Loan, the meaning assigned to the term in the applicable Purchase Agreement.

"Due Period" means for any Payment Date, the immediately preceding calendar month.

"Effective Date" means the date on which Wyndham Worldwide and its subsidiaries cease to be subsidiaries of Cendant.

"Eligible Account" means either (a) a segregated account (including a securities account) with an Eligible Institution or (b) a segregated trust account with the corporate trust department of a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any domestic branch of a foreign bank), having corporate trust powers and acting as trustee for funds deposited in such account, so long as any of the securities of such depository institution shall have a credit rating from each Rating Agency in one of its generic rating categories which signifies investment grade.

"Eligible Loan" has, with respect to any Series 2002-1 Loan, the meaning assigned to that term in the Series 2002-1 Purchase Supplement pursuant to which such Loan was transferred to the Depositor.

"Estimated Fees" means an amount to be stated by the Master Servicer each month in the Monthly Servicer Report and used to calculate the Reserve Required Amount which Estimated Fees amount shall be the Master Servicer's good faith estimate of the sum of the Monthly Trustee Fee for the immediately following three months, the Monthly Master Servicer Fee for the immediately following three months and the fees to become due under the Fee Letters for the immediately following three months.

"Event of Default" means one or more of the events described in Section 10.1 of this Supplement.

"Excess Concentration Amount" means, on any day, an amount equal to the sum of (i) the Non-US Excess Amount, (ii) the Green Loans Excess Amount, (iii) Delayed Completion Green Loans Excess Amount, (iv) the New Seller Excess Amount, (v) the Transition Period Excess Amount, (vi) the Large Loans Excess Amount, (vii) the State Concentration Excess Amount, (viii) the Documents in Transit Excess Amount, (ix) the Fixed Week Excess Amount and (x), if required under subsection 7.01(d), the California Excess Amount.

"Facility Limit" means $800,000,000 as such amount may be reduced from time to time in accordance with Section 4.08 hereof and the Note Purchase Agreement or increased in accordance with Section 4.09 hereof and the Note Purchase Agreement.

"Fee Letter" has the meaning assigned to such term in the Note Purchase Agreement.

"Fixed Week Excess Amount" means, at any time, the amount by which (i) the combined amount of the Loan Balances of all Acquired Portfolio Loans for which the related Timeshare Property consists of a Fixed Week and which as of such time is not subject to the FairShare Plus Program and has not been converted and is not convertible into a UDI, exceeds (ii) five percent (5%) of the Series 2002- Adjusted Loan Balance.

"Four Month Default Percentage" means (i) for the Payment Date occurring in December 2005, the Default Percentage for November 2005, (ii) for the Payment Date occurring in January 2006, the sum of the Default Percentage for November 2005 and for December 2005 divided by two, (iii) for the Payment Date occurring in February 2006, the sum of the Default Percentage for November 2005, for December 2005 and for January 2006 divided by three and (iv) for any Payment Date on or after the Payment Date in March 2006, the sum of the Default Percentages for each of the four immediately preceding Due Periods divided by four.

"Green Loan" means a Loan the proceeds of which are used to finance the purchase of a Timeshare Property for which construction on the related Resort has not yet begun or is subject to completion.

"Green Loans Excess Amount" means, at any time, an amount by which (i) the sum of the Loan Balances for all Series 2002-1 Pledged Loans which are Green Loans exceeds (ii) ten percent (10%) of the Series 2002-1 Adjusted Loan Balance of the Series 2002-1 Pledged Loans.

"Gross Excess Spread" means for any Payment Date the Series 2002-1 Interest Collections for the immediately preceding Due Period,minus the sum of (i) the aggregate amount of Notes Interest due on such Payment Date and (ii) the Monthly Master Servicer Fee due on such Payment Date.

"Gross Excess Spread Percentage" means for any Due Period the percentage equivalent of a fraction, the numerator of which is the product of 12 times the Gross Excess Spread for the related Payment Date and the denominator of which is the average daily Series 2002-1 Aggregate Loan Balance.

"Hedge Agreement" means the cap confirmation originally dated on or about the Closing Date between the Issuer and the counterparty as Hedge Provider and as such Hedge Agreement may be amended, modified, adjusted or replaced.

"Hedge Provider" means any entity which enters into a Hedge Agreement with the Issuer.

"Hospitality and Timeshare Segments" means the Hospitality Services Segment and the Timeshare Resorts Segment within Cendant Corporation, as such segments are constituted and reported in Cendant's filings with the Securities and Exchange Commission in the most recent filings prior to November 14, 2005.

"Initial Cut-Off Date" means the close of business on August 27, 2002.

"Initial Notes Principal Amount" means the principal amount of the Series 2002-1 Notes issued on the Closing Date, being in the aggregate $232,506,160.43 and, with respect to each Note, the initial principal amount of such Note at the time of its issuance.

"Initial Series 2002-1 Pledged Loans" means those Loans listed on the Series 2002-1 Loan Schedule delivered to the Collateral Agent as of the Closing Date.

"Issuer" means Sierra Timeshare Conduit Receivables Funding, LLC, a Delaware limited liability company formerly known as Cendant Timeshare Conduit Receivables Funding, LLC, and its successors and assigns.

"Joinder Agreement" has the meaning assigned to that term in the Note Purchase Agreement.

"Kona" means Kona Hawaiian Vacation Ownership, LLC, a Hawaii limited liability company, and its successors and assigns.

"Large Loans Excess Amount" means, at any time, the sum of (a) the combined amount of the Loan Balances of all Series 2002-1 Pledged Loans which have a Loan Balance at such time greater than $100,000 plus (b) the amount by which (i) the combined amount of the Loan Balances of all Series 2002-1 Pledged Loans which have a Loan Balance at such time of $75,000 or more (but not more than $100,000) exceeds (ii) five percent (5%) of the Series 2002-1 Adjusted Loan Balance.

"Liquidity Agreement" has the meaning assigned to such term in the Note Purchase Agreement.

"Liquidity Reduction Amortization Period" means the period beginning with the Payment Date occurring in the first calendar month following the occurrence of a Liquidity Reduction Date and continuing through the earlier of (i) the Payment Date on which the Liquidity Reduction Amount has been paid in full or (ii) the last Payment Date prior to the occurrence of an Amortization Event.

"Liquidity Reduction Amount" means, if a Liquidity Reduction Event has occurred with respect to a Conduit, the principal amount of Notes held by such Class as of the Payment Date immediately following the applicable Liquidity Reduction Date.

"Liquidity Reduction Date" means the date on which a Liquidity Reduction Event occurs.

"Liquidity Reduction Event" means the Liquidity Agreement of a Conduit or Alternate Investor shall be terminated for any reason (whether at the stated maturity or earlier) or shall otherwise cease to be in full force and effect.

"Liquidity Termination Date" has the meaning assigned to that term in the Note Purchase Agreement.

"Majority Facility Investors" has the meaning assigned to that term in the Note Purchase Agreement.

"Market Servicing Rate" means the rate calculated by the Trustee following a Servicer Default and which rate shall be calculated as follows: (1) the Trustee shall, within 10 Business Days after the occurrence of a Servicer Default, solicit bids from entities which are experienced in servicing loans similar to the Pledged Loans and shall request delivery of such bids to the Trustee within 30 days of the delivery of the notice to potential Successor Servicer, and such bids shall state a servicing fee as part of the bid and (2) upon the receipt of three arms length bids, the Trustee shall disregard the highest bid and the lowest bid and select the remaining middle bid, and the servicing fee rate bid by such bidder shall be the Market Servicing Rate.

"Master Servicer" means Wyndham Consumer Finance, Inc., a Delaware corporation, or any Successor Master Servicer appointed pursuant to Section 10.2 of the Agreement.

"Master Servicer Advance" means amounts, if any, advanced by the Master Servicer, at its option, pursuant to Section 11.01 to cover any shortfall between (i) the Scheduled Payments on the Series 2002-1 Pledged Loans for a Due Period, and (ii) the amounts actually deposited in the Collection Account on account of such Scheduled Payments on or prior to the Payment Date immediately following such Due Period.

"Maturity Date" means December 15, 2008.

"Missing Documentation Loan" means any Series 2002-1 Pledged Loan with respect to which (A) the original Loan and/or the related Loan File or any part thereof are not in the possession of the Custodian at the time of the sale of such Loan to the Depositor and (B) if the related Mortgage is not in the possession of the Custodian because it has been removed from the Loan File for review and recording in the local real property recording office, it has not been returned to the Loan File in the time frame required by the applicable Purchase Agreement, or if the documentation is not in the possession of the Custodian because it has not been delivered by the Seller to the Custodian, such documentation is not in the custody of the Custodian within 30 days after the date of the sale of such Loan to the Issuer.

"Monthly Interest" for each Note means the Notes Interest due and payable on any Payment Date.

"Monthly Principal" has the meaning specified in Section 6.02.

"Monthly Master Servicer Fee" means, in respect of any Due Period (or portion thereof), an amount equal to one-twelfth of the product of (a) 1.25% for Due Periods ending after June 30, 2003 and on or before October 31, 2005, and 1.10% for Due Periods ending after October 31, 2005 and (b) the Series 2002-1 Aggregate Loan Balance at the beginning of such Due Period (or portion thereof) or if a Successor Master Servicer has been appointed and accepted the appointment or if the Trustee is acting as Master Servicer, an amount equal to one-twelfth of the product of (x) the lesser of 3.5% and the Market Servicing Rate and (y) the Series 2002-1 Aggregate Loan Balance at the beginning of such Due Period.

"Monthly Trustee Fee" means, in respect of any Due Period, an amount equal to one-twelfth of 0.01% of the Notes Principal Amount as of the first day of such Due Period.

"Net Hedge Payment" means with respect to any Payment Date, the aggregate amount, if any, which the Issuer is obligated to pay as an additional premium to the Hedge Provider on such Payment Date as a result of an increase in the notional amount of the Hedge Agreement and/or any other change in the terms or adjustments of the Hedge Agreement which require payment of an increased or additional premium; the amount of any such Net Hedge Payment shall be calculated by the Master Servicer and provided in writing to the Trustee and the Deal Agent.

"Net Hedge Receipt" means with respect to any Payment Date, the aggregate amount, if any, paid on the Payment Date to the Trustee under the terms of the Hedge Agreement then in effect including payments for termination or sale of all or a portion of the Hedge Agreement.

"Net Liquidation Proceeds" means, with respect to any Defaulted Loan which is a Series 2002-1 Pledged Loan and which has not been released from the Lien of this Supplement, the proceeds of the sale, liquidation or other disposition of the Defaulted Loan and/or related Series 2002-1 Pledged Assets.

"New Seller" means an entity other than Wyndham or Trendwest which (a) is a subsidiary of the Parent Corporation, (b) performs its own loan origination and servicing, (c) has entered into a Purchase Agreement and Series 2002-1 Purchase Supplement as provided in Section 5.03 and, (d) with respect to any Loan Granted under this Supplement has complied with all conditions set forth in Section 5.03.

"New Seller Excess Amount" means, at any time, an amount equal to the sum of (a) the amount by which the sum of the Loan Balances for Series 2002-1 Pledged Loans that were sold to the Depositor by any one New Seller exceeds 10% of the Series 2002-1 Adjusted Loan Balance plus, without duplication and (b) the amount by which the sum of the Loan Balances for Series 2002-1 Pledged Loans that were sold to the Depositor by all New Sellers exceeds 15% of the Series 2002-1 Adjusted Loan Balance.

"New Seller Loans" means Loans sold by a New Seller to the Depositor under a Purchase Agreement.

"Non-US Excess Amount" means, at any time, the amount by which (i) the sum of the Loan Balances for all Series 2002-1 Loans with Obligors with billing addresses not located in the United States of America exceeds (ii) five percent (5%) of the Series 2002-1 Adjusted Loan Balance.

"Noteholder's Letter" shall mean a letter substantially in the form of Exhibit G.

"Note Purchase Agreement" means the Note Purchase Agreement dated as of August 29, 2002 and amended and restated as of July 7, 2006 which relates to the sale of the Series 2002-1 Notes by the Issuer and which is by and among the Issuer, the Depositor, the Master Servicer, the Performance Guarantor, the Deal Agent, the Conduits, the Alternate

Investors and the Class Agents (each such term not defined herein has the meaning set forth in the Note Purchase Agreement) as amended, restated, supplemented or otherwise modified.

"Notes" means the Series 2002-1 Notes and "Note" means any one of the Series 2002-1 Notes.

"Notes Increase" means a draw on the Series 2002-1 Notes resulting in an increase in the Notes Principal Amount outstanding.

"Notes Increase Date" means with respect to a Notes Increase, the Business Day on which the Notes Increase occurs pursuant to Section 4.07 of this Supplement.

"Notes Interest" means for any Payment Date and for each Note outstanding during the related Accrual Period, an amount equal to the Carrying Costs of the related Class due on such Payment Date as such amount is reported to the Trustee by the Deal Agent or the Master Servicer; plus the Unused Fees and Program Fees due on such Payment Date under the terms of the related Fee Letter as such amounts are reported to the Trustee by the Deal Agent or the Master Servicer.

"Notes Principal Amount" means as of the close of business on any date, with respect to any Note, the Initial Notes Principal Amount of that Note, less the aggregate amount of principal payments made on that Note on or prior to such date plus the sum of all increases in that Note occurring pursuant to Section 4.07 on or prior to such date; provided that any principal payments required to be returned to the Issuer in connection with any Insolvency Proceeding shall be reinstated to the Notes Principal Amount.

"Noteholder" or "Holder" means the Person in whose name a Series 2002-1 Note is registered in the Note Register.

"Notice of Increase" means the notice presented by the Issuer to the Deal Agent, Master Servicer and Trustee to request a Notes Increase.

"NPA Costs" means at any time, the Breakage and Other Costs as defined in the Note Purchase Agreement.

"Original Principal Balance" means with respect to any Loan, the original principal balance of such Loan.

"Overdue Interest" means, as of any Payment Date, the amount, if any, by which Monthly Interest in respect of all prior Payment Dates exceeds the amount paid to Noteholders on such prior Payment Dates, together with interest thereon for each Accrual Period at the rate of the Bank Base Rate plus 2%.

"Parent Corporation" (i) prior to the Effective Date, means Cendant and (ii) on and after the Effective Date, means Wyndham Worldwide.

"Payment Date" means the 13th day of each calendar month, or, if such 13th day is not a Business Day, the next succeeding Business Day.

"Performance Guaranty" (i) prior to the Effective Date means the Cendant Guaranty and (ii) on and after the Effective Date means the Wyndham Worldwide Guaranty.

"Permitted Encumbrance" with respect to any Series 2002-1 Pledged Loan has the meaning assigned to that term under the Purchase Agreement pursuant to which such Loan is sold to the Depositor.

"Potential Amortization Event" means an event which, but for the lapse of time or the giving of notice or both, would constitute an Amortization Event.

"Potential Event of Default" means an event which, but for the lapse of time or the giving of notice or both, would constitute an Event of Default.

"Potential Servicer Default" means an event which, but for the lapse of time or the giving of notice or both, would constitute a Servicer Default.

"Principal Distribution Amount" means for any Payment Date an amount equal to the Borrowing Base Shortfall as of the last day of the preceding Due Period less the amount by which the Borrowing Base is increased on such Payment Date.

"Priority of Payments" means the application of Available Funds in accordance with Section 6.01.

"Program Fees" means with respect to any Class, the program fees described in the Fee Letter for that Class.

"Purchase Agreement" means a Master Loan Purchase Agreement between a Seller and the Depositor pursuant to which the Seller sells Loans to the Depositor.

"Purchasers" has the meaning assigned to that term in the Note Purchase Agreement.

"Qualified Hedge Provider" means an entity which provides a Hedge Agreement and which provider has a long term unsecured debt rating of at least A from each of Moody's and S&P and a short-term unsecured debt rating of at least A-1 from S&P and P-1 from Moody's.

"Qualified Substitute Loan" means a substitute Series 2002-1 Pledged Loan that is an Eligible Loan on the applicable date of substitution and that on such date of substitution has a coupon rate not less than the coupon rate of the substituted Pledged Loan.

"Rating Agency" means each of Fitch, S&P or Moody's as appropriate and their respective successors in interest.

"Rating Agency Condition" means with respect to any action taken or to be taken, that each Rating Agency then maintaining a rating on the Series 2002-1 Notes shall have notified the Issuer and the Trustee in writing that such action will not result in a reduction, downgrade, suspension or withdrawal of the rating then assigned by such Rating Agency to the Series 2002-1

Notes, and, if no Rating Agency is then maintaining a rating on the Series 2002-1 Notes, shall, with respect to Series 2002-1, mean the written consent of the Deal Agent.

"Record Date" means as to any Payment Date the last day of the preceding Due Period.

"Release Date" means the date on which Series 2002-1 Pledged Loans are released from the Lien of this Supplement.

"Release Price" means an amount equal to the outstanding Loan Balance of the Series 2002-1 Pledged Loan as of the close of business on the Due Date immediately preceding the Payment Date on which the release is to be made, plus accrued and unpaid interest thereon to the date of such release.

"Released Series 2002-1 Pledged Loan" means any Loan which was included as a Series 2002-1 Pledged Loan, but which has been released from the Lien of this Supplement pursuant to the terms hereof.

"Reported EBITDA" *prior to the Effective Date* means, without duplication, for any period for which such amount is being determined (i) the combined net income of the Hospitality and Timeshare Segments (which shall for purposes of this calculation be determined in the same manner and including the sources of income as those included therein as of November 14, 2005 without regard to changes in reporting practices after such date and, specifically shall include, without limitation Resort Condominiums International, LLC and Vacation Rental Group) plus provision for taxes based on income, depreciation expense, interest expense, amortization expense, other non-cash items reducing net income (and increasing EBITDA) minus (ii) any cash expenditure during such period to the extent such cash expenditures did not reduce net income for such period and were applied against reserves that constituted non-cash items which reduced net income during prior periods all as determined on a combined basis for the Hospitality and Timeshare Segments, in each case in a manner consistent with such number as reported in Cendant's consolidated financial statements filed by Cendant with the Securities and Exchange Commission under Form 10-K for the most recent fiscal year preceding such 10-K filing, and under Form 10-Q for the period from the beginning of the most recent fiscal year through the end of the fiscal quarter preceding such 10-Q filing.

"Reported EBITDA" *on and after the Effective Date* means, without duplication, for any period for which such amount is being determined (i) the net income of Wyndham Worldwide plus provision for taxes based on income, depreciation expense, interest expense, amortization expense, other non-cash items reducing net income (and increasing EBITDA) minus (ii) any cash expenditure during such period to the extent such cash expenditures did not reduce net income for such period and were applied against reserves that constituted non-cash items which reduced net income during prior periods, calculated in each case in a manner consistent with such number as reported in the pro forma combined financial statements of the Wyndham Worldwide businesses of Cendant Corporation for the year ended December 31, 2005 included in the Form 10 registration statement filed by Wyndham Worldwide with the Securities and Exchange Commission or for the year ending December 31, 2006 and subsequent years as reported by Wyndham Worldwide in its combined financial statements filed by Wyndham

Worldwide under Form 10-K for the most recent fiscal year preceding such 10-K filing, and in each year as filed under Form 10-Q for the period from the beginning of the most recent fiscal year through the end of the fiscal quarter preceding such 10-Q filing.

"Required Cap Rate" means, for any Accrual Period the Weighted Average Series 2002-1 Loans Rate less 7.50%.

"Required Class Agents" has the meaning assigned to that term in the Note Purchase Agreement.

"Reserve Account" means the account established pursuant to Section 6.06 of this Supplement.

"Reserve Account Excess" has the meaning specified in Section 6.06 of this Supplement.

"Reserve Required Amount" as of the Closing Date means $8,403,837.12 and (i) thereafter so long as no Amortization Event has occurred, means as of each Payment Date an amount equal to the greater of (x) 2.0% of the Series 2002-1 Aggregate Loan Balance as of the end of the prior Due Period or (y) the Estimated Fees, plus, in either case $150,000 related to any indemnification of the Trustee pursuant to Section 11.5 of the Agreement and (ii) from and after the first Payment Date following an Amortization Event, the Reserve Required Amount shall be $0.

"Seller of Series 2002-1 Loans" means a Seller which has sold a Loan to the Depositor and such Loan is a Series 2002-1 Pledged Loan.

"Series 2002-1 Account" means either of the Collection Account or the Reserve Account and "Series 2002-1 Accounts" mean both of such accounts.

"Series 2002-1 Adjusted Loan Balance" means the Series 2002-1 Aggregate Loan Balance minus the sum of (i) the Loan Balances of any Series 2002-1 Pledged Loans which are Defaulted Loans, (ii) the Loan Balances of any Series 2002-1 Pledged Loans which are Delinquent Loans on the last day of the immediately preceding Due Period and (iii) the Loan Balances of any Series 2002-1 Pledged Loans which are Defective Loans.

"Series 2002-1 Aggregate Loan Balance" means, as of any time, the sum of the Loan Balances for the Series 2002-1 Pledged Loans.

"Series 2002-1 Collateral" has the meaning specified in the Granting Clause of this Supplement.

"Series 2002-1 Collections" means Collections, as defined in the Agreement, with respect to all Series 2002-1 Pledged Loans.

"Series 2002-1 Documents" means the Series 2002-1 Notes, this Supplement, the Note Purchase Agreement and the Fee Letters.

"Series 2002-1 Interest Collections" means Collections on the Series 2002-1 Pledged Loans which are allocable to interest on such Loans in accordance with the terms thereof.

"Series 2002-1 Loan Pool" means all Loans identified in the Series 2002-1 Loan Schedule.

"Series 2002-1 Loan Schedule" means a Loan Schedule, as defined in the Agreement, containing information about the Series 2002-1 Pledged Loans, which Loan Schedule is as delivered by the Issuer to the Collateral Agent as of the Closing Date and as amended each month by delivery of an amendment describing the Series 2002-1 Pledged Loans added and released.

"Series 2002-1 Notes" has the meaning specified in Section 1.01 of this Supplement.

"Series 2002-1 Pledged Assets" with respect to each Series 2002-1 Pledged Loan, means the related "Pool Assets" as defined in the Pool Purchase Agreement.

"Series 2002-1 Pledged Loans" means the Initial Series 2002-1 Pledged Loans and any Additional 2002-1 Pledged Loans, but excluding any Released Series 2002-1 Pledged Loans.

"Series 2002-1 Pool Purchase Supplement" means the Series 2002-1 Supplement to the Pool Purchase Agreement which supplement is dated as of August 29, 2002 and is by and between the Depositor and the Issuer and provides for the transfer of the Series 2002-1 Pledged Loans from the Depositor to the Issuer.

"Series 2002-1 Purchase Supplements" means each supplement to a Purchase Agreement pursuant to which Series 2002-1 Pledged Loans are transferred from the respective Seller to the Depositor.

"Settlement Statement" means the information furnished by the Master Servicer to the Trustee for distribution to the Noteholders pursuant to Section 8.01 of this Supplement.

"State" means any one of the 50 states of the United States plus the District of Columbia.

"State Concentration Excess Amount" means at any time the sum of (i) with respect to each State other than California, the Loan Balances of all Series 2002-1 Pledged Loans of Obligors with mailing addresses located in such State which exceed twenty percent (20%) of the Series 2002-1 Adjusted Loan Balance plus (ii) with respect to California, the Loan Balances of all Series 2002-1 Pledged Loans of Obligors with mailing addresses located in California which exceed thirty percent (30%) of the Series 2002-1 Adjusted Loan Balance.

"Substitution Adjustment Amount" has the meaning specified in the Series 2002-1 Pool Purchase Supplement.

"Supplement" means this Series 2002-1 Supplement as amended from time to time.

"Supplemental Grant" means, with respect to any Additional 2002-1 Pledged Loans Granted as provided in Section 3.5 of the Agreement, a Supplemental Grant substantially in the form of Exhibit A hereto which shall be accompanied by an amendment which amends the Series 2002-1 Loan Schedule listing such Loans and which shall be deemed to be incorporated into and made a part of this Supplement.

"Three Month Rolling Average Delinquency Ratio" means (i) for the Payment Date occurring in December 2005, the Delinquency Ratio for November 2005, (ii) for the Payment Date occurring in January 2006, the sum of the Delinquency Ratio for November 2005 and for December 2005 divided by two and (iii) for any Payment Date on or after the Payment Date in February 2006, the sum of the Delinquency Ratio for each of the three immediately preceding Due Periods divided by three.

"Transition Period" means the period from the date a Seller acquires an organization, facility or program from an unrelated entity to the date on which the Seller has fully converted the servicing of Loans related to such organization, facility or program to the Master Servicer's Credit Standards and Collection Policies.

"Transition Period Excess Amount" means, at any time, the amount by which the sum of the Loan Balances for all Series 2002-1 Loans which are Acquired Portfolio Loans (including, for such purposes, Loans acquired from Kona) and for which the Transition Period has extended beyond 120 days and the Transition Period has not been completed exceeds ten percent (10%) of the Series 2002-1 Adjusted Loan Balance.

"Trendwest California Loan" means a Series 2002-1 Pledged Loan which was originated by Trendwest and relates to Vacation Credits sold in California.

"Trendwest Loans" means Series 2002-1 Pledged Loans which were sold to the Depositor under the terms of the Master Loan Purchase Agreement dated as of August 29, 2002 and amended and restated as of July 7, 2006 between Trendwest and the Depositor and the Series 2002-1 Purchase Supplement thereto and transferred to the Issuer under the terms of the Pool Purchase Agreement.

"Trendwest Supplemental Agreement" means that Supplemental Agreement dated as of January 16, 2004 among Trendwest, the Depositor and the Issuer, which agreement has been assigned by the Issuer to the Trustee under this Supplement and which Trendwest Supplemental Agreement is included as part of the Series 2002-1 Collateral.

"Trendwest Timeshare Upgrade" shall mean a Loan which was sold to the Depositor by Trendwest and with respect to which the Obligor purchases a Timeshare Upgrade.

"Trustee" means U.S. Bank, National Association, or its successor in interest, or any successor trustee appointed as provided in the Agreement.

"Unused Fees" means with respect to any Class, the unused fee described in the Fee Letter for that Class.

"Weighted Average Series 2002-1 Loans Rate" means as of the last day of any Due Period, the weighted average of the Contract Rates for all Series 2002-1 Pledged Loans as of such date.

"WorldMark" means WorldMark, The Club, a California non-profit mutual benefit corporation, and its successors in interest.

"Wyndham Worldwide Guaranty" means that Performance Guaranty dated as of July 7, 2006 given by Wyndham Worldwide in favor of the Issuer, the Depositor and the Trustee.

"Wyndham Loans" means Series 2002-1 Pledged Loans sold to the Depositor by Wyndham.

Section 2.02. Other Definitional Provisions.

(a) All terms defined in this Supplement shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in Section 2.01 or in the Agreement and accounting terms partly defined in Section 2.01 or in the Agreement, to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained herein shall control.

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Supplement shall refer to this Supplement as a whole and not to any particular provision of this Supplement; and Article, Section, subsection, Schedule and Exhibit references contained in this Supplement are references to Articles, Sections, subsections, Schedules and Exhibits in or to this Supplement unless otherwise specified.

ARTICLE III

SERVICING COMPENSATION

Section 3.01. Servicing Compensation. As compensation for its servicing activities with respect to the Series 2002-1 Pledged Loans, the Master Servicer shall be entitled to receive the Monthly Master Servicer Fee which shall be paid to the Master Servicer pursuant to Section 6.01 of this Supplement.

ARTICLE IV

THE SERIES 2002-1 NOTES

Section 4.01. Forms Generally. The Series 2002-1 Notes and the Trustee's or Authentication Agent's certificate of authentication thereon (the "Certificate of Authentication") shall be in substantially the forms set forth as Exhibit B to this Supplement, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Agreement and this Supplement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may, consistently herewith, be determined by the Authorized Officers of the Issuer executing such Series 2002-1 Notes as evidenced by their execution of such Series 2002-1 Notes. Any portion of the text of any Note may be set forth on the reverse or subsequent pages thereof, with an appropriate reference thereto on the face of the Series 2002-1 Note.

Each Note shall have a grid attached to it on which there shall be recorded the initial Notes Principal Amount, each Notes Increase for that Note and all principal payments made on that Note; provided, that such amounts may instead be recorded in the Purchaser's or Class Agent's records and the failure to make such recordings shall not affect the obligations of the Issuer hereunder or under such Note.

One Note shall be issued for each Class and be registered in the name of the Class Agent for that Class as set forth in Exhibit C to this Supplement.

Section 4.02. Authorized Amount; Conditions to Initial Issuance. (a) The Initial Notes Principal Amount as of August 30, 2002 was $232,506,160.43. The Notes Principal Amount may be increased from time to time as provided in Section 4.07 of this Supplement; provided, however, that the aggregate Notes Principal Amount shall at no time exceed the then effective Facility Limit and the Notes Principal Amount of the Note held by any single Class shall not exceed the then effective Class Facility Limit for such Class.

(b) The following shall be conditions to the issuance of the Series 2002-1 Notes:

(i) There shall have been delivered to the Trustee a Performance Guaranty under which the Performance Guarantor will guarantee to the Depositor, the Issuer, the Trustee and the Collateral Agent on behalf of all holders of Notes issued under the Agreement, the full and punctual payment and performance of all covenants, agreements, terms, conditions and other obligations to be performed and observed by each of Wyndham, as Seller and Master Servicer and Trendwest under and pursuant to the Agreement and this Series Supplement and all amounts related to the enforcement of the Performance Guaranty;

(ii) The Issuer shall enter into and Grant to the Trustee the Hedge Agreement with terms described in Section 6.07;

(iii) The premium due for the Hedge Agreement as of the Closing Date shall have been paid as of the Closing Date;

(iv) On or immediately prior to the Closing Date the Custodian has possession of each original Series 2002-1 Pledged Loan and the related Loan File and has acknowledged to the Trustee and the Deal Agent such receipt and its undertaking to hold

each such original Series 2002-1 Pledged Loan and the related Loan File for purposes of perfection of the Collateral Agent's interests in such original Series 2002-1 Pledged Loans and the related Loan File; provided that the fact that any document not required to be in its respective Loan File pursuant to the applicable Purchase Agreement is not in the possession of the Custodian in its respective Loan File does not constitute a failure to satisfy this condition;

(v) The Issuer shall have delivered the Series 2002-1 Loan Schedule to the Collateral Agent and each of the Initial Series 2002-1 Pledged Loans listed on such Loan Schedule shall be Loans sold by a Seller to the Depositor under a Purchase Agreement and Series 2002-1 Purchase Supplement;

(vi) On the Closing Date, the Initial Notes Principal Balance shall not exceed the Borrowing Base which shall for this purpose be calculated by the Master Servicer as of the Initial Cut-Off Date; and

(vii) Any additional conditions set forth in Section 3.3 of the Note Purchase Agreement shall have been satisfied.

Section 4.03. Principal, Interest and NPA Costs. (a) Principal. The Notes shall have a Maturity Date of December 15, 2008.

Each Note shall be subject to prepayment in whole or in part as required or permitted by the terms of this Supplement.

(b) Interest. Interest on each Note shall be due and payable on each Payment Date in the amount of the Notes Interest calculated for that Note for that Payment Date. On the Determination Date prior to each Payment Date, the Deal Agent shall provide written notice to the Issuer, the Master Servicer and the Trustee of the aggregate amount of Notes Interest to be paid on such Payment Date on all Notes and the components used in calculating the Notes Interest including the amount of Carrying Costs, Program Fees and Unused Fees for each Class for such Payment Date.

(c) NPA Costs. NPA Costs shall be due and payable to each Class Agent on each Payment Date. On the Determination Date prior to each Payment Date, the Deal Agent shall provide written notice to Issuer, the Master Servicer and the Trustee of the aggregate amount of NPA Costs due on such Payment Date and the amount due to each Class.

Section 4.04. Nonrecourse to the Issuer. The Series 2002-1 Notes are limited obligations of the Issuer payable only from and to the extent of the Series 2002-1 Collateral. The Holders of the Notes shall have recourse to the Issuer only to the extent of the Series 2002-1 Collateral, and to the extent such Series 2002-1 Collateral is not sufficient to pay the Series 2002-1 Notes and the Notes Interest thereon in full and all other obligations of the Issuer under this Series 2002-1 Supplement and the other Series 2002-1 Documents, the Holders of the Series 2002-1 Notes and holders of other obligations payable from the Series 2002-1 Collateral shall have no rights in any other assets which the Issuer may have including, but not limited to any assets of the Issuer which may be Granted to secure other obligations. To the extent any Noteholder is deemed to have any interest in any assets of the Issuer which assets have been

Granted to secure other obligations such Noteholder agrees that its interest in those assets is subordinated to claims or rights of such other debtholders with respect to those assets. Further such Noteholders agree that such agreement constitutes a subordination agreement for purposes of Section 510(a) of the Bankruptcy Code.

Section 4.05. Dating of the Notes. The Series 2002-1 Notes shall be executed and authenticated as provided in the Agreement.

Each Series 2002-1 Note authenticated and delivered by the Trustee or the Authentication Agent to or upon Issuer Order on the Closing Date shall be dated as of the Closing Date. All other Series 2002-1 Notes that are authenticated after the Closing Date for any other purpose under this Agreement shall be dated the date of their authentication.

Notes issued upon transfer, exchange or replacement of other Series 2002-1 Notes shall represent the outstanding principal amount of the Notes so transferred, exchanged or replaced. If any Series 2002-1 Note is divided into more than one Series 2002-1 Note in accordance with this Article IV the aggregate principal amount of the Series 2002-1 Notes delivered in exchange shall, in the aggregate be equal to the principal amount of the divided Series 2002-1 Note.

Section 4.06. Payments on the Series 2002-1 Notes; Payment of NPA Costs.

(a) The Notes Interest calculated for each Payment Date will be due and payable on that Payment Date.

(b) To the extent of Available Funds distributed as provided in provision SIXTH of Section 6.01, principal of the Series 2002-1 Notes will be subject to mandatory prepayment on each Payment Date in the amount of the Monthly Principal. Series 2002-1 Notes will also be subject to prepayment on the date designated under the terms of Section 4.10. All payments of principal on the Notes shall be made pro rata based on the outstanding principal amount of the Notes, except with respect to any Notes which are subject to a Liquidity Reduction Amortization Period. All outstanding principal of the Notes (unless sooner paid) will be due and payable on the Maturity Date.

(c) As a condition to the payment of principal of and interest on any Series 2002-1 Note without the imposition of U. S. withholding tax, the Issuer shall require certification acceptable to the Trustee to enable the Issuer, the Trustee or any Paying Agent to determine their duties and liabilities with respect to any taxes or other charges that they may be required to deduct or withhold from payments in respect of such Note under any present or future law or regulation of the United States or any present or future law or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirement under any such law or regulation.

(d) Payments in respect of interest on and principal of and any other amount payable on or in respect of any Notes including NPA Costs shall be made on each Payment Date (i) by wire transfer in immediately available funds sent by the Trustee on or prior to 11:00 a.m. New York City time on the Payment Date with respect to any Note to a United States dollar account specified for such Note in the Note Register and in accordance with wire transfer

instructions received by the Trustee on or before the Record Date applicable to such Payment Date or, with respect to the first Payment Date, specified on the Closing Date or, (ii) if no wire transfer instructions are received by a Paying Agent, by a U. S. dollar check drawn on a United States bank and delivered by first-class mail, postage prepaid to each Holder at the address shown in the Note Register.

Section 4.07. Increases in Notes Principal Amount. The Noteholders agree, by acceptance of the Notes that the Issuer may from time to time by irrevocable written notice substantially in the form attached to the Note Purchase Agreement given to the Deal Agent, the Trustee and the Master Servicer and subject to the terms and conditions of this Section 4.07, request that the Series 2002-1 Noteholders fund an increase in the outstanding principal balance of the Series 2002-1 Notes in the aggregate amount specified in the notice and on the date specified in the notice. If the terms and conditions to the Note Increase set forth in this Section 4.07 and in the Note Purchase Agreement are satisfied or waived, then the Noteholders shall fund an increase by payment, in same day funds, to the Issuer of the amount of such increase in accordance with the payment instructions specified in the Notice of Increase. In addition to conditions set forth in the Note Purchase Agreement, the following shall be conditions to each Note Increase:

(a) The Issuer and the Master Servicer shall have complied in all material respects with all of their respective covenants and agreements contained in the Agreement, this Supplement and the Note Purchase Agreement.

(b) No Amortization Event, Event of Default, Potential Amortization Event or Potential Event of Default shall have occurred and be continuing.

(c) At least two (2) Business Days preceding the proposed Note Increase Date, the Issuer shall have delivered to the Deal Agent, the Master Servicer and the Trustee an electronic copy of a "Notice of Increase" in substantially the form of Exhibit D to the Note Purchase Agreement.

(d) After giving effect to the funding on such proposed Note Increase Date, the Notes Principal Amount will not exceed the Borrowing Base.

(e) After giving effect to the funding on such proposed Note Increase Date, the Notes Principal Amount will not exceed the Facility Limit and with respect to each Note, the outstanding principal amount of that Note shall not exceed the Class Facility Limit for the related Class.

(f) After giving effect to the funding on such proposed Note Increase Date and the deposit of Available Funds, the amount in the Reserve Account will be equal to the Reserve Required Amount.

(g) The Hedge Agreement shall have been adjusted, if required, so that the notional amount is equal to 90% of the Notes Principal Amount after giving effect to such Notes Increase and the amortization schedule on the Hedge Agreement has been adjusted in accordance with a schedule prepared by the Master Servicer and by the Deal Agent.

Section 4.08. Reduction of the Facility Limit. In accordance with the Note Purchase Agreement, the Issuer may, upon at least five Business Days' written notice to the Deal Agent reduce, in part, the Facility Limit to (but not below) the Notes Principal Amount. Any such reduction in the Facility Limit shall be made pro rata to each of the Classes and in the aggregate for a reduction of not less than $20 million and in increments of $1 million in excess thereof.

Section 4.09. Increase of the Facility Limit. (a) So long as no Amortization Event shall have occurred and be continuing, the Issuer may, on any Business Day, by written notice to the Deal Agent request an increase in the Facility Limit. The written notice to the Deal Agent shall specify:

(i) the amount of the requested increase in the Facility Limit; and

(ii) the date on which such increase is proposed to occur.

(b) Any increase in the Facility Limit shall occur only if approved by each of the Conduits and Alternate Investors as provided in the Note Purchase Agreement and shall be evidenced by a notice from the Issuer and the Deal Agent delivered to the Trustee which shall state the increased Facility Limit and the date on which such increase shall be effective.

Section 4.10. Repayment Obligation. (a) The Issuer may prepay the Notes on any day, in whole or in part, on ten (10) days' prior written notice to the Deal Agent (or such lesser notice period as shall be acceptable to the Deal Agent) (such notice, a "Prepayment Notice"), provided that (i) the aggregate principal amount prepaid is at least $10,000,000 (unless a lesser amount is agreed to by the Deal Agent) and (ii) the Issuer pays to the Trustee, for distribution to the Noteholders, on the date of prepayment, principal plus interest accrued and to accrue on the principal amount of Notes prepaid through any then applicable Funding Period.

(b) The applicable Prepayment Notice shall state (i) the principal amount of the Notes to be paid and (ii) the principal amount of the Series 2002-1 Pledged Loans to be released under Section 7.04 at the time of the prepayment of the Notes, not to exceed the amount by which the Borrowing Base exceeds the Note Principal Amount calculated immediately after the prepayment of the Notes. Reference is made to Sections 6.05 and 7.04 for the conditions to and procedure for the release of the Series 2002-1 Pledged Loans and the related Series 2002-1 Pledged Assets in connection with any such prepayment.

(c) Upon prepayment of the Notes in accordance with subsection (a), the Issuer shall terminate the existing Hedge Agreement and, if any Series 2002-1 Notes remain outstanding, replace it with a new Hedge Agreement in a notional amount equal to 90% of the Series 2002-1 Notes Principal Amount after the prepayment of the Notes. Any amounts received by the Issuer upon the termination, to the extent not used to acquire a new Hedge Agreement, shall be deposited into the Collection Account. Such new Hedge Agreement shall have all of the terms described in Section 6.07.

Section 4.11. Transfer Restrictions.

(a) The Series 2002-1 Notes have not been registered under the Securities Act or any state securities law. Neither the Issuer nor the Trustee nor any other Person is obligated to register the Series 2002-1 Notes under the Securities Act or any other securities or "Blue Sky" laws or to take any other action not otherwise required under the Agreement or this Supplement to permit the transfer of the Series 2002-1 Notes without registration.

(b) No transfer of the Series 2002-1 Notes or any interest therein (including without limitation by pledge or hypothecation) shall be made except in compliance with the restrictions on transfer set forth in this Section 4.11 (including the applicable legend to be set forth on the face of the Series 2002-1 Notes as provided in Exhibit B), in a transaction exempt from the registration requirements of the Securities Act and applicable state securities or "Blue Sky" laws (i) to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning thereof in Rule 144A (a "QIB") and (B) that is aware that the resale or other transfer is being made in reliance on Rule 144A.

In addition, no transfer of the Series 2002-1 Notes or any interest therein (including without limitation by pledge or hypothecation) may be made in any manner that would result in the outstanding securities (other than short-term paper) being beneficially owned by more than 100 persons. For the purpose of monitoring compliance with the foregoing restrictions and determining whether after such transfer or resale the outstanding securities (other than short-term paper) of the Issuer would be beneficially owned by more than 100 persons calculated in accordance with Section 3(c)(1) of the Investment Company Act, the following provisions shall apply:

(1) As stated in Section 4.01, one Note and only one Note shall be issued for each Class and such Note shall be registered in the name of the Class Agent for that Class.

(2) No more than nine Notes, each of which shall be issued to a single Class, shall be issued and outstanding at any time.

(3) With respect to each Class and the Note issued for that Class, the Class Agent shall deliver to the Issuer and the Trustee a Noteholder's Letter in the form attached hereto as Exhibit G together with the supporting certificates from each member of the Class, also as included in Exhibit G.

(4) No Note or any interest therein may be transferred (including without limitation by pledge or hypothecation) unless the entire Note is transferred to a Class and as a condition to the transfer of the Note to such Class the Class Agent for the transferee Class delivers a Noteholder's Letter to the Issuer and the Trustee; provided, however, that such provision shall not restrict the ability of any Conduit (as defined in the Note Purchase Agreement), under the terms of its Liquidity Agreement or the Note Purchase Agreement, to sell or grant to one or more Liquidity Providers party to the Liquidity Agreement or one or more Alternate Investors party to the Note Purchase Agreement, participating interests or security interests in the Series 2002-1 Notes provided that each Liquidity Provider or Alternate Investor is a member of the Class of which the Conduit is a member and has been included as a member covered in a Noteholders Letter delivered to the Trustee and Issuer.

(5) Each Class, as evidenced by the Noteholder's Letter, shall include not more than four persons within the meaning of Section 3(c)(1) of the Investment Company Act unless the Issuer delivers an express written consent to a larger number of persons.

(6) The Issuer may from time to time request that, with respect to any Class or to all Classes, the respective Class Agent or Class Agents deliver to the Issuer either a new Noteholders Letter or a written statement that the information in the Noteholder's Letter most recently delivered to the Issuer has not changed.

(c) Each Holder of a Series 2002-1 Note, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and, in the case of any transferee of a Purchaser, such Purchaser as follows:

(i) It understands that the Series 2002-1 Notes may be offered and may be resold by a Noteholder of a Series 2002-1 Note only to QIBs pursuant to Rule 144A.

(ii) It understands that the Series 2002-1 Notes have not been and will not be registered under the Securities Act or any state or other applicable securities law and that the Series 2002-1 Notes, or any interest or participation therein, may not be offered, sold, pledged or otherwise transferred unless registered pursuant to, or exempt from registration under, the Securities Act and any other applicable securities law.

(iii) It acknowledges that none of the Issuer or any Purchaser or any person representing the Issuer or a Purchaser has made any representation to it with respect to the Issuer or the offering or sale of any Series 2002-1 Notes. It has had access to such financial and other information concerning the Issuer, the Series 2002-1 Notes and the source of payment for the Series 2002-1 Notes as it has deemed necessary in connection with its decision to purchase the Series 2002-1 Notes.

(iv) It is purchasing the Series 2002-1 Notes for its own account, or for one or more investor accounts for which it is acting as fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirements of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Series 2002-1 Notes, or any interest or participation therein, as described herein, in the Agreement and in the Note Purchase Agreement.

(v) It acknowledges that the Issuer, the Purchaser and others will rely on the truth and accuracy of the foregoing acknowledgments, representations and agreements, and agrees that if any of the foregoing acknowledgments, representations and agreements deemed to have been made by it are no longer accurate, it shall promptly notify the Issuer.

(vi) It is not and is not acquiring the Series 2002-1 Notes by or on behalf of, or with "plan assets" of, (i) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), whether or not subject to Title I of ERISA, (ii) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code"); (iii) (an entity whose underlying assets include "plan assets" by reason of a Plan's investment in the Purchaser; or (iv) a person who is otherwise a "benefit plan investor," as defined in U.S. Department of Labor ("DOL") Regulation Section 2510.3-101 (a "Benefit Plan Investor"), including any insurance company general account or a governmental or foreign plan that is generally not subject to ERISA or Section 4975(e) of the Code.

(vii) With respect to any foreign purchaser claiming an exemption from United States income or withholding tax, that it has delivered to the Trustee a true and complete Form W-8 BEN, Form 1001 or Form 4224, indicating such exemption or any other forms and documentation as may be sufficient under the applicable regulations for claiming such exemption.

(viii) It understands that the Issuer is not registered as an investment company under the Investment Company Act, but that the Issuer has an exception from registration as such by virtue of Section 3(c)(1) of the Investment Company Act, which in general excludes from the definition of an investment company any issuer whose outstanding securities (other than short-term paper) are beneficially owned by not more that 100 persons and which has not made and does not propose to make a public offering of its securities.

(ix) It is acquiring the Note or an interest in a Note as a member of a Class and such Class is not permitted to be composed of more than four persons within the meaning of Section 3(c)(1) of the Investment Company Act unless the Issuer has given its express written consent to a larger number of persons

Except as provided in subsection (d) below, any transfer, resale, pledge or other transfer of the Series 2002-1 Notes contrary to the restrictions set forth above and in the Agreement shall be deemed void ab initio by the Trustee.

(d) Notwithstanding anything to the contrary herein, each Conduit (as defined in the Note Purchase Agreement), under the terms of its Liquidity Agreement or the Note Purchase Agreement, may at any time sell or grant to one or more Liquidity Providers party to the Liquidity Agreement or one or more Alternative Investors party to the Note Purchase Agreement, participating interests or security interests in the Series 2002-1 Notes provided that each Liquidity Provider or Alternate Investor shall, by any such purchase be deemed to have acknowledged and agreed to the provisions of subsection 4.11(c) hereof.

Section 4.12. Tax Treatment. The Issuer has structured the Agreement and this Supplement and the Notes with the intention that the Notes will qualify under applicable tax law as indebtedness of the Issuer, and the Issuer and each Noteholder by acceptance of its Note agree

to treat the Notes (or beneficial interest therein) as indebtedness for purposes of federal, state and local income or franchise taxes or any other tax imposed on or measured by income.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE ISSUER; ASSIGNMENT OF REPRESENTATIONS AND WARRANTIES

Section 5.01. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Trustee, the Collateral Agent and the Series 2002-1 Noteholders on the date of execution of this Series Supplement, on the Initial Closing Date and any date of an increase in the Facility Limit or a Notes Increase Date as follows:

(a) Perfection of Security Interests in Series 2002-1 Collateral

(i) Payment of principal and interest on the Series 2002-1 Notes and the prompt observance and performance by the Issuer of all of the terms and provisions of this Supplement are secured by the Series 2002-1 Collateral. Upon the issuance of the Series 2002-1 Notes and at all times thereafter so long as any Series 2002-1 Notes are outstanding, this Supplement creates a security interest (as defined in the applicable UCC) in the Series 2002-1 Collateral in favor of the Collateral Agent for the benefit of the Trustee and the Series 2002-1 Noteholders to secure amounts payable under the Series 2002-1 Notes and the Series 2002-1 Documents, which security interest is perfected and prior to all other Liens (other than any Permitted Encumbrances) and is enforceable as such against all creditors of and purchasers from the Issuer; and

(ii) The Series 2002-1 Collateral constitutes either "accounts," "chattel paper," "instruments" or "general intangibles" within the meaning of the applicable UCC.

(b) Eligible Loans. Each Series 2002-1 Pledged Loan, on the date on which it becomes a Series 2002-1 Pledged Loan, is an Eligible Loan and is a Loan sold by a Seller to the Depositor under a Purchase Agreement and Series 2002-1 Purchase Supplement.

(c) Servicer Default. No Servicer Default has occurred and is continuing.

(d) Events of Default; Amortization Events. No Event of Default has occurred and is continuing, no Amortization Event has occurred and is continuing, no Potential Event of Default has occurred and is continuing and no Potential Amortization Event has occurred and is continuing.

Section 5.02. Assignment of Representations and Warranties. The Issuer hereby assigns to the Trustee its rights relating to the Series 2002-1 Pledged Loans under the Pool Purchase Agreement including the rights assigned to the Issuer by the Depositor of the Depositor's rights to payment due from the related Seller for repurchases of Defective Loans (as such term is defined in such Purchase Agreement) resulting from the breach of representations and warranties under such Purchase Agreement.

Section 5.03. Addition of New Sellers. Loans sold to the Depositor by a New Seller and sold by the Depositor to the Issuer may be Granted as Series 2002-1 Pledged Loans under the terms of Section 7.01 provided that the following conditions have been met:

(i) The New Seller has entered into a Purchase Agreement with the Depositor substantially in the form attached hereto as Exhibit F-1 but with such revisions as shall be necessary to accommodate the type of Loans and related assets of the New Seller;

(ii) The New Seller has entered into a Series 2002-1 Purchase Supplement substantially in the form attached hereto as Exhibit F-2 but with such revisions as shall be necessary to accommodate the type of Loans and related assets of the New Seller;

(iii) The Guaranty Agreement has been amended to included the New Seller as a party whose performance is guarantied or the Performance Guarantor shall have provided a new guaranty agreement under which the Performance Guarantor guaranties the performance of the New Seller;

(iv) One or more of the Custodial Agreements shall have been amended to provide that the New Seller may deliver Loan Files to the Custodian to be held for the benefit of the Collateral Agent;

(v) The New Seller shall have provided a Lockbox Agreement which provides for the receipt of Collections on the Series 2002-1 Pledged Loans sold by such Seller and the delivery of such Collections to the Collateral Agent;

(vi) The New Seller shall have provided to counsel for the Deal Agent copies of search reports certified by parties acceptable to counsel for the Deal Agent dated a date reasonably prior to the date on which the entity becomes a New Seller (A) listing all effective financing statements which name the New Seller (under its present name and any previous names) as debtor or seller and which are filed with respect to the New Seller in each relevant jurisdiction, together with copies of such financing statements (none of which shall cover any portion of the Series 2002-1 Pledged Loans sold by such New Seller to the Depositor except as contemplated by the Facility Documents);

(vii) Copies of proper UCC financing statement amendments (Form UCC3), if any, necessary to terminate all security interests and other rights of any Person previously granted by the New Seller in the Loans of the New Seller to the extent such Loans are to become Series 2002-1 Pledged Loans and the related Pledged Assets;

(viii) An Opinion of Counsel with respect to true sale and federal bankruptcy matters similar in substance to the opinions delivered to the Trustee on the Closing Date shall have been delivered to the Trustee, the Class Agents, the Purchasers with respect to sales of the Loans by the New Seller to the Depositor;

(ix) The Issuer shall have delivered to the Trustee and the Collateral Agent and the Deal Agent copies of UCC financing statements with respect to the sale of the Loans from the New Seller to the Depositor, from the Depositor to the Issuer and the Grant to the Collateral Agent together with Opinions of Counsel to the effect that such transfer or security interests have been perfected and are of a first priority;

(x) Each of the items described in provisions (i) through (ix) above shall have been reviewed by counsel to the Deal Agent and such counsel shall have notified the Deal Agent that such items are in the reasonable opinion of such counsel acceptable in form and substance to permit the addition of Loans of the New Seller; and

(xi) The Deal Agent has delivered to the Issuer its written consent to the addition of the New Seller and the inclusion of Loans sold by such New Seller as Series 2002-1 Pledged Loans.

ARTICLE VI

PAYMENTS, SECURITY AND ALLOCATIONS

Section 6.01. Priority of Payments.

The Master Servicer shall apply, or by written instruction to the Trustee shall cause the Trustee to apply on each Payment Date Available Funds for that Payment Date on deposit in the Collection Account to make the following payments and in the following order of priority:

FIRST, to the Trustee in payment of the Monthly Trustee Fees and in reimbursement of the reasonable expenses of the Trustee under each of the Facility Documents to which the Trustee is a party, provided that such expenses relate to Series 2002-1; in the event of a Servicer Default and the replacement of the Master Servicer with the Trustee or a Successor Master Servicer, the actual costs and expenses of replacing the Master Servicer shall be permitted expenses of the Trustee; provided that such costs and expenses relate to Series 2002-1;

SECOND, if the Master Servicer is not Wyndham Consumer Finance, Inc. or an affiliate of the Parent Corporation, to the Master Servicer, in payment of the Monthly Master Servicer Fee and, whether or not Wyndham Consumer Finance, Inc. or another affiliate of the Parent Corporation is then the Master Servicer, to the Master Servicer in reimbursement of any unreimbursed Master Servicer Advances;

THIRD, to the Hedge Provider under the Hedge Agreement, Net Hedge Payments;

FOURTH, to each Noteholder, the Notes Interest for the current Payment Date and NPA Costs payable to such Noteholder to the extent due and payable and not included in the Monthly Interest and any Overdue Interest from prior periods (and interest thereon);

FIFTH, if the Master Servicer is Wyndham Consumer Finance, Inc. or another affiliate of the Parent Corporation, to the Master Servicer, the Monthly Servicing Fee;

SIXTH, to the Noteholders, the Monthly Principal for such Payment Date, as described in Section 6.02;

SEVENTH, if the amount on deposit in the Reserve Account is less than the Required Reserve Amount, to the Reserve Account, all remaining Available Funds until the amount on deposit in the Reserve Account is equal to the Reserve Required Amount;

EIGHTH, during a Liquidity Reduction Amortization Period, with respect to each Note to which a Liquidity Reduction Event has occurred the lesser of (i) the aggregate outstanding principal amount of such Note and (ii) such Notes' pro rata share of the remaining Available Funds; for such purposes the pro rata share shall be determined on the basis of the outstanding principal amounts of such Notes as of the dates their respective Liquidity Reduction Amortization Period commenced and the sum of the Notes Principal Amount of all Notes then in a Liquidity Reduction Amortization Period calculated as of the dates their respective Liquidity Reduction Amortization Periods commenced; and

FINALLY, to the Issuer, any remaining amounts free and clear of the lien of this Supplement.

Section 6.02. Determination of Monthly Principal. The amount of Available Funds required to be distributed for the payment of principal on the Notes on any Payment Date is the "Monthly Principal" for that Payment Date and shall be calculated as follows:

(i) so long as no Amortization Event has occurred and the Maturity Date has not occurred, the Monthly Principal for any Payment Date shall be an amount equal to the Principal Distribution Amount for that Payment Date;

(ii) on the Maturity Date of the Series 2002-1 Notes, the Monthly Principal for such Payment Date shall be the Notes Principal Amount; and

(iii) if an Amortization Event has occurred or if the Liquidity Termination Date has occurred, then for each Payment Date after the occurrence of such Amortization Event or Liquidity Termination Date, the Monthly Principal shall be equal to the entire amount of the remaining Available Funds after making provision for the payments and distributions required under clauses FIRST through FIFTH in the Priority of Payments.

Section 6.03. Information Provided to Trustee. The Master Servicer shall promptly provide the Trustee in writing with all information necessary to enable the Trustee to make the payments and deposits required pursuant to Section 6.01.

Section 6.04. Payments. On each Payment Date, the Trustee, as Paying Agent, shall distribute to the Holders the amounts due and payable under this Supplement and the Notes. Such payments shall be made as provided in subsection 4.06(d) hereof.

Section 6.05. Collection Account.

(a) Collection Account. The Trustee, for the benefit of the Series 2002-1 Noteholders, shall establish and maintain in the name of the Trustee, a segregated account designated as the "Sierra Timeshare Conduit Receivables Funding, LLC Series 2002-1 Collection Account" bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Noteholders pursuant to this Supplement.

(b) Withdrawals. The Trustee shall have the sole and exclusive right to withdraw or order a transfer of funds from the Collection Account, in all events in accordance with the terms and provisions of this Supplement and the information most recently delivered to the Trustee pursuant to Section 8.01; provided, however, that the Trustee shall be authorized to accept and act upon instructions from the Master Servicer regarding withdrawals or transfers of funds from the Collection Account, in all events in accordance with the provisions of this Supplement and the information most recently delivered pursuant to Section 8.01. In addition, notwithstanding anything in the foregoing to the contrary, the Trustee shall be authorized to accept instructions from the Master Servicer on a daily basis regarding withdrawals or order transfers of funds from the Collection Account, to the extent such funds either (i) have been mistakenly deposited into the Collection Account (including without limitation funds representing Assessments or dues payable by Obligors to POAs or other entities) or (ii) relate to items subsequently returned for insufficient funds or as a result of stop payments. In the case of any withdrawal or transfer pursuant to the foregoing sentence, the Master Servicer shall provide the Trustee with notice of such withdrawal or transfer, together with reasonable supporting details, on the next Servicer's Monthly Report to be delivered by the Master Servicer following the date of such withdrawal or transfer (or in such earlier written notice as may be required by the Trustee from the Master Servicer from time to time). Notwithstanding anything therein to the contrary, the Trustee shall be entitled to make withdrawals or order transfers of funds from the Collection Account, in the amount of all reasonable and appropriate out-of-pocket costs and expenses incurred by the Trustee in connection with any misdirected funds described in clause (i) and (ii) of the second foregoing sentence. Within two Business Days of receipt, the Master Servicer shall transfer all Collections processed by the Master Servicer to the Trustee for deposit into the Collection Account. The Trustee shall deposit or cause to be deposited into the Collection Account upon receipt all amounts in respect of releases of Series 2002-1 Pledged Loans by the Issuer. On each Payment Date, the Trustee shall apply amounts in the Collection Account to make the payments and disbursements described in this Supplement.

(c) Administration of the Collection Account. Funds in the Collection Account shall, at the direction of the Issuer, at all times be invested in Permitted Investments; provided, however, that all Permitted Investments (i) shall be purchased at a price not exceeding

the stated principal amount thereof, (ii) shall pay the stated principal amount thereof at the stated maturity of such investment and (iii) shall mature on or before the next Payment Date, in order to ensure that funds on deposit therein will be available on such Payment Date. The Trustee shall maintain or cause to be maintained possession of the negotiable instruments or securities evidencing the Permitted Investments from the time of purchase thereof until the time of sale or maturity. Subject to the restrictions set forth in the first sentence of this paragraph, the Issuer shall instruct the Trustee in writing regarding the investment of funds on deposit in the Collection Account. All investment earnings on such funds shall be deemed to be available to the Trustee for the uses specified in this Supplement. The Trustee shall be fully protected in following the investment instructions of the Issuer, and shall have no obligation for keeping the funds fully invested at all times or for making any investments other than in accordance with such written investment instructions. If no investment instructions are received from the Issuer, the Trustee is authorized to invest the funds in Permitted Investments described in clause (v) of the definition thereof. In no event shall the Trustee be liable for any investment losses incurred in connection with the investment of funds on deposit in the Collection Account by the Trustee pursuant to this Agreement.

(d) Irrevocable Deposit. Any deposit made into the Collection Account hereunder shall, except as otherwise provided herein, be irrevocable and the amount of such deposit and any money, instrument, investment property or other property on deposit in or credited to such Account hereunder and all interest thereon shall be held in trust by the Trustee and applied solely as provided herein.

(e) Source. All amounts delivered to the Trustee shall be accompanied by information in reasonable detail and in writing specifying the source and nature of the amounts.

(f) Prepayment. On any date on which Notes are prepaid as provided in Section 4.10 and Series 2002-1 Pledged Loans are released as provided in Section 7.04, the Trustee shall, if so directed by the Issuer and the Deal Agent, accept funds for deposit into the Collection Account and deposit such funds into the Collection Account. Any such amount deposited into the Collection Account on a prepayment date shall be used first to make payment of the principal of and interest on the Notes being prepaid on that date and any remaining amounts so deposited, shall be paid by the Trustee as the Trustee is instructed in writing by the Deal Agent and the Issuer.

Section 6.06. Reserve Account.

(a) Creation and Funding of the Reserve Account. The Trustee shall establish and maintain in the name of the Trustee, an Eligible Account designated as the "Sierra Timeshare Conduit Receivables Funding, LLC Series 2002-l Reserve Account" bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Noteholders pursuant to this Supplement. The Reserve Account shall be under the sole dominion and control of the Trustee; however, if so directed by the Issuer, the Reserve Account may be an account in the name of the Trustee opened at another financial institution. If, at any time, the Reserve Account ceases to be an Eligible Account, the Trustee (or the Master Servicer on its behalf) shall within ten (10) Business Days (or such longer period, not to exceed thirty (30) calendar days, as to which the Deal Agent may consent) establish a new Reserve Account as an

Eligible Account and shall transfer any property to such new Reserve Account. So long as the Trustee is an Eligible Institution, the Reserve Account may be maintained with it in an Eligible Account.

On the Closing Date the Issuer shall deposit or shall cause to be deposited into the Reserve Account the sum of $8,403,837.12 as the initial Reserve Required Amount and thereafter on each Payment Date if the amount on deposit in the Reserve Account is less than the Required Reserve Amount, a deposit shall be made to the Reserve Account to the extent of funds available as provided in provision SEVENTH of Section 6.01.

(b) Transfer to Collection Account. On or prior to each Payment Date, prior to the allocation of funds pursuant to Section 6.01 on such Payment Date, the Master Servicer shall direct the Trustee to withdraw from the Reserve Account and deposit into the Collection Account to be included as Available Funds such amount, if any, as shall be equal to the lesser of (A) the amount of cash or other immediately available funds on deposit in the Reserve Account on such Payment Date and (B) the amount, if any, by which (y) the amounts required to be applied pursuant to Section 6.01 provisions FIRST through SIXTH on such Payment Date and for any preceding Payment Date (to the extent not previously paid) exceed (z) the Available Funds for that Payment Date (calculated without regard to any amounts to be transferred from the Reserve Account). The Trustee shall withdraw such funds from the Reserve Account and deposit them in the Collection Account as directed by the Master Servicer.

(c) Release of Reserve Account Excess. The Trustee shall have the sole and exclusive right to withdraw or order a transfer of funds from the Reserve Account, in all events in accordance with the terms and provisions of this Section 6.06; provided, that the Trustee shall be authorized to transfer funds from the Reserve Account to the Collection Account at the direction of the Master Servicer as provided in subsection (b) above and at the direction of the Deal Agent pursuant to subsection (d) below and to accept and act upon instructions from the Master Servicer to release to the Issuer, free and clear of the lien of this Supplement, on the first Business Day following each Payment Date and on the Business Day following the date of any reduction in the Reserve Required Amount, an amount of funds held in the Reserve Account equal to the excess (if any) on such Business Day (the "Reserve Account Excess") of the then outstanding balance of the Reserve Account over the Reserve Required Amount in effect as of the opening of business on such Business Day (after giving effect to all transactions and fund transfers required to take place hereunder on the immediately preceding Payment Date). The Master Servicer, as a condition of causing the release of funds from the Reserve Account, shall simultaneously provide the Trustee and the Deal Agent with a certificate of a Servicing Officer as to the existence and size of any Reserve Account Excess to which the Issuer is entitled.

(d) Application after Amortization Event. Notwithstanding anything contained in the foregoing subsections to the contrary, on the first Determination Date after the occurrence of an Amortization Event, the Trustee, acting at the direction of the Deal Agent, shall withdraw all funds on deposit in the Reserve Account and deposit such amounts into the Collection Account to be used solely for the purposes set forth in and in accordance with the Priority of Payments.

(e) Termination of Reserve Account. Any funds remaining in the Reserve Account after all Notes (including both principal and interest thereon) have been paid in full and in cash and all other obligations of the Issuer under the Series 2002-1 Documents have been paid in full and in cash shall be remitted by the Trustee to the Issuer free and clear of the lien of this Supplement.

(f) Administration of the Reserve Account. Funds in the Reserve Account shall be invested in Permitted Investments as directed by the Issuer; provided, however, that all Permitted Investments (i) shall be purchased at a price not exceeding the stated principal amount thereof, (ii) shall pay the stated principal amount thereof at the stated maturity of such investment and (iii) shall mature on or before the next Payment Date. All such Permitted Investments shall be held by the Trustee. Subject to the restrictions set forth in the first sentence of this subsection (f), the Issuer shall instruct the Trustee in writing regarding the investment of funds on deposit in the Reserve Account. For purposes of determining the availability of balances in Reserve Account for withdrawal pursuant to this Section 6.06, all investment earnings on such funds shall be deemed to be available under this Supplement for the uses specified in such section. The Trustee shall be fully protected in following the investment instructions of the Issuer, and shall have no obligation for keeping the funds fully invested at all times or for making any investments other than in accordance with such written investment instructions. If no investment instructions are received from the Issuer, the Trustee is authorized to invest the funds in Permitted Investments described in clause (v) of the definition thereof. In no event shall the Trustee be liable for any investment losses incurred in connection with the investment of funds on deposit in the Reserve Account by the Trustee pursuant to this Supplement.

(g) Deposit Irrevocable. Any deposit made into the Reserve Account hereunder shall, except as otherwise provided herein, be irrevocable and the amount of such deposit and any money, instruments, investment property, or other property credited to carried in, or deposited in the Reserve Account hereunder and all interest thereon shall be held in trust by the Trustee and applied solely as provided herein.

Section 6.07. Hedge Agreement. The Issuer shall at all times, so long as any Notes remain unpaid, provide a Hedge Agreement with the terms described in this Section 6.07. When all Notes have been paid in full, the Issuer shall terminate the Hedge Agreement. The Hedge Agreement shall meet the following requirements:

(a) the Hedge Agreement shall provide an interest rate cap for a notional amount equal to 90% of the Notes Principal Amount and such notional amount shall amortize on a monthly basis for a term equal to the actual amortization schedule of payments on the Series 2002-1 Pledged Loans assuming a schedule of payments and prepayments mutually determined by the Master Servicer, the Issuer and the Deal Agent at such time (which schedule shall be based upon the historical amortization experience of Loans owned or serviced by the Master Servicer and/or its Affiliates);

(b) the Issuer shall, as of each Payment Date, cause the notional amount of the Hedge Agreement to be adjusted to reflect any increase or decrease in the Notes Principal Amount as of such Payment Date so that the adjusted notional amount of the Hedge Agreement

shall on each Payment Date be an amount equal to 90% of the Notes Principal Amount; the Issuer shall also, as of each Payment Date adjust the Hedge Agreement to reflect the Required Cap Rate, the termination date and the amortization schedule following the addition and release of Series 2002-1 Pledged Loans as of each Payment Date; any additional Premium due for the adjustments to the interest rate cap shall be paid as a Net Hedge Payment under Provision THIRD of Section 6.01;

(c) the Hedge Agreement shall have a termination date equal to the final maturity date of the latest maturing Series 2002-1 Pledged Loans; and

(d) the Hedge Agreement shall provide for a payment by the Hedge Provider to the Trustee for deposit into the Collection Account on each Payment Date if for the related Accrual Period the LIBOR Rate was greater than the Required Cap Rate.

(e) References in this Section 6.07 or otherwise in this Supplement to a notional amount equal to 90% of the Notes Principal Amount shall allow for rounding to the nearest $1,000.

Section 6.08. Replacement of Hedge Provider. The Issuer agrees that if any Hedge Provider ceases to be a Qualified Hedge Provider, the Issuer shall have five (5) days (x) to cause such Hedge Provider to assign its obligations under the related Hedge Agreement to a new, Qualified Hedge Provider (or such Hedge Provider shall have five (5) days to again become a Qualified Hedge Provider) or (y) to obtain a substitute Hedge Agreement, together with the related Qualified Hedge Provider's acknowledgment of the Grant by the Issuer to the Trustee of such Hedge Agreement.

ARTICLE VII

ADDITION, RELEASE AND SUBSTITUTION OF LOANS

Section 7.01. Addition of Series 2002-1 Collateral.

(a) Transfer of Additional Loans. Subject to the limitations and conditions specified in this Section 7.01, the Issuer may from time to time, transfer additional Eligible Loans and related Series 2002-1 Pledged Assets to the Collateral Agent for the benefit of the Trustee for the benefit of the Series 2002-1 Noteholders and such Loans and related assets shall be included as Series 2002-1 Collateral hereunder.

(b) The transfer of Additional 2002-1 Pledged Loans and the related Series 2002-1 Pledged Assets shall be subject to the satisfaction of the following conditions:

(i) at least two (2) Business Days preceding the proposed Addition Date, the Issuer shall have delivered to the Deal Agent a schedule of the Additional 2002-1 Pledged Loans to be transferred on such Addition Date and each of the Additional 2002-1 Pledged Loans shall be a Loan sold by a Seller to the Depositor under a Purchase Agreement and Series 2002-1 Purchase Supplement; Trendwest Timeshare Upgrades sold to the Depositor by Trendwest immediately prior to the transfer to the Issuer and Trendwest Loans sold to the Depositor on a prior date, which have been sold by the

Depositor to an Additional Issuer and which subsequently become Trendwest Timeshare Upgrades and are then transferred by the Additional Issuer to the Depositor are, in each case, Loans sold by a Seller to the Depositor under a Purchase Agreement and Series 2002-1 Purchase Supplement;

(ii) the Issuer, the Master Servicer, the Trustee and the Collateral Agent shall execute a Supplemental Grant in substantially the form of Exhibit A to this Supplement and the Master Servicer shall have delivered a signed copy of such Supplemental Grant to the Collateral Agent;

(iii) the Liquidity Termination Date shall not have occurred and no Amortization Event, Servicer Default, Event of Default, Potential Amortization Event, Potential Servicer Default or Potential Event of Default shall have occurred and be continuing or would occur as a result of the addition of such Additional 2002-1 Pledged Loans;

(iv) with the exception of Documents in Transit Loans, on or immediately prior to the Addition Date the Custodian has possession of each original Additional 2002-1 Pledged Loan and the related Loan File and has acknowledged to the Trustee and the Deal Agent such receipt and its undertaking to hold each such original Additional 2002-1 Pledged Loan and the related Loan File for purposes of perfection of the Collateral Agent's interests in such original Additional 2002-1 Pledged Loans and the related Loan File; provided that the fact that any document not required to be in its respective Loan File pursuant to the applicable Purchase Agreement is not in the possession of the Custodian in its respective Loan File does not constitute a failure to satisfy this condition;

(v) the Issuer shall have taken any actions necessary or advisable to maintain the Collateral Agent's perfected security interest in the Series 2002-1 Collateral (including in the Additional 2002-1 Pledged Loans) for the benefit of the Trustee for the benefit of the Noteholders;

(vi) each Additional 2002-1 Pledged Loan shall be an Eligible Loan;

(vii) if any of the Additional 2002-1 Pledged Loans are New Seller Loans, the conditions set forth in Section 5.03 of this Supplement have been satisfied with respect to the Seller of such Loans;

(viii) if any of the Additional 2002-1 Pledged Loans are New Seller Loans and after the addition of such Loans, the Principal Balance of the Series 2002-1 Pledged Loans which are New Seller Loans sold by one New Seller to the Depositor would exceed 10% of the Series 2002-1 Adjusted Loan Balance, then the addition of such New Seller Loans shall be subject to the prior written consent of the Deal Agent;

(ix) if any of the Additional 2002-1 Pledged Loans are New Seller Loans and after the addition of such Loans, the Principal Balance of all the Series 2002-1 Pledged Loans which are New Seller Loans is greater than 15% of the Series 2002-1 Adjusted Loan Balance, then the addition of such New Seller Loans shall be subject to the prior written consent of all Class Agents; and

(x) if any of the Additional 2002-1 Pledged Loans are Acquired Portfolio Loans and after the addition of such Loans the Principal Balance of all Series 2002-1 Pledged Loans which are Acquired Portfolio Loans acquired as part of one portfolio is more than 10% of the Series 2002-1 Adjusted Loan Balance, then the addition of such Loans shall be subject to the prior written consent of Class Agents representing Majority Facility Investors.

(c) In addition to the conditions set forth in (b) above, on the first date on which Trendwest Loans are included in the Additional 2002-1 Pledged Loans, it shall be a condition to the addition of such Additional 2002-1 Pledged Loans that the conditions set forth in Section 2(b)(iv) of the Series 2002-1 Pool Purchase Supplement be met to the satisfaction of counsel to the Deal Agent.

(d) If on the last Business Day of any Due Period, Trendwest has not met the target for qualification of WorldMark Resorts with the California Department of Real Estate ("DRE") as set forth in this subsection 7.01(d), then until the target for qualification is satisfied, the California Excess Amount shall be included in the Excess Concentration Amount. References to the target for qualification of WorldMark Resorts with the DRE mean that, as of a specified time, Trendwest shall have qualified with the DRE under Section 11018.10 of the California Business and Professions Code (the "Timeshare Law") WorldMark Resorts supporting not less than 90% of the total Vacation Credits that, as of such date, have been sold in all jurisdictions including California.

Section 7.02. Release of Defective Loans.

(a) Obligation With Respect to Defective Loans. If a Seller is required to repurchase a Defective Loan under the terms of the applicable Purchase Agreement and Series 2002-1 Purchase Supplement, the Issuer shall, on the same Payment Date as the Seller is required to repurchase the Defective Loan, be required either (i) to pay the Release Price of such Defective Loan and obtain the release of the Defective Loan from the Lien of this Supplement or (ii) substitute one or more Qualified Substitute Loans for such Series 2002-1 Pledged Loan as provided in subsection 7.02(c) and obtain the release of the Defective Loan.

(b) Payments. The Issuer shall provide written notice to the Trustee and the Collateral Agent of any release pursuant to subsection 7.02(a) not less than two Business Days prior to the Payment Date on which such release is to be effected, specifying the Defective Loan and the Release Price therefor. Upon the release of a Defective Loan pursuant to subsection 7.02(a) the Issuer shall deposit or cause to be deposited the Release Price in the Collection Account no later than 12:00 noon, New York time, on the Payment Date on which such release is made (the "Release Date").

(c) Substitution. If the Issuer elects to substitute a Qualified Substitute Loan or Qualified Substitute Loans for a Defective Loan pursuant to this subsection 7.02(c), the Issuer shall Grant such Qualified Substitute Loan in the same manner as other Additional 2002-1

Pledged Loans and shall include such Qualified Substitute Loans in the Additional 2002-1 Pledged Loans described in a Supplemental Grant. The Qualified Substitute Loan or Qualified Substitute Loans will not be selected in a manner adverse to the Noteholders, and the aggregate principal balance of the Qualified Substitute Loans will not be less than the principal balance of the Defective Loans for which the substitution occurs. In connection with the substitution for one or more Qualified Substitute Loans for one or more Defective Loans, the Issuer shall deposit an amount, if any, equal to the related Substitution Adjustment Amount in the Collection Account on the date of substitution without any reimbursement therefor. The Issuer shall cause the Master Servicer to amend the Series 2002-1 Loan Schedule to reflect the removal of such Defective Loan and the substitution of the Qualified Substitute Loan or Qualified Substitute Loans and the Issuer shall cause the Master Servicer to deliver the amended Series 2002-1 Loan Schedule to the Issuer and the Trustee and Collateral Agent.

(d) Upon each release of a Series 2002-1 Pledged Loan under this Section 7.02, the Collateral Agent and the Trustee shall automatically and without further action release, sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse, representation or warranty, all of the Collateral Agent's and the Trustee's right, title and interest in and to such Defective Loan and the Series 2002-1 Pledged Assets related thereto, all monies due or to become due with respect thereto and all Collections with respect thereto (including payments received from Obligors from and including the last day of the Due Period next preceding the date of release) free and clear of the lien of this Supplement. The Collateral Agent and the Trustee shall execute such documents, releases and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Issuer or Depositor to effect the release of such Defective Loan and the related Series 2002-1 Pledged Assets pursuant to this subsection 7.02. Promptly after the occurrence of a Release Date and after the payment for and release of or substitution for Defective Loans, the Issuer shall direct the Master Servicer to delete such Defective Loans from the Series 2002-1 Loan Schedule.

(e) The obligation of the Issuer to deposit the Release Price or provide a Qualified Substitute Loan for any Defective Loan shall constitute the sole remedy against the Issuer with respect to any breach of the representations and warranties set forth in 5.01(b) of this Supplement or the representations of the Seller assigned to the Trustee pursuant to Section 5.02.

Section 7.03. Release of Defaulted Loans. If any Series 2002-1 Pledged Loan becomes a Defaulted Loan during any Due Period, the Issuer may obtain a release of such Series 2002-1 Pledged Loan from the lien of this Supplement on any Payment Date thereafter. To obtain such release the Issuer shall be required to pay the Release Price of such Defaulted Loan to the Trustee for deposit into the Collection Account. The Issuer shall provide written notice to the Trustee and the Collateral Agent of any release pursuant to this Section 7.03 not less than two Business Days prior to the Payment Date on which such release is to be effected, specifying the Defaulted Loan and the Release Price therefor. The Issuer shall pay the Release Price to the Trustee for deposit into the Collection Account not later than 12:00 noon, New York City time, on the Payment Date on which such release is made.

Upon each release of a Series 2002-1 Pledged Loan under this Section 7.03, the Collateral Agent and the Trustee shall automatically and without further action release, sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse, representation or

warranty, all of the Collateral Agent's and Trustee's right, title and interest in and to such Defaulted Loan and the Series 2002-1 Pledged Assets related thereto, all monies due or to become due with respect thereto and all Collections with respect thereto free and clear of the Lien of this Supplement. The Collateral Agent and the Trustee shall execute such documents, releases and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Issuer to effect the release of such Defaulted Loans and the related Series 2002-1 Pledged Assets pursuant to this Section 7.03. Promptly after the occurrence of a Release Date and after the payment for and release of a Defaulted Loan, in respect to which the Release Price has been paid the Issuer shall direct the Master Servicer to delete such Defaulted Loans from the Series 2002-1 Loan Schedule.

Section 7.04. Release Upon Optional Prepayments. If the Issuer exercises its right to prepay the Notes in whole or in part as provided in Section 4.10 of this Supplement, the Issuer and the Deal Agent shall notify the Trustee and the Collateral Agent in writing of the prepayment date and the principal amount of the Notes to be prepaid on the prepayment date and the amount of interest to be paid on such date. The amount of interest to be paid on such prepayment date shall include interest accrued and to accrue on the principal amount of Notes prepaid through any then applicable Funding Period. On the prepayment date, upon receipt by the Trustee of all amounts to be paid to the Noteholders as principal and as interest as a result of such prepayment and the satisfaction of the conditions set forth in the following paragraphs, then, the Collateral Agent and the Trustee shall release from the Lien of this Supplement those Series 2002-1 Pledged Loans and the related Series 2002-1 Pledged Assets which the Collateral Agent and Trustee are directed to release as described in the following paragraph.

The Deal Agent and the Issuer shall agree upon and provide to the Collateral Agent and the Trustee a list of the Series 2002-1 Pledged Loans which are to be released and shall direct the Master Servicer to delete such Loans from the Series 2002-1 Pledged Loan Schedule.

In addition to receipt by the Trustee of the principal amount of the Notes to be prepaid and the interest thereon and the list of the Series 2002-1 Pledged Loans to be released, the following conditions shall be met before the Lien is released under this Section 7.04:

(i) After giving effect to such release, no Borrowing Base Shortfall shall exist and no Amortization Event or Event of Default shall exist; and

(ii) Each of the Issuer and the Master Servicer shall have delivered to the Deal Agent a certificate to the effect that the Series 2002-1 Pledged Loans to be released from the Lien of this Supplement were not selected in a manner involving any selection procedures materially adverse to the Noteholders and that the release of such Loans would not reasonably be expected to cause a Potential Amortization Event or an Amortization Event.

Section 7.05. Release Upon Optional Substitution. (a) Under the terms of the Pool Purchase Agreement, the Depositor may, with respect to Loans which are Schedule 1-A Pool Loans, as described in the Pool Purchase Agreement, remove Loans from such Schedule 1-A and substitute other Loans. If the Depositor elects to substitute a Loan for a Schedule 1-A

Pool Loan which is a Series 2002-1 Pledged Loan, then the Issuer may, as provided in (b) below, obtain a release of such Loan from the Lien of this Supplement and substitute in place of such released Series 2002-1 Pledged Loan a Qualified Substitute Loan or Qualified Substitute Loans.

(b) Substitution. Any such substitution of a Qualified Substitute Loan or Qualified Substitute Loans under this Section 7.05 shall be accomplished in the same manner as the Grant of other Additional 2002-1 Pledged Loans and the Issuer shall include such Qualified Substitute Loans in the Additional 2002-1 Pledged Loans described in a Supplemental Grant. The Qualified Substitute Loan or Qualified Substitute Loans will not be selected in a manner adverse to the Noteholders, and the aggregate principal balance of the Qualified Substitute Loans will not be less than the principal balance of the Loans released and for which the substitution occurs. In connection with the substitution for one or more Qualified Substitute Loan or Qualified Substitute Loans, the Issuer shall deposit an amount, if any, equal to the related Substitution Adjustment Amount in the Collection Account on the date of substitution without any reimbursement therefor. The Issuer shall cause the Master Servicer to amend the Series 2002-1 Loan Schedule to reflect the removal of such Schedule 1-A Pool Loan and the substitution of the Qualified Substitute Loan or Qualified Substitute Loans and the Issuer shall cause the Master Servicer to deliver the amended Series 2002-1 Loan Schedule to the Issuer and the Trustee and Collateral Agent.

(c) Release to Issuer. Upon each release of a Series 2002-1 Pledged Loan under this Section 7.05, the Collateral Agent and the Trustee shall automatically and without further action release, sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse, representation or warranty, all of the Collateral Agent's and the Trustee's right, title and interest in and to such released Schedule 1-A Pool Loan and the Series 2002-1 Pledged Assets related thereto, all monies due or to become due with respect thereto and all Collections with respect thereto (including payments received from Obligors from and including the last day of the Due Period next preceding the date of release) free and clear of the lien of this Supplement. The Collateral Agent and the Trustee shall execute such documents, releases and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Issuer or Depositor to effect the release of such Schedule 1-A Pool Loan and the related Series 2002-1 Pledged Assets pursuant to this subsection 7.05. Promptly after the occurrence of a Release Date and after the substitution for the Schedule 1-A Pool Loan, the Issuer shall direct the Master Servicer to delete such Loans from the Series 2002-1 Loan Schedule.

Section 7.06. Release Upon Payment in Full. At such time as the Series 2002-1 Notes have been paid in full, all fees and expenses of the Trustee and the Collateral Agent with respect to Series 2002-1 have been paid in full and all obligations relating to the Series 2002-1 Documents have been paid in full, then, the Collateral Agent shall, upon the written request of the Issuer, release all liens and assign to Issuer (without recourse, representation or warranty) all right, title and interest of the Collateral Agent in and to the Series 2002-1 Collateral, and all proceeds thereof. The Collateral Agent and the Trustee shall execute and deliver such instruments of assignment, in each case without recourse, representation or warranty, as shall be reasonably requested by the Issuer to release the security interest of the Collateral Agent in the Series 2002-1 Collateral.

ARTICLE VIII

REPORTS TO TRUSTEE AND NOTEHOLDERS

Section 8.01. Monthly Report to Trustee. On or before the Determination Date prior to each Payment Date, the Master Servicer shall transmit to the Trustee in a form or forms acceptable to the Trustee information necessary to make payments and transfer funds as provided in Sections 6.01 and 6.06, and the Master Servicer shall produce the Settlement Statement for such Payment Date. Transmission of such information to the Trustee shall be deemed to be a representation and warranty by the Master Servicer to the Trustee and the Noteholders that such information is true and correct in all material respects. At the option of the Master Servicer, the Settlement Statement may be combined with the Servicer's Monthly Report described in Section 8.02 and delivered to the Trustee as one report.

Section 8.02. Monthly Servicing Report. On each Determination Date, the Master Servicer shall deliver to the Trustee and the Issuer the Servicer's Monthly Report in the form set forth in Exhibit D to this Supplement with such additions as the Trustee may from time to time request, together with a certificate of a Servicing Officer substantially in the form of Exhibit D, certifying the accuracy of such report and that no Event of Default or event that with the giving of notice or lapse of time or both would become an Event of Default has occurred, or if such event has occurred and is continuing, specifying the event and its status. Such certificate shall also identify which, if any, Series 2002-1 Pledged Loans have become Defective Loans or Defaulted Loans during the preceding Due Period.

Section 8.03. Delivery of Reports to Deal Agent. The Master Servicer shall on each date it delivers a report to the Trustee under Section 8.01 or 8.02 above deliver a copy of each such report to the Deal Agent.

Section 8.04. Tax Reporting. The Trustee shall file or cause to be filed with the Internal Revenue Service and furnish or cause to be furnished to Noteholders Information Reporting Forms 1099, together with such other information, reports or returns at the time or times and in the manner required by the Internal Revenue Code consistent with the treatment of the Notes as indebtedness of the Issuer for federal income tax purposes.

ARTICLE IX

AMORTIZATION EVENTS

Section 9.01. Amortization Events. If one or more of the following events shall occur and be continuing:

(a) the Issuer fails to pay in full the interest due and payable on the Series 2002-1 Notes on any Payment Date and such failure continues for two Business Days; provided, however, that if the Issuer has made deposits of Collections to the Collection Account in an amount sufficient to make such interest payment when due in accordance with the Priority of Payments, but the payment cannot be made in a timely manner as a result of a circumstances beyond the Issuer's control, the grace period shall be extended to three Business Days;

(b) the Issuer fails to pay in full the principal of the Series 2002-1 Notes on or before the Maturity Date and such failure continues for two Business Days; provided, however, that if the Issuer has made deposits of Collections to the Collection Account in an amount sufficient to make such payment in accordance with the Priority of Payments, but such payment cannot be timely made as a result of a circumstances beyond the Issuer's and the Master Servicer's control, the grace period shall be extended to three Business Days;

(c) any Event of Default occurs under this Supplement;

(d) a Servicer Default occurs under the Agreement or this Supplement;

(e) the amount on deposit in the Reserve Account is less than the Required Reserve Amount for any three consecutive Business Days;

(f) the Four Month Default Percentage as of the Payment Date in December 2005 or as of any Payment Date thereafter exceeds 1.25%;

(g) the Three Month Rolling Average Delinquency Ratio as calculated for the Payment Date in December 2005 or for any Payment Date thereafter exceeds 4.0%;

(h) the Gross Excess Spread for any Due Period ending on or prior to November 13, 2006, is less than 4.50% for any Due Period; for Due Periods ending after November 13, 2006 this provision shall not apply; except that if any Alternate Investor or Conduit does not extend its Liquidity Termination Date on or before November 13, 2006, this provision shall continue to apply;

(i) a Change of Control occurs without the prior satisfaction of the Rating Agency Condition and the prior written consent of the Required Class Agents;

(j) if (i) any Trendwest Loans are then included in the Series 2002-1 Pledged Loans and (ii) (A) WorldMark voluntarily incurs or at any time becomes voluntarily liable for any Debt (other than customary trade payables), (B) any of WorldMark's property becomes subject to any Liens, other than utility or other easements or licenses unrelated to any debt of WorldMark or Liens that do not exceed, in the aggregate, $100,000 or (C) WorldMark involuntarily incurs or is liable for any debt or its property becomes involuntarily subject to any Liens (other than utility or similar easements or licenses unrelated to any debt of WorldMark) that individually or in the aggregate (with respect to all such Debt and the obligations secured by all such Liens) exceed $1,000,000;

(k) the amount of the Borrowing Base at the end of any Due Period is less than the Notes Principal Amount on that date and the Issuer fails on the following Payment Date to pay in full the amount of principal on the Notes required to reduce the Notes Principal Amount to the Borrowing Base or to increase the Borrowing Base to the Notes Principal Amount;

(l) an Insolvency Event occurs with respect to the Parent Corporation;

(m) (i) prior to the Effective Date, Cendant fails to perform under the terms of the Cendant Guaranty or the Cendant Guaranty shall cease to be in full force and effect or (ii) on or after the Effective Date, Wyndham Worldwide fails to perform under the terms of the Wyndham Worldwide Guaranty or the Wyndham Worldwide Guaranty shall cease to be in full force and effect;

(n) The Notes Principal Amount shall at any time exceed the Series 2002-1 Adjusted Loan Balance;

(o) Failure on the part of the Depositor duly to observe or perform any covenants or agreements of the Depositor set forth in any of the Facility Documents to which the Depositor is a party and such failure continues unremedied for a period of 30 days after the earlier of the date on which the Depositor has actual knowledge of the failure and the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Depositor by the Issuer, the Trustee or any Noteholder; or

(p) Any representation and warranty made by the Depositor in any Facility Document shall prove to have been incorrect in any material respect when made and the Depositor is not in compliance with such representation or warranty within 30 days after the earlier of the date on which the Depositor has actual knowledge of such breach and the date on which written notice of such breach requiring that such breach be remedied, shall have been given to the Depositor by the Issuer, the Trustee or any Noteholder;

then, in the case of an event described in any clause except clause (c) of the Events of Default in Section 10.01, or clause (l) above, the Deal Agent at the direction of the Majority Facility Investors, or, with respect to an event described in clause (j) or (k), the Deal Agent, at the direction of any Class Agent or, with respect to clause (h) if such provision applies after November 13, 2006, the Deal Agent at the direction of the Class Agent or Class Agents which have not extended their Liquidity Termination Dates to a date on or after November 13, 2006, by notice given in writing to the Issuer, the Master Servicer and the Trustee, may declare that an Amortization Event has occurred as of the date of such notice and, in the case of any event described in clause (c) of the Events of Default in Section 10.01, or clause (l) of this Section 9.01, an Amortization Event will occur immediately upon the occurrence of such event without any notice or other action on the part of the Deal Agent, the Trustee or any other entity.

ARTICLE X

EVENTS OF DEFAULT

Section 10.01. Events of Default.

(a) Failure on the part of the Issuer (1) to make or cause to be made any payment or deposit required by the terms of the Agreement, this Supplement or any other Series 2002-1 Document on or before the date such payment or deposit is required to be made and such failure remains unremedied for two Business Days (provided, however, that if the Issuer is unable to make a payment or deposit when due and such failure is as a result of circumstances beyond the Issuer's control, the grace period shall be extended to three Business Days),

(2) failure on the part of the Issuer to provide a Hedge Agreement meeting the requirements of Section 6.07 of this Supplement and such failure continues for five Business Days or the Hedge Provider ceases to be a Qualified Hedge Provider and the Issuer fails to provide a Qualified Hedge Provider by one of the methods set forth in Section 6.08 within the five days provided in Section 6.08 and such failure continues for five Business Days beyond the period allowed in Section 6.08, or (3) duly to observe or perform or cause to be observed or performed any covenant or agreement of the Issuer set forth in the Agreement, this Supplement or any other Series 2002-1 Document or other Facility Document to which the Issuer is a party (other than these events caused in clause (1) or (2) of this subsection), which continues unremedied for a period of 30 days (or five Business Days, in the case of subsection 4.1(b), (f), (g)(2) or (g)(3) or 4.2(a), (c), (d), (e), (i), (l), (n), (o) or (p) of the Agreement) after the earlier of (aa) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to an officer of the Issuer by the Trustee or any Noteholder or (bb) the date on which an officer of the Issuer has actual knowledge thereof;

(b) any representation or warranty made by the Issuer with respect to itself in the Agreement or this Supplement shall prove to have been incorrect in any material respect when made and has a material adverse effect on the Trustee's or the Collateral Agent's interest in the Series 2002-1 Pledged Loans and other related Series 2002-1 Pledged Assets and the Issuer is not in compliance with such representation or warranty within ten Business Days after the earlier of the date on which the Issuer or a Responsible Officer of the Trustee has actual knowledge of such breach and the date on which written notice of such breach requiring that such breach be remedied, shall have been given to the Issuer by the Trustee or any Noteholder;

(c) an Insolvency Event shall occur with respect to any Seller of Series 2002-1 Loans, the Depositor, the Issuer or the Parent Corporation;

(d) the Issuer shall become an "investment company" or shall become under the control of an "investment company" within the meaning of the Investment Company Act; or

(e) the Master Servicer shall have been terminated following a Servicer Default, and a Successor Master Servicer shall not have been appointed or such appointment shall not have been accepted within five Business Days after the date of the termination stated in the Termination Notice and the Trustee is not acting as Master Servicer.

THEN, in the case of the event described in subparagraph (a)(3), after the applicable grace period, if any, set forth in such subparagraphs, the Deal Agent acting upon instructions of the Majority Facility Investors by notice given in writing to the Issuer (and to the Trustee if given by the Noteholders) may declare that an event of default with respect to Series 2002-1 (an "Event of Default") has occurred as of the date of such notice, and in the case of any event described in subparagraph (a)(l), (a)(2), (b), (c), (d) or (e), an Event of Default with respect to Series 2002-1 shall occur without any notice or other action on the part of the Trustee or the Noteholders, immediately upon the occurrence of such event and shall continue unless waived in writing by the Required Purchasers of the Series 2002-1 Notes.

Section 10.02. Acceleration of Maturity; Rescission and Annulment.

(a) If an Event of Default described in paragraph (a), (b), (d) or (e) of Section 10.1 should occur and be continuing, then and in every such case the Majority Facility Investors may declare all the Series 2002-1 Notes to be immediately due and payable, by a notice in writing to the Issuer (and to the Trustee if declared by Noteholders), and upon any such declaration the unpaid principal amount of the Series 2002-1 Notes, together with accrued or accreted and unpaid interest thereon through the date of acceleration, shall become immediately due and payable. If an Event of Default described in paragraph (c) of Section 10.1 should occur then and in every such case the Series 2002-1 Notes together with accrued or accreted and unpaid interest through the date of acceleration, shall become automatically and immediately due and payable.

(b) If an Event of Default has occurred and the maturity of the Series 2002-1 Notes has been accelerated, such acceleration may be rescinded or annulled the Majority Facility Investors by written notice to the Issuer and the Trustee may, but are not required to rescind and annul such acceleration.

Section 10.03. Authority to Institute Proceedings and Direct Remedies. If an Event of Default has occurred and is continuing, the Majority Facility Investors shall have the right to direct the Trustee as provided in Section 9.15 of the Agreement.

Section 10.04. Distributions of Amounts Collected. If the Indenture Trustee collects any money or property pursuant to this Article X following the acceleration of the maturities of the Notes (so long as such declaration shall not have been rescinded or annulled), it shall pay out the money or property in the following order:

FIRST, to the Trustee in payment of the Monthly Trustee Fees and in reimbursement of permitted expenses of the Trustee under each of the Facility Documents to which the Trustee is a party, provided that such permitted expenses relate to Series 2002-1; in the event of a Servicer Default and the replacement of the Master Servicer with the Trustee or a Successor Master Servicer, the costs and expenses of replacing the Master Servicer shall be permitted expenses of the Trustee;

SECOND, if the Master Servicer is not Wyndham Consumer Finance, Inc. or an affiliate of the Parent Corporation, to the Master Servicer, in payment of amounts due and unpaid of the Master Servicer Fee and, whether or not Wyndham Consumer Finance, Inc. or another affiliate of the Parent Corporation is then the Master Servicer, to the Master Servicer in reimbursement of any unreimbursed Master Servicer Advances;

THIRD, to Series 2002-1 Noteholders for interest according to the amounts due and unpaid on such Series 2002-1 Notes for interest and all other amounts (other than principal of the Notes) due to the Noteholders under the Series 2002-1 Documents;

FOURTH, if the Master Servicer is Wyndham Consumer Finance, Inc. or another affiliate of the Parent Corporation, to the Master Servicer, in payment of amounts due and unpaid of the Master Servicer Fee;

FIFTH, to the Series 2002-1 Noteholders in payment of unpaid principal on the Series 2002-1 Notes; provided, however, that, upon the direction of 100% of the Noteholders, any amounts otherwise due to the Noteholders under this provision FIFTH, shall not be applied to reduce principal, but shall be applied by the Trustee to purchase a Hedge Agreement in the amount and manner specified by the Noteholders;

SIXTH, to the hedge provider or hedge providers under the Hedge Agreement or Hedge Agreements any termination payments due under any Hedge Agreement; and

FINALLY, to Issuer, any remaining amounts free and clear of the lien of this Supplement.

Section 10.05. Sale of Defaulted Loans After an Event of Default If an Event of Default has occurred and is continuing, the Master Servicer will not sell, assign, transfer or otherwise dispose of any Defaulted Loan or any interest therein, or any Collateral securing a Defaulted Loan, without the prior written consent of the Deal Agent.

ARTICLE XI

PROVISIONS RELATING TO THE MASTER SERVICER

Section 11.01. Master Servicer Advances. On or before each Determination Date the Master Servicer may deposit into the Collection Account an amount equal to the aggregate amount of Master Servicer Advances, if any, with respect to Scheduled Payments on Series 2002-1 Pledged Loans for the preceding Due Period which are not received on or prior to such Payment Date. Such Master Servicer Advances shall be included as Available Funds. Neither the Master Servicer, any Successor Master Servicer nor the Trustee, acting as Master Servicer, shall have any obligation to make any Master Servicer Advance and may refuse to make a Master Servicer Advance for any reason or no reason. The Master Servicer shall not make any Master Servicer Advance that, after reasonable inquiry and in its sole discretion, it determines is unlikely to be ultimately recoverable from subsequent payments or collections or otherwise with respect to the Series 2002-1 Pledged Loan with respect to which such Master Servicer Advance is proposed to be made.

Section 11.02. Additional Events of Servicer Defaults. In addition to the events constituting a Servicer Default as set forth in Section 10.1 of the Agreement, so long as any Series 2002-1 Notes remain outstanding, each of the following shall also constitute a Servicer Default:

(a) any Indebtedness (as defined in the Credit Agreement described below) of the Parent Corporation or any of its Subsidiaries (as defined in the Credit Agreement, but in no

event including the Depositor, the Issuer or any other securitization entity (of the type described in the definition of Securitization Entity in the Credit Agreement)) exceeding $50,000,000 in the aggregate, is accelerated after default beyond any applicable grace period provided with respect thereto;

(b) the 12-month rolling Reported EBITDA at the end of any fiscal quarter is less than $400,000,000;

(c) the Master Servicer fails to deliver reports to the Deal Agent in accordance with Section 8.03 of this Supplement and such failure remains unremedied for five (5) Business Days;

(d) failure on the part of the Master Servicer duly to observe or perform any other covenants or agreements of the Master Servicer set forth in the Note Purchase Agreement and such failure continues unremedied for a period of 20 days after the earlier of the date on which the Master Servicer has actual knowledge of the failure and the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Master Servicer by the Deal Agent; or

(e) any representation and warranty made by the Master Servicer in the Note Purchase Agreement shall prove to have been incorrect in any material respect when made and has a material and adverse impact on the Trustee's interest in the Series 2002-1 Pledged Loans and other Series 2002-1 Pledged Assets and the Master Servicer is not in compliance with such representation or warranty within ten Business Days after the earlier of the date on which the Master Servicer has actual knowledge of such breach and the date on which written notice of such breach requiring that such breach be remedied, shall have been given to the Master Servicer by the Deal Agent.

References in subsection (a) above to the "Credit Agreement" (i) prior to the Effective Date mean the Five Year Competitive Advance and Revolving Credit Agreement dated as of November 22, 2004 among Cendant, as borrower, the lenders referred to therein, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A., as syndication agent, The Bank of Nova Scotia, Barclays Bank PLC, Calyon New York Branch and Citibank, N.A. as co-documentation agents and (ii) on and after the Effective Date mean the Credit Agreement dated as of July 7, 2006 among Wyndham Worldwide, as borrower, the lenders referred to therein, JPMorgan Chase Bank, N.A., as administrative agent, Citicorp USA, Inc., as syndication agent, and Bank of America, N.A., The Bank of Nova Scotia and Credit Suisse Securities (USA) LLC, as co-documentation agents.

Section 11.03. [Reserved].

Section 11.04. Fair Market Value of Defaulted Loans. For the purpose of Section 5.5(f) of the Agreement, no Series 2002-1 Pledged Loan or Collateral related thereto shall be sold to any Seller or Originator unless the cash proceeds of such sale are at least equal to the fair market value of such Series 2002-1 Pledged Loan. For this purpose, "fair market value" shall mean initially, an amount equal to 25% of the original sale price of the related Timeshare Property and, in the event either the Issuer or the applicable Seller or Originator shall determine

that such percentage is not reflective of the fair market value of the applicable Series 2002-1 Pledged Loan or Collateral related thereto, the Issuer and the applicable Seller or Originator shall determine the fair market value of such Series 2002-1 Pledged Loan or Collateral related thereto, as a percentage of the original sale price of the related Timeshare Property. Prior to any such determination of a revised fair market value, written notice of such determination including, in reasonable detail, the calculation thereof, shall be given by the Master Servicer to each Class Agent. Any such determination shall be based on the historical inventory cost of the applicable Seller or Originator consistent with the cost of goods sold.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 12.01. Ratification of Agreement. As supplemented by this Supplement, the Agreement is in all respects ratified and confirmed and the Agreement as so supplemented by this Supplement shall be read, taken and construed as one and the same instrument.

Section 12.02. Counterparts. This Supplement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

Section 12.03. Governing Law. THIS SUPPLEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 12.04. Notices to Deal Agent. All communications and notices hereunder given to the Deal Agent shall be in writing and shall be deemed to have been duly given if personally delivered to, or transmitted by overnight courier, or transmitted by telex or telecopy and confirmed by a mailed writing or where permitted to be delivered electronically herein, to the e-mail address provided:

BANK OF AMERICA, N.A.
Bank of America Corporate Center
100 North Tryon Street, 10th Floor
Charlotte, North Carolina 28255
Attention: Michelle M. Heath
Telephone: (704) 386-7922
Telecopy: (704) 388-0027
(or such other address as may hereafter be furnished to the Issuer, the Trustee and the Master Servicer).

Section 12.05. Nonpetition Covenant . Each Noteholder hereby recognizes and agrees to the provisions of Section 13.15 of the Agreement and specifically agrees that by accepting a Series 2002-1 Note, it covenants and agrees that it will not at any time institute against the Issuer or the Depositor, or join in instituting against the Issuer or the Depositor, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other proceedings under any Debtor Relief Law.

Section 12.06. Satisfaction of Rating Agency Condition. It is agreed by the parties hereto, that, any action which, under the terms of the Agreement, is subject to the satisfaction of the Rating Agency Condition, shall also be subject to the condition that such action shall not be taken unless the Deal Agent has given its prior written consent to the action.

Section 12.07. Amendment to Documents. The Issuer shall not enter into any amendment to any of the Facility Documents to which it is a party without the prior written consent of the Majority Facility Investors.

Section 12.08. Rating Agency Review. The Issuer hereby agrees that if the Issuer elects to maintain the ratings on the Series 2002-1 Notes on and after the Liquidity Termination Date in 2006, the Issuer shall prior to the Liquidity Termination Date in 2006 submit the Series 2002-1 Notes for review to each Rating Agency then maintaining a rating on the Series 2002-1 Notes.

IN WITNESS WHEREOF, the Issuer, the Master Servicer, the Trustee and the Collateral Agent have caused this Supplement to be duly executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC,
as Issuer

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

WYNDHAM CONSUMER FINANCE, INC.,
as Master Servicer

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

U.S. BANK NATIONAL ASSOCIATION,
successor to Wachovia Bank, National Association
as Trustee

By: /s/ Patricia O'Neill
Name: Patricia O'Neill
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
successor to Wachovia Bank, National Association
as Collateral Agent

By: /s/ Patricia O'Neill
Name: Patricia O'Neill
Title: Vice President

[Signature page for Amended and Restated Series 2002-1 Supplement]

EXHIBIT A

FORM OF SUPPLEMENTAL GRANT

SUPPLEMENTAL GRANT NO. __ OF ADDITIONAL 2002-1 PLEDGED LOANS AND SERIES 2002-1 PLEDGED ASSETS dated as of_____, by and among SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC, a limited liability company formed under the laws of the State of Delaware, as Issuer, WYNDHAM CONSUMER FINANCE, INC., a Delaware corporation, as Master Servicer, U.S. BANK, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity, but solely as Trustee as successor to Wachovia Bank, National Association, under the Agreement and the Supplement referred to below, and U.S. BANK, NATIONAL ASSOCIATION, a national banking association, as Collateral Agent, as successor to Wachovia Bank, National Association.

WITNESSETH:

WHEREAS, the Issuer, the Master Servicer, the Trustee and the Collateral Agent are parties to the Master Indenture and Servicing Agreement dated as of August 29, 2002 (as amended, supplemented or otherwise modified from time to time, the "Agreement"); and the Series 2002-1 Supplement thereto dated as of August 29, 2002 (as amended, supplemented or otherwise modified, from time to time, the "Supplement");

WHEREAS, the Issuer wishes to Grant to the Collateral Agent, for the benefit of the Trustee for the benefit of the Series 2002-1 Noteholders, all of the Issuer's right, title and interest, whether now owned or hereafter acquired, in, to and under the Pledged Loans and related Pledged Assets designated herein to be included as Additional 2002-1 Pledged Loans and Series 2002-1 Pledged Assets;

NOW, THEREFORE, the Issuer, the Master Servicer, the Trustee and the Collateral Agent hereby agree as follows:

1. Defined Terms. All capitalized terms used herein shall have the meanings ascribed to them in the Supplement or the Agreement unless otherwise defined herein.

"Addition Cut-Off Date" shall mean, with respect to the Additional 2002-1 Pledged Loans, _____.

"Addition Date" shall mean, with respect to the Additional 2002-1 Pledged Loans, _____.

2. Loan Schedule. The Issuer hereby delivers to the Collateral Agent a certificate which contains a true and complete list of the Additional Series 2002-1 Loans Granted to the Collateral Agent under this Supplemental Grant. The list of the Additional 2002-1 Pledged Loans contained in the accompanying certificate is hereby incorporated into and made a part of this Supplemental Grant and shall become a part of and supplement the Series 2002-1 Loan Schedule.

3. Grant of Additional Series 2002-1 Pledged Loans and Series 2002-1 Pledged Assets.

The Issuer hereby Grants to the Collateral Agent, for the benefit of the Trustee for the benefit of the Series 2002-1 Noteholders, all of the Issuer's right, title and interest, whether now owned or hereafter acquired, in, to and under (i) all Additional 2002-1 Pledged Loans and the related Series 2002-1 Pledged Assets and all rights of the Issuer relating to such Additional 2002-1 Pledged Loans and the related Series 2002-1 Pledged Assets under the Pool Purchase Agreement, the Series 2002-1 Pool Purchase Supplement, the Purchase Agreements under which the Additional 2002-1 Pledged Loans were sold to the Depositor and the related Series 2002-1 Purchase Supplements and (ii) all Collections with respect thereto, (iii) all certificates and instruments if any, from time to time representing or evidencing any of the foregoing property described in clauses (i) or (ii), (iv) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing, (v) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas and other minerals, consisting of, arising from, or relating to, any of the foregoing; (vi) all proceeds of the foregoing property described in clauses (i) through (v), any security therefor, and all interest, dividends, cash, instruments, financial assets and other investment property and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for or on account of the sale, condemnation or other disposition of, any or all of the then existing Additional 2002-1 Pledged Loans or the related Series 2002-1 Pledged Assets, and including all payments under Insurance Policies (whether or not a Seller or an Originator, the Depositor, the Issuer, the Collateral Agent or the Trustee is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the Additional 2002-1 Pledged Loans or the related Series 2002-1 Pledged Assets; (vi) all proceeds of the foregoing and (vii) all proceeds of the foregoing (collectively, the "Additional Series 2002-1 Collateral").

In connection with the foregoing Grant and if necessary, the Issuer agrees to authorize, record and file one or more financing statements (and continuation statements or other amendments with respect to such financing statements when applicable) with respect to the Additional Series 2002-1 Collateral meeting the requirements of applicable law in such manner and in such jurisdictions as are necessary to perfect the Grant of the Additional Series 2002-1 Collateral to the Collateral Agent, and to deliver a file-stamped copy of such financing statements and continuation statements (or other amendments) or other evidence of such filing to the Collateral Agent.

In connection with the foregoing sale, the Issuer further agrees, on or prior to the date of this Supplemental Grant, to cause the portions of its computer files relating to the Additional 2002-1 Pledged Loans Granted on such date to the Collateral Agent to be clearly and unambiguously marked to indicate that each such Additional 2002-1 Pledged Loans and the related Series 2002-1 Pledged Assets have been Granted on such date to the Collateral Agent pursuant to the Supplement and this Supplemental Grant.

4. Acknowledgement by the Collateral Agent and the Trustee. The Collateral Agent and the Trustee acknowledge the Grant of the Additional Series 2002-1 Collateral, and the Collateral Agent accepts the Additional Series 2002-1 Collateral in trust hereunder in accordance with the provisions hereof and the Supplement and agrees to perform the duties herein to the end that the interests of the Series 2002-1 Noteholders may be adequately and effectively protected.

The Collateral Agent hereby acknowledges that, prior to or simultaneously with the execution and delivery of this Supplemental Grant, the Issuer delivered to the Collateral Agent a certificate listing the Additional 2002-1 Pledged Loans as described in Section 2 of this Supplemental Grant and such list of Additional 2002-1 Pledged Loans is attached hereto as Schedule 1.

5. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Collateral Agent on the Addition Date that each representation and warranty to be made by it on such Addition Date pursuant to the Agreement and the Supplement is true and correct, and that each such representation and warranty is hereby incorporated herein by reference as though fully set out in this Supplemental Grant.

6. Ratification of the Agreement. The Agreement and the Supplement is hereby ratified, and all references to the Agreement and the Supplement shall be deemed from and after the Addition Date to be references to the Agreement and the Supplement as supplemented and amended by this Supplemental Grant. Except as expressly amended hereby, all the representations, warranties, terms, covenants and conditions of the Agreement and the Supplement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or consent to non-compliance with any term or provision of the Agreement or the Supplement.

7. Counterparts. This Supplemental Grant may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

8. GOVERNING LAW. THIS SUPPLEMENTAL GRANT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

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

IN WITNESS WHEREOF, the Issuer, the Master Servicer, the Trustee and the Collateral Agent have caused this Supplemental Grant to be duly executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC,
as Issuer

By: _____
Name:
Title:

WYNDHAM CONSUMER FINANCE, INC.,
as Master Servicer

By: _____
Name:
Title:

U.S. BANK, NATIONAL ASSOCIATION,
successor to Wachovia Bank, National Association,
as Trustee

By: _____
Name:
Title:

WACHOVIA BANK, NATIONAL ASSOCIATION,
successor to Wachovia Bank, National Association,
as Collateral Agent

By: _____
Name:
Title:

EXHIBIT B

FORM OF NOTE

THIS NOTE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAW OF ANY STATE AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS OR (B) IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS TO A PERSON (I) WHO THE TRANSFEROR REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") AND (II) THAT IS AWARE THAT THE RESALE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A.

THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). EACH HOLDER OF THIS NOTE AGREES THAT THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS IN THE SERIES 2002-1 SUPPLEMENT WHICH LIMIT TRANSFERS ONLY TO ANOTHER CLASS AND REQUIRE THAT NO CLASS INCLUDE MORE THAN FOUR PERSONS FOR PURPOSES OF SECTION 3(C)(1) OF THE INVESTMENT COMPANY ACT UNLESS THE ISSUER HAS GIVEN ITS EXPRESS WRITTEN CONSENT TO A LARGER NUMBER OF PERSONS AND AFTER ANY SUCH TRANSFER, THERE WILL BE NO MORE THAN 100 BENEFICIAL OWNERS OF THE NOTES. FOR SUCH PURPOSES, THE NUMBER OF BENEFICIAL OWNERS OF THE NOTES WILL BE CALCULATED IN ACCORDANCE WITH SECTION 3(C)(1) OF THE INVESTMENT COMPANY ACT.

PRIOR TO PURCHASING ANY INTEREST IN THIS NOTE, PURCHASERS SHOULD CONSULT COUNSEL WITH RESPECT TO THE AVAILABILITY AND CONDITIONS OF EXEMPTION FROM THE RESTRICTION ON RESALE OR TRANSFER. THE ISSUER HAS NOT AGREED TO REGISTER THE NOTE UNDER THE SECURITIES ACT, TO QUALIFY THE NOTE UNDER THE SECURITIES LAWS OF ANY STATE OR TO PROVIDE REGISTRATION RIGHTS TO ANY PURCHASER.

THE PRINCIPAL AMOUNT OF THIS NOTE WILL BE REDUCED FROM TIME TO TIME BY PRINCIPAL PAYMENTS ON THIS NOTE. IN ADDITION, THE PRINCIPAL AMOUNT OF THIS NOTE MAY BE INCREASED SUBJECT TO

CERTAIN TERMS AND CONDITIONS SET FORTH IN THE INDENTURE SUPPLEMENT AND THE NOTE PURCHASE AGREEMENT. ANYONE ACQUIRING THIS NOTE MAY ASCERTAIN THE CURRENT OUTSTANDING PRINCIPAL BALANCE OF THIS NOTE BY INQUIRY OF THE TRUSTEE. ON THE DATE OF THIS NOTE, THE TRUSTEE IS U.S. BANK, NATIONAL ASSOCIATION, SUCCESSOR TO WACHOVIA BANK, NATIONAL ASSOCIATION.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF, AND EACH HOLDER OF A BENEFICIAL INTEREST IN THIS NOTE, COVENANTS AND AGREES THAT IT WILL NOT AT ANY TIME INSTITUTE AGAINST SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC OR SIERRA DEPOSIT COMPANY, LLC OR JOIN IN ANY INSTITUTION AGAINST SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC OR SIERRA DEPOSIT COMPANY, LLC OF ANY BANKRUPTCY PROCEEDINGS UNDER ANY UNITED STATES FEDERAL OR STATE BANKRUPTCY OR SIMILAR LAW.

THE HOLDER OF THIS NOTE, BY ACCEPTANCE OF THIS NOTE, AND EACH HOLDER OF A BENEFICIAL INTEREST IN THIS NOTE, BY THE ACQUISITION OF A BENEFICIAL INTEREST THEREIN, AGREE TO TREAT THE NOTE AS INDEBTEDNESS OF THE ISSUER FOR APPLICABLE FEDERAL, STATE, AND LOCAL INCOME AND FRANCHISE TAX LAW AND FOR PURPOSES OF ANY OTHER TAX IMPOSED ON OR MEASURED BY INCOME.

EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE DEEMED TO REPRESENT THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE, WILL NOT BE AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 ("ERISA"), AS AMENDED), INDIVIDUAL RETIREMENT ACCOUNT OR OTHER PLAN (AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE), WHETHER OR NOT THE PLAN IS SUBJECT TO TITLE I OF ERISA), OR SECTION 4975 OF THE INTERNAL REVENUE CODE (EACH, A "PLAN"), (II) IT HAS NOT USED "PLAN ASSETS" OF ANY PLAN TO ACQUIRE SUCH NOTE, AND (III) FOR SO LONG AS IT HOLDS SUCH NOTE, IT WILL NOT ALLOW SUCH NOTE TO CONSTITUTE "PLAN ASSETS" OF ANY PLAN.

REGISTERED PRINCIPAL AMOUNT: NOT TO EXCEED $_____

_____ CLASS

No. R-__

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC

LOAN-BACKED VARIABLE FUNDING NOTE, SERIES 2002-1

Sierra Timeshare Conduit Receivables Funding, LLC, a Delaware limited liability company (herein referred to as the "Issuer"), for value received, hereby promises to pay to _____, as agent for the members of the Class (the "_____ Class") of which _____ are members, or its assigns, subject to the following provisions, a principal sum not to exceed _____ DOLLARS ($_____), or such greater or lesser amount as determined in accordance with the Master Indenture and Servicing Agreement and the Series 2002-1 Supplement thereto on the stated Maturity Date (the "Maturity Date") as set forth in the Series 2002-1 Supplement, as amended from time to time, and to pay principal at such times in advance thereof as is provided in the Series 2002-1 Supplement. The Issuer will pay the Notes Interest on this Note on each Payment Date in accordance with Sections 4.03(b) and 4.06 of the Series 2002-1 Supplement. Principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The Series 2002-1 Notes are nonrecourse obligations of the Issuer payable only from and to the extent of the Series 2002-1 Collateral. The Holders of the Notes shall have recourse to the Issuer only to the extent of the Series 2002-1 Collateral, and to the extent such Series 2002-1 Collateral is not sufficient to pay the Series 2002-1 Notes and the interest thereon in full and all other obligations of the Issuer under the Series 2002-1 Supplement and the other Series 2002-1 Documents, the Holders of the Series 2002-1 Notes and holders of other obligations payable from the Series 2002-1 Collateral shall have no rights in any other assets which the Issuer may have including, but not limited to any assets of the Issuer which may be Granted to secure other obligations.

Principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

SIERRA TIMESHARE CONDUIT
RECEIVABLES FUNDING, LLC as Issuer

By: _____
Name:
Title:

Date: _____, 200_

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes designated above and referred to in the within-mentioned Master Indenture and Servicing Agreement and Series 2002-1 Supplement to the Master Indenture and Servicing Agreement.

U.S. BANK,
NATIONAL ASSOCIATION,
successor to Wachovia Bank, National Association,
not in its individual capacity but solely as Trustee

By: _____
Name:
Title:

Date: _____, 200_

[REVERSE OF NOTE]

This duly authorized Note of the Issuer, designated as its Loan-Backed Variable Funding Note, Series 2002-1 (herein called the "Note"), is issued under the Master Indenture and Servicing Agreement dated as of August 29, 2002, as amended and restated as of _____ __, 2006 (as amended from time to time, the "Master Indenture") and the Series 2002-1 Supplement thereto, dated as of August 29, 2002, as amended and restated as of _____ __, 2006 (as amended from time to time, the "Series 2002-1 Supplement," and together with the Master Indenture, the "Indenture"), each by and among the Issuer, Wyndham Consumer Finance, Inc. as master servicer (the "Master Servicer"), and U.S. Bank, National Association, successor to Wachovia Bank, National Association, as trustee and as collateral agent (the "Trustee" and the "Collateral Agent," respectively). This Note is one of a duly authorized series of Variable Funding Notes of the Issuer designated as its Loan-Backed Variable Funding Notes Series 2002-1 (the "Series 2002-1 Notes"), which have in the aggregate a maximum principal amount not to exceed the Facility Limit as such amount may be reduced or increased from time to time in accordance with the Series 2002-1 Supplement and the Note Purchase Agreement. This Note is delivered to and registered in the name of _____. Interest on each Note will be calculated in accordance with the terms of the Series 2002-1 Supplement. Within the Series 2002-1 Notes, _____ Class Note may bear interest calculated at a rate different than another Class Note issued to other Holders of Notes. The respective rights and obligations of the Issuer, the Master Servicer, the Trustee, the Collateral Agent and the Holders of the Notes are set forth in the Indenture. This Note is subject to all terms of the Indenture. All terms used in this Note that are not defined herein shall have the meanings assigned to them in or pursuant to the Indenture, as supplemented or amended.

Payments of interest on and principal of this Note when due and payable shall be made (i) by wire transfer in immediately available funds to a United States dollar account specified by the Holder and included in the Note Register in accordance with wire transfer instructions received by any Paying Agent on or before the Record Date applicable to such Payment Date, (as defined in the Note Purchase Agreement), (ii) if no wire transfer instructions are received by a Paying Agent, payment shall be by a United States dollar check drawn on a United States bank and delivered by first-class mail, postage prepaid. Any reduction in the principal amount of this Note effected by any payments made on any Payment Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon.

As provided in the Series 2002-1 Supplement, the principal of this Note will be due and payable in full on the Maturity Date.

The principal amount of this Note outstanding may be increased from time to time in accordance with the terms of Section 4.07 of the Series 2002-1 Supplement and the terms of the Note Purchase Agreement but not to exceed the amount stated above.

As provided in the Indenture and subject to certain restrictions and limitations set

forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee or the Note Registrar duly executed by, the Holder hereof or such Person's attorney-in-fact duly authorized in writing, and such other documents as the Trustee or the Note Registrar may reasonably require, and thereupon one or more new Notes of the same Series and Class of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the Issuer or the Trustee or the Note Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Noteholder by acceptance of a Note covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Collateral Agent or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Trustee in its individual capacity, (ii) the Collateral Agent in its individual capacity, (iii) any owner of a beneficial interest in the Issuer or (iv) any partner, owner, beneficiary, agent, officer, director or employee of the Trustee or the Collateral Agent in its individual capacity, any holder of a beneficial interest in the Issuer or the Trustee or of any successor or assign of the Trustee or the Collateral Agent in its individual capacity, except as any such Person may have expressly agreed and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Collateral Agent, the Trustee, the Paying Agent, the Transfer Agent and the Note Registrar and any agent of the foregoing shall treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Collateral Agent, the Trustee, the Paying Agent, the Transfer Agent and Note Registrar nor any such agent of the foregoing shall be affected by notice to the contrary.

The Indenture permits certain amendments without the consent of any Noteholders but with the satisfaction of the Rating Agency Condition. In addition, the Issuer, the Trustee, the Collateral Agent and the Master Servicer may enter into amendments which modify the rights and obligations of the Issuer or the rights of the Holders of the Notes under the Indenture at any time with the consent of the Majority Holders of each affected Series. Also, if an Event of Default has occurred for a Series, the Holders of 66 2/3% of the Aggregate Principal Amount of Notes of that Series may waive the Event of Default under the Indenture and its consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Issuer" as used in this Note includes any successor to the Issuer under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note and the Indenture shall be governed by and construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay to the extent of amounts available from the Series 2002-1 Collateral, the principal of and the interest on this Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Facility Documents, neither the owner of a beneficial interest in the Issuer, nor any of its partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture. The Holder of this Note by the acceptance hereof agrees that, except as expressly provided in the Facility Documents, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the Series 2002-1 Collateral.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

_____ *

Signature Guaranteed:

_____

* NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE OF NOTE INCREASES
AND PAYMENTS OF PRINCIPAL

Date	Note Principal Increase or Decrease	Balance After Increase or Decrease	Note Made By

Note R-25:

Registered to:

BANK OF AMERICA, N.A., as agent for the members of the Class of which YC SUSI Trust and Bank of America, N.A are members

Principal Amount on [_____], 2005: $[_____]

Maximum Principal Amount: $125,000,000

Account for payments: Deutsche Bank, New York
ABA #: 021 001 033
For the Account of BTCO as Depository for RCC
Account: 00 384 710
Ref: Receivables Capital - Sierra Receivables
Attn: Stacy Coulon

Note R-26:

Registered to:

CREDIT SUISSE, NEW YORK BRANCH, as agent for the members of the Class of which Alpine Securitization Corp. and Credit Suisse, New York Branch are members

Principal Amount on [_____], 2005: $[_____]

Maximum Principal Amount: $100,000,000

Payment Instructions: Accounts for Payments: Bank of New York
ABA Number: 021-000-018
Account Number: 890-038-7025
Attention: M. Townsend
Reference: Sierra

Note R-27:

Registered to:

THE BANK OF NOVA SCOTIA, as agent for the members of the Class of which Liberty Street Funding Corp. and The Bank of Nova Scotia are members,

Principal Amount on [_____], 2005: $[_____]

Maximum Principal Amount: $75,000,000

Payment Instructions: Liberty Street Funding Corp. (Sierra Funding)
ABA #: 026002532
Account Number: 215813
Attention: Vilma Pindling

Note R-28:

Registered to:

JPMORGAN CHASE BANK, N.A., as agent for the members of the Class of which Jupiter Securitization Corporation and JPMorgan Chase Bank, N.A. are members

Principal Amount on [_____], 2005: $[_____]

Maximum Principal Amount: $100,000,000

Payment Instructions: [_____]

Note R-29:

Registered to:

CALYON, NEW YORK BRANCH, as agent for the members of the Class of which Atlantic Asset Securitization Corp. and Calyon, New York Branch are members

Principal Amount on [_____], 2005: $[_____]

Maximum Principal Amount: $75,000,000

Payment Instructions: Account for payments:
Calyon, New York Branch
ABA: 026008073
For Account #: 01-50576-0001-00
Account Name: La Fayette Asset Securitization LLC
Attention: Florence Reyes
Reference: Sierra Funding Facility

Note R-30:

Registered to:

DEUTSCHE BANK AG, NEW YORK BRANCH, as agent for the members of the Class of which Saratoga Funding Corp., LLC and Deutsche Bank AG, New York Branch are members

Principal Amount on [_____], 2005: $[_____]

Maximum Principal Amount: $100,000,000

Payment Instructions: Deutsche Bank, NY
ABA #: 026003780
Account Number: 10-581587-0008
Account Name: Saratoga Funding Corp.
Attention: Siegfried Radar Ph: 212-474-7737
Reference: Sierra 2002-1

Note R-31:

Registered to:

THE ROYAL BANK OF SCOTLAND, as agent for the members of the Class of which Cortina Funding, Inc. is the member

Principal Amount on [_____], 2005: $[_____]

Maximum Principal Amount: $75,000,000

Payment Instructions: Account for payments:
J.P. Morgan Chase Bank
Clearing Code: CHASUS33
Account of: RBS (RBOSGB2L)
Account No.: CORFUN USDC
Ref: Favour – Cortina Funding Inc.

Note R-32:

Registered to:

THE BANK OF TOKYO-MITSUBISHI, LTD., as agent for the members of the Class of which Victory Receivables Corporation is the member

Principal Amount on [_____], 2005: $_____

Maximum Principal Amount: $75,000,000

Account for payments: Deutsche Bank Trust Company Americas
ABA: 021-001-033
Account Number: 01419647
Ref: Victory Receivables/Sierra Timeshare
Attn: Kristy Yee

Note R-33:

Registered to:

CITICORP NORTH AMERICA, INC., as agent for the members of the Class of which Ciesco LLC and Citibank, N.A. are members

Principal Amount on [_____], 2005: $_____

Maximum Principal Amount: $75,000,000

Account for payments:

ABA: 021-000-089
For Account #: 40636636
Account Name: CIESCO Redemption Account
Attention: Robert Kohl
Reference: CIESCO

Form of Monthly Servicer Report

[To Be Inserted.]

[RESERVED]

FORM OF NOTEHOLDER'S LETTER

[Date]

Sierra Timeshare Conduit Receivables Funding, LLC,
as Issuer

U.S. Bank, National Association
as Trustee

Re: Sierra Timeshare Conduit Receivables Funding, LLC
Loan–Backed Variable Funding Notes, Series 2002–1

Ladies and Gentlemen:

1. This letter applies to the above–referenced Loan–Backed Variable Funding Notes (the "Notes") which are described in a Series 2002–1 Supplement, dated as of August 29, 2002, as amended from time to time (the "Indenture Supplement") among Sierra Timeshare Conduit Receivables Funding, LLC (the "Issuer"), Wyndham Consumer Finance, Inc., as Master Servicer (the "Master Servicer") and U.S. Bank, National Association, successor to Wachovia Bank, National Association, as Trustee (the "Trustee") and as Collateral Agent. Capitalized terms not defined herein shall have the meaning assigned to them in the Indenture Supplement.

2. This letter is delivered to you in connection with the proposed acquisition of a Note by the Class described below and for purposes of monitoring compliance with the restrictions set forth in subsection 4.11(b) of the Series 2002–1 Supplement, and, specifically, for purposes of allowing the Issuer to determine that, at all times the outstanding securities (other than short–term paper) of the Issuer are beneficially owned by not more than 100 persons calculated in accordance with Section 3(c)(1) of the Investment Company Act.

3. We hereby acknowledge, represent and agree with the Issuer [and if this letter is delivered in connection with the transfer of a Note to us, with the Class which is transferring the Note to us] all of the provisions set forth in subsection 4.11(c) of the Indenture Supplement.

4. In addition, we hereby specifically make the following representations and warranties.

A. We understand that the Issuer is not registered as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), but that the Issuer has an exception from registration as such by virtue of Section 3(c)(1) of the Investment Company Act, which in general excludes from the definition of an investment company any issuer whose outstanding securities (other than short–term paper) are beneficially owned by not more than 100 persons and which has not made and does not propose to make a public offering of its securities.

B. This letter is delivered by the Class Agent on behalf of the Class name below and with respect to a single Note issued to that Class and registered in the name of the Class Agent.

C. On the basis of certifications provided by each member of the Class for which the undersigned serves as Class Agent, the members of the Class do not constitute more than ____ persons for purposes of Section 3(c)(1) of the Investment Company Act. If the number of persons stated in the prior sentence exceeds four, the Issuer has given its express written consent to such larger number.

5. This letter shall be for the benefit of the Issuer. We recognize that such parties will rely upon the truth and accuracy of the representations and agreements set forth in this letter.

This letter and the representations and warranties contained herein are being delivered as of_____.

Class to which this Noteholder's Letter Relates:

_____

[Name of Class Agent],
as Class Agent for the Class of which the entities
listed in the Certificate of Class Member are the
only members

By: _____
Name:
Title:

[Form of certificate to be provided by the members of the Class]

Certificate of Class Member

_____, [the "Member"], as a member of the _____ Class, hereby certifies that it constitutes not more than____ person[s] for purposes of Section 3(c)(1) of the Investment Company Act.

In connection with the forgoing statement, the Member hereby states that:

It understands that the Issuer will not register as an investment company under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"), nor will it make a public offering of its securities within the United States. It understands that the Issuer intends to comply with Section 3(c)(1) of the 1940 Act, and, accordingly, the number of investors will be limited to no more than 100 beneficial owners within the meaning of the 1940 Act.

In making the certification set forth in the first paragraph above, the Member:

(a) Certifies that either (A) (i) it was not formed and is not operated for the purpose of investing in the Issuer, (ii) it does not invest more than 40% of its total assets in the Issuer, (iii) each of the Member's beneficial owners participates in investments made by the Member pro rata in accordance with its interest in the Member and, accordingly, its beneficial owners cannot opt in or out of investments made by the Member or decide the amount of their participation, and (iv) its beneficial owners did not and will not contribute additional capital (other than previously committed capital) for the purpose of purchasing the Notes or (B) the Member is unable to make all of the representations contained in the preceding provision (A) and has, therefore, calculated the number of the Member's beneficial owners for purposes of the 1940 Act and has determined that number to be as stated in paragraph (c) below.

(b) Certifies that either (A) it is not a registered investment company, or a company that is excluded from the definition of investment company solely by reason of the provisions of either Section 3(c)(1) or Section 3(c)(7) or Section 7(d) of the 1940 Act or (B) the Member is unable to make all of the representations contained in the preceding provision (A) and has, therefore, calculated the number of the Member's beneficial owners for purposes of the 1940 Act and has determined that number to be stated as in paragraph (c) below.

(c) The number of beneficial owners of the Member is not more than _____.

This certification is being delivered as of _____.

By: _____
Name:

CONSENT AND DIRECTION TO THE TRUSTEE

_____, 2006

This Consent and Direction to the Trustee is hereby delivered to

Sierra Timeshare Conduit Receivables Funding, LLC, as Issuer

Wyndham Consumer Finance, Inc., as Master Servicer

U.S. Bank, National Association, successor to Wachovia Bank, National Association, as Trustee (the "Trustee") under the terms of that Master Indenture and Servicing Agreement, dated as of August 29, 2002 (the "Master Indenture") among Sierra Timeshare Conduit Receivables Funding, LLC, as issuer, Wyndham Consumer Finance, Inc., as master servicer and U.S. Bank, National Association, successor to Wachovia Bank, National Association, as Trustee and Collateral Agent

by the Deal Agent and the Holders of 100% of the Aggregate Principal Amount of the outstanding amount of the Series 2002-1 Notes and by the Deal Agent on behalf of all Purchasers and Liquidity Providers thereby providing the Consent of the Majority Facility Investors.

Terms used in this Consent and Direction to the Trustee and not defined herein are used with the meaning assigned to such terms in the Series 2002-1 Supplement (the "Supplement") to the Master Indenture.

By the execution hereof, the Deal Agent and each Holder hereby:

1. Consents to the amendments to the Series 2002-1 Supplement to the Master Indenture and Servicing Agreement which are contained in the Amended and Restated Series 2002-1 Supplement dated as of _____, 2006 and directs the Trustee to execute and deliver such Amended and Restated Series 2002-1 Supplement;

By execution below each of the following entities gives its written consent and direction to the Trustee as set forth above.

BANK OF AMERICA, N.A.,
as Deal Agent

By: _____
Name:
Title:

YC SUSI TRUST, as a Conduit

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as an Alternate Investor, as a Class Agent and as Deal Agent

By: _____
Name:
Title:

LIBERTY STREET FUNDING CORP., as a Conduit

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA,
as an Alternate Investor and as a Class Agent

By: _____
Name:
Title:

ALPINE SECURITIZATION CORP., as a Conduit

By: _____
Name:
Title:

By: _____
Name:
Title:

CREDIT SUISSE FIRST BOSTON, NEW YORK BRANCH,
as an Alternate Investor and as a Class Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

CORTINA FUNDING, INC., as a Conduit and as an Alternate Investor

By: _____
Name:
Title:

THE ROYAL BANK OF SCOTLAND, as a Class Agent

By: _____
Name:
Title:

JUPITER SECURITIZATION CORPORATION, as a Conduit

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.
as an Alternate Investor and as a Class Agent

By: _____
Name:
Title:

ATLANTIC ASSET SECURITIZATION CORP., as a Conduit

By: _____
Name:
Title:

By: _____
Name:
Title:

CALYON, NEW YORK BRANCH,
as an Alternate Investor and as a Class Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SARATOGA FUNDING CORP., LLC, as a Conduit

By: _____
Name:
Title:

DEUTSCHE BANK AG, NEW YORK BRANCH,
as an Alternate Investor and as a Class Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

FAIRWAY FINANCE COMPANY, LLC, as a Conduit

By: _____
Name:
Title:

BANK OF MONTREAL, as an Alternate Investor

By: _____
Name:
Title:

HARRIS NESBITT CORP., as a Class Agent

By: _____
Name:
Title:

VICTORY RECEIVABLES CORPORATION, as a Conduit

By: _____
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI, LTD, NEW YORK BRANCH,
as a Class Agent and as Alternate Investor

By: _____
Name:
Title:

Exhibit 10.11

EXECUTION COPY

MASTER LOAN PURCHASE AGREEMENT

Dated as of August 29, 2002

Amended and Restated as of July 7, 2006

by and between

WYNDHAM CONSUMER FINANCE, INC.,
as Seller

and

FAIRFIELD RESORTS, INC.,
as Co-Originator

and

FAIRFIELD MYRTLE BEACH, INC.,
as Co-Originator

and

KONA HAWAIIAN VACATION OWNERSHIP, LLC,
as an Originator

and

SHAWNEE DEVELOPMENT, INC.,
as an Originator

and

SEA GARDENS BEACH AND TENNIS RESORT, INC.,
VACATION BREAK RESORTS, INC.,
VACATION BREAK RESORTS AT STAR ISLAND, INC.,
PALM VACATION GROUP
and
OCEAN RANCH VACATION GROUP,
each as a VB Subsidiary

and

PALM VACATION GROUP
and
OCEAN RANCH VACATION GROUP,
each as a VB Partnership

and

SIERRA DEPOSIT COMPANY, LLC
as Purchaser

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

MASTER LOAN PURCHASE AGREEMENT

THIS MASTER LOAN PURCHASE AGREEMENT (this "Agreement"), dated as of August 29, 2002, as amended and restated as of July 7, 2006, is made by and between WYNDHAM CONSUMER FINANCE, INC. (formerly known as Cendant Timeshare Resort Group – Consumer Finance, Inc.), a Delaware corporation, as seller (the "Seller"), FAIRFIELD RESORTS, INC., a Delaware corporation, as co-originator ("FRI"), FAIRFIELD MYRTLE BEACH, INC., a Delaware corporation and a wholly-owned subsidiary of FRI, as co-originator ("FMB"), KONA HAWAIIAN VACATION OWNERSHIP, LLC, a Hawaii limited liability company, as an originator ("Kona"), SHAWNEE DEVELOPMENT, INC., a Pennsylvania corporation, as an originator ("SDI"), SEA GARDENS BEACH AND TENNIS RESORT, INC., a Florida corporation ("Sea Gardens"), VACATION BREAK RESORTS, INC., a Florida corporation ("VBR"), VACATION BREAK RESORTS AT STAR ISLAND, INC., a Florida corporation ("VBRS") (each of Sea Gardens, VBR and VBRS being wholly-owned subsidiaries of Vacation Break, USA, Inc., a wholly-owned subsidiary of FRI), PALM VACATION GROUP, a Florida general partnership ("PVG"), OCEAN RANCH VACATION GROUP, a Florida general partnership ("ORVG") (each of Sea Gardens, VBR, VBRS, PVG and ORVG are hereinafter collectively referred to as the "VB Subsidiaries" and PVG and ORVG are hereinafter collectively referred to as the "VB Partnerships") and SIERRA DEPOSIT COMPANY, LLC, a Delaware limited liability company, as purchaser (hereinafter referred to as the "Purchaser" or the "Company").

RECITALS

WHEREAS, FRI, FMB, Kona, SDI and the VB Subsidiaries have originated certain Loans in connection with the sale to Obligors of Timeshare Properties at various Resorts;

WHEREAS, in the ordinary course of their businesses, FRI purchases or will purchase directly or indirectly from FMB, Kona, SDI and the VB Subsidiaries, and the Seller purchases or will purchase from FRI, certain Loans and related property (including an interest in the Timeshare Properties underlying such Loans);

WHEREAS, each of FRI, FMB, Kona, SDI, the VB Subsidiaries, the Seller and the Company wishes to enter into this Agreement and the related Master Loan Purchase Agreement Supplement for each Series of Notes (each, a "PA Supplement") in order to, among other things, effect the sale to the Company on the related Closing Date of Initial Loans and related Transferred Assets that the Seller owns as of the close of business on the related Cut-Off Date, and the sale to the Company of Additional Loans (including Additional Upgrade Balances) and related Transferred Assets that the Seller will own from time to time thereafter as of the close of business on the related Addition Cut-Off Dates; and

WHEREAS, the Company intends to transfer and assign the Loans and related Transferred Assets to the various Issuers, which will then grant security interests in the Loans and related Transferred Assets to Wachovia Bank, National Association, as Collateral Agent on behalf of the various Trustees and the holders of Notes issued from time to time pursuant to an Indenture and Servicing Agreement.

NOW, THEREFORE, in consideration of the purchase price set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Section 1. Definitions.

Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Acquired Portfolio Loan" shall mean a loan (which shall be a loan, installment contract or other contractual obligation incurred to finance the acquisition of an interest in a vacation property or rights to use vacation properties or otherwise substantially similar to Loans) which the Seller or an affiliate of the Seller has acquired either by purchase of a portfolio or by acquisition of an entity which owns the portfolio and new loans originated with respect to such entity, program or portfolio during the Transition Period; provided that, the term Acquired Portfolio Loan shall not include loans acquired from Kona.

"Addition Cut-Off Date" shall mean, for Additional Loans of any Series, the date set forth in the related Assignment.

"Addition Date" shall mean, with respect to any Series, the Addition Date as defined in the related PA Supplement.

"Additional Issuer" shall mean an entity which is a subsidiary of the Purchaser, other than the Initial Issuer, which purchases Loans from the Purchaser with the proceeds of a Series of Notes issued by such entity and pledges the Loans to secure such Series of Notes.

"Additional Loan" shall mean, with respect to any Series, each installment contract or contract for deed or contract or note secured by a mortgage, deed of trust, vendor's lien or retention of title, in each case relating to the sale of one or more Timeshare Properties or Green Timeshare Properties to an Obligor and each Additional Upgrade Balance, in each case constituting one of the Loans of such Series purchased from the Seller as of an Addition Cut-Off Date and listed on Schedule 1 to the related Assignment.

"Additional Pool Purchase Price" shall have the meaning set forth in Section 3.

"Additional Series" shall mean a Series of Notes, other than the Series 2002-1 Notes.

"Additional Upgrade Balance" shall mean, with respect to any Loan, any future borrowing made by the related Obligor pursuant to a modification of the Loan relating to a Timeshare Upgrade after the Cut-Off Date or the Addition Cut-Off Date, as applicable, with respect to such Loan, together with all money due or to become due in respect of such borrowing.

"Affiliate" of any Person shall mean any other Person controlling or controlled by or under common control with such Person, and "control" shall mean the power to direct the management and policies of such Person directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Agreement" shall mean this Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Amortization Event" shall mean, with respect to any Series, one or more of the events constituting an Amortization Event as defined in the related Indenture Supplement.

"Alliance Program" shall mean any sales and marketing program pursuant to which an Originator acquires recovered Timeshare Property interests from sold out third-party unaffiliated resorts for resale.

"Assessments" shall mean any assessments made with respect to a Timeshare Property, including but not limited to real estate taxes, recreation fees, community club or property owners' association dues, water and sewer improvement district assessments or other similar assessments, the nonpayment of which could result in the imposition of a Lien or other encumbrance upon such Timeshare Property.

"Assignment" shall mean, with respect to any Series, an Assignment as defined in the related PA Supplement.

"Assignment of Mortgage" shall mean any assignment (including any collateral assignment) of any Mortgage.

"Bankruptcy Code" shall mean the United States Bankruptcy Code, Title 11 of the United States Code, as amended.

"Benefit Plan" shall mean any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Company or any ERISA Affiliate of the Company is, or at any time during the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

"Business Day" shall mean any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in New York, New York, Las Vegas, Nevada, or the city in which the Corporate Trust Office of the Trustee is located, or any other city specified in the PA Supplement for a Series, are authorized or obligated by law or executive order to be closed.

"Cendant" shall mean Cendant Corporation, a Delaware corporation, or any successor thereof.

"Closing Date" shall mean, with respect to any Series, the Closing Date as defined in the related PA Supplement.

"Collateral" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Collateral Agency Agreement" shall mean the Collateral Agency Agreement dated as of January 15, 1998 by and between Wachovia Bank, National Association as successor Collateral Agent and the secured parties named therein, as amended by the First Amendment dated as of July 31, 1998, the Second Amendment dated as of July 25, 2000, the Third Amendment dated as of July 1, 2001, the Fourth Amendment dated as of August 29, 2002, the Fifth Amendment dated as of March 31, 2003, the Sixth Amendment dated as of May 20,

2003, the Seventh Amendment dated as of December 5, 2003, the Eighth Amendment dated as of March 27, 2004 and the Ninth Amendment dated as of August 11, 2005, as such Collateral Agency Agreement may be further amended, supplemented or otherwise modified from time to time in accordance therewith.

"Collateral Agent" shall mean Wachovia Bank, National Association, as Collateral Agent, its successors and assigns and any entity which is substituted as Collateral Agent under the terms of the Collateral Agency Agreement.

"Collection Account" shall mean with respect to any Series the account or accounts established as the collection account for such Series pursuant to the Indenture and Servicing Agreement under which such Series of Notes is issued.

"Collections" shall mean, with respect to any Loan, all funds, cash collections and other cash proceeds of such Loan, including without limitation (i) all Scheduled Payments or recoveries made in the form of money, checks and like items to, or a wire transfer or an automated clearinghouse transfer received in, any of the Lockbox Accounts or received by the Issuer or the Master Servicer (or any Subservicer) in respect of such Loan, (ii) all amounts received by the Issuer, the Master Servicer (or any Subservicer) or the Trustee in respect of any Insurance Proceeds relating to such Loan or the related Timeshare Property and (iii) all amounts received by the Issuer, the Master Servicer (or any Subservicer) or the Trustee in respect of any proceeds in respect of a condemnation of property in any Resort, which proceeds relate to such Loan or the related Timeshare Property.

"Company" shall have the meaning set forth in the preamble.

"Contaminants" shall have the meaning set forth in Section 6(b)(xii).

"Corporate Trust Office" with respect to any Trustee, shall have the meaning set forth in the Indenture and Servicing Agreement.

"Credit Card Account" shall mean an arrangement whereby an Obligor makes Scheduled Payments under a Loan via pre-authorized debit to a Major Credit Card.

"Credit Standards and Collection Policies" shall mean the Credit Standards and Collection Policies of the Seller and FRI, a copy of which is attached to this Agreement as Exhibit C, as the same may be amended from time to time in accordance with the provisions of Section 8(b)(iii).

"Custodial Agreement" shall mean the Fifth Amended and Restated Custodial Agreement dated as of August 11, 2005 by and between each of the Issuers, the Seller, Trendwest, Wachovia Bank, National Association as Custodian, the Trustees and the Collateral Agent, a copy of which is attached to this Agreement as Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time thereafter in accordance with the terms hereof.

"Custodian" shall mean, at any time, the custodian under either Custodial Agreement at such time.

"Customary Practices" shall mean the Master Servicer's practices with respect to the servicing and administration of Loans as in effect from time to time, which practices shall be consistent with the practices employed by prudent lending institutions that originate and service instruments similar to the Loans or other timeshare loans in the jurisdictions in which the Resorts are located.

"Cut-Off Date" shall mean, with respect to any Series, the Cut-Off Date as defined in the related PA Supplement.

"De Minimus Levels" shall have the meaning set forth in Section 6(b)(xii).

"Debtor Relief Laws" shall mean the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"Defaulted Loan" shall mean any Loan (a) with any portion of a Scheduled Payment delinquent more than 90 days, (b) with respect to which the Master Servicer shall have determined in good faith that the Obligor will not resume making Scheduled Payments, (c) for which the related Obligor has been the subject of a proceeding under a Debtor Relief Law or (d) for which cancellation or foreclosure actions have been commenced.

"Defaulted Loan Repurchase Cap" shall mean, as of any date of determination, an amount equal to theproduct of (a) 16.00% multiplied by (b) the aggregate Loan principal balance of all Loans (calculated as of the Cut-Off Date or related Addition Cut-Off Date, as applicable, for each Loan) sold by the Seller to the Depositor pursuant to this Agreement on or prior to such date of determination.

"Defective Loan" shall mean, with respect to any Series, any Loan with any uncured material breach of a representation or warranty of the Seller set forth in Section 6(b) hereof and in the related PA Supplement.

"Delinquent Loan" shall mean, with respect to any Series, a Loan with any portion of a Scheduled Payment delinquent more than 30 days, other than any Loan that is a Defaulted Loan.

"Depositor Administrative Services Agreement" shall mean the administrative services agreement dated as of August 29, 2002 by and between Wyndham as administrator and the Company as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof.

"Due Date" shall mean, with respect to any Loan, the date on which an Obligor is required to make a Scheduled Payment thereon.

"Due Period" shall mean, with respect to any Payment Date, the immediately preceding calendar month.

"Effective Date" shall mean the date on which Wyndham Worldwide and its subsidiaries cease to be subsidiaries of Cendant.

"Eligible Loan" shall mean, with respect to any Series, an Eligible Loan as defined in the related PA Supplement.

"Environmental Laws" shall have the meaning set forth in Section 6(b)(xii).

"Equity Percentage" shall mean, with respect to a Loan, a fraction, expressed as a percentage, the numerator of which is the excess of (A) the Timeshare Price of the related Timeshare Property relating to a Loan paid or to be paid by an Obligor over (B) the outstanding principal balance of such Loan at the time of sale of such Timeshare Property to such Obligor (less the amount of any valid check presented by such Obligor at the time of such sale that has cleared the payment system), and the denominator of which is the Timeshare Price of the related Timeshare Property, provided that any cash downpayments or principal payments made on any initial Loan that have been fully prepaid as part of a Timeshare Upgrade and financed downpayments under such initial Loan financed over a period not exceeding six months from the date of origination of such Loan that have actually been paid within such six-month period shall be included for purposes of calculating the numerator of such fraction.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean, with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as such Person; (ii) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with such Person; or (iii) a member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as such Person, any corporation described in clause (i) or any trade or business described in clause (ii).

"ERISA Liabilities" shall have the meaning set forth in Section 8(b)(vi).

"Event of Default" shall mean, with respect to any Series, one or more of the events constituting an Event of Default under the related Indenture Supplement.

"Facility Documents" shall mean, collectively, this Agreement, each PA Supplement, each Indenture and Servicing Agreement, each Indenture Supplement, each Pool Purchase Agreement, the Custodial Agreement, the Lockbox Agreements, the Collateral Agency Agreement, the Title Clearing Agreements, the Loan Conveyance Documents, the Depositor Administrative Services Agreement, the Issuer Administrative Services Agreement, the Financing Statements and all other agreements, documents and instruments delivered pursuant thereto or in connection therewith.

"FairShare Plus Agreement" shall mean the Amended and Restated FairShare Vacation Plan Use Management Trust Agreement effective as of January 1, 1996 by and between FRI, FMB and such other Subsidiaries and third party developers as may be named by an amendment or addendum thereto, as the same may be amended, restated, supplemented or otherwise modified from time to time thereafter in accordance with the terms of this Agreement.

"FairShare Plus Program" shall mean the program pursuant to which the occupancy and use of a Timeshare Property is assigned to the trust created by the FairShare Plus Agreement in exchange for annual symbolic points that are used to establish the location, timing, length of stay and unit type of a vacation, including without limitation systems relating to reservations, accounting and collection, disbursement and enforcement of assessments in respect of contributed units.

"Fixed Week" shall mean a Timeshare Property representing a fee simple interest in a lodging unit at a Resort that entitles the related Obligor to occupy such lodging unit for a specified one-week period each year.

"FMB" shall have the meaning set forth in the preamble.

"FRI" shall have the meaning set forth in the preamble.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Grant" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Green Loan" shall mean a Loan the proceeds of which are used to finance the purchase of a Green Timeshare Property.

"Green Timeshare Property" shall mean a Timeshare Property for which construction on the related Resort has not yet begun or is subject to completion.

"Indemnified Amounts" shall have the meaning set forth in Section 6(e).

"Indenture and Servicing Agreement" shall mean (i) the Master Indenture and Servicing Agreement dated as of August 29, 2002, as amended and restated as of July 7, 2006, together with the Indenture Supplement, each as amended from time to time, and each among the Initial Issuer, as issuer, Wyndham, as master servicer and Wachovia Bank, National Association, as trustee and collateral agent, and (ii) with respect to any Additional Series, the indenture and servicing agreement or similar document or documents pursuant to which such Additional Series is issued and in which the terms of such Additional Series are set forth.

"Indenture Supplement" shall mean (i) with respect to Series 2002-1, the supplement to the Master Indenture and Servicing Agreement executed and delivered in connection with the issuance of the Series 2002-1 Notes and all amendments thereof and supplements thereto and (ii) with respect to any Additional Series, the Indenture and Servicing Agreement for that Series.

"Independent Director" shall mean an individual who is an Independent Director as defined in the Limited Liability Company Agreement of the Company as in effect on the date of this Agreement.

"Initial Closing Date" shall mean August 29, 2002.

"Initial Issuer" shall mean Sierra Timeshare Conduit Receivables Funding, LLC formerly known as Cendant Timeshare Conduit Receivables Funding, LLC and prior to that known as Sierra Receivables Funding Company, LLC, a Delaware limited liability company as issuer of the Series 2002-1 Notes.

"Initial Loan" shall mean, with respect to any Series, each Loan listed on the related Loan Schedule on the Closing Date for such Series.

"Insolvency Event" shall mean, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Debtor Relief Law now or hereafter in effect, or the filing of a petition against such Person in an involuntary case under any applicable Debtor Relief Law now or hereafter in effect, which case remains unstayed and undismissed within 30 days of such filing, or the appointing of a receiver, conservator, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the ordering of the winding-up or liquidation of such Person's business; or (b) the commencement by such Person of a voluntary case under any applicable Debtor Relief Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such Debtor Relief Law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due or the admission by such Person of its inability to pay its debts generally as they become due.

"Insolvency Proceeding" shall mean any proceeding relating to an Insolvency Event.

"Installment Contract" shall mean, with respect to any Series, an installment sale contract for deed and retained title in a related Timeshare Property by and between an Originator and an Obligor.

"Insurance Proceeds" shall mean proceeds of any insurance policy relating to any Loan or the related Timeshare Property, including any refund of unearned premium, but only to the extent such proceeds are not to be applied to the restoration of any improvements on the related Timeshare Property or released to the Obligor in accordance with Customary Practices.

"Internal Revenue Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

"Issuer" shall mean the Initial Issuer and each Additional Issuer.

"Issuer Administrative Services Agreement" shall mean the administrative services agreement dated as of August 29, 2002 by and between Wyndham as administrator and the Initial Issuer as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof.

"Kona" shall mean Kona Hawaiian Vacation Ownership, LLC, a Hawaii limited liability company.

"Kona Addition Date" shall mean November 27, 2002.

"Lien" shall mean any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including without limitation any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC (other than any such financing statement filed for informational purposes only) or comparable law of any jurisdiction to evidence any of the foregoing.

"Loan" shall mean, with respect to any Series, each installment contract or contract for deed or contract or note secured by a mortgage, deed of trust, vendor's lien or retention of title, in each case relating to the sale of one or more Timeshare Properties or Green Timeshare Properties to an Obligor, that is listed on the Loan Schedule for such Series on the related Closing Date and any Additional Loans that are listed from time to time on such Loan Schedule in accordance with the related PA Supplement.

"Loan Conveyance Documents" shall mean, with respect to any Loan, (a) the Assignment of Additional Loans in the form of Exhibit B, if applicable, and (b) any such other releases, documents, instruments or agreements as may be required by the Company, the Issuer or the Trustee in order to more fully effect the sale (including any prior assignments) of such Loan and any related Transferred Assets.

"Loan Documents" shall mean, with respect to any Loan, all papers and documents related to such Loan, including the original of all applicable promissory notes, stamped as required by the Custodial Agreement, the original of any related recorded or (to the extent permitted under this Agreement) unrecorded Mortgage (or a copy of such recorded Mortgage if the original of the recorded Mortgage is not available, certified to be a true and complete copy of the original) and a copy of any recorded or (to the extent permitted under this Agreement) unrecorded warranty deed transferring legal title to the related Timeshare Property to the Obligor; provided, however, that the Loan Documents may be provided in microfiche or other electronic form to the extent permitted under the Custodial Agreement.

"Loan File" shall mean, with respect to any Loan, the Loan Documents pertaining to such Loan and any additional amendments, supplements, extensions, modifications or waiver agreements required to be added to the Loan File pursuant to this Agreement, the Credit Standards and Collection Policies and/or Customary Practices.

"Loan Pool" shall mean, with respect to any Series, all Loans identified in the Loan Schedule for such Series.

"Loan Rate" shall mean the annual rate at which interest accrues on any Loan, as modified from time to time in accordance with the terms of any related Credit Standards and Collection Policies.

"Loan Schedule" shall mean, with respect to any Series, the list of Loans attached to the related PA Supplement as Schedule 1, as amended from time to time on each Addition Date and Repurchase Date as provided in the related PA Supplement, which list shall set forth the following information with respect to each Loan therein as of the applicable date:

(a) the Loan number;

(b) the Obligor's name and the home address and telephone number for such Obligor set forth in the Loan;

(c) the Resort in which the related Timeshare Property is located;

(d) as to Fixed Weeks, the building, unit and week thereof; as to UDIs, the phase number thereof; and as to all other Timeshare Properties, the number of Points issued pursuant to the FairShare Plus Program (if applicable) for which occupancy rights in such Timeshare Property may be redeemed and which are represented thereby;

(e) the Loan Rate;

(f) whether the Obligor has elected a PAC with respect to the Loan;

(g) the original term of the Loan;

(h) the original Loan principal balance and outstanding Loan principal balance as of the Cut-Off Date or related Addition Cut-Off Date, as applicable;

(i) the date of execution of the Loan;

(j) the amount of the Scheduled Payment on the Loan;

(k) the original Timeshare Price and Equity Percentage; and

(l) whether the related Timeshare Property has been deeded to the Obligor.

The Loan Schedule also shall set forth the aggregate amounts described under clause (h) above for all outstanding Loans. The Loan Schedule may be in the form of more than one list, collectively setting forth all of the information required.

"Lockbox Account" shall mean any of the accounts established pursuant to a Lockbox Agreement.

"Lockbox Agreement" shall mean (i) with respect to Loans pledged to secure the Series 2002-1 Notes, any agreement substantially in the form of Exhibit E by and between the Initial Issuer, the Trustee, the Master Servicer and the applicable Lockbox Bank, which agreement sets forth the rights of the Issuer, the Trustee and the applicable Lockbox Bank with respect to the disposition and application of the Collections deposited in the applicable Lockbox Account, including without limitation the right of the Trustee to direct the Lockbox

Bank to remit all Collections directly to the Trustee and (ii) with respect to Loans pledged to secure an Additional Series, the lockbox agreements or similar arrangements described in the applicable Indenture and Servicing Agreement.

"Lockbox Bank" shall mean any of the commercial banks holding one or more Lockbox Accounts for the purpose of receiving Collections.

"Lot" shall mean a fully or partially developed parcel of real estate.

"Major Credit Card" shall mean a credit card issued by any Visa USA, Inc., MasterCard International Incorporated, American Express Company, Discover Bank or Diners Club International Ltd. credit card entity.

"Master Servicer" shall mean, with respect to each Indenture and Servicing Agreement, the entity then designated as the servicer or master servicer under such agreement.

"Material Adverse Effect" shall mean, with respect to any Person and any event or circumstance, a material adverse effect on: (a) the business, properties, operations or condition (financial or otherwise) of any of such Person; (b) the ability of such Person to perform its respective obligations under any Facility Documents to which it is a party; (c) the validity or enforceability of, or collectibility of amounts payable under, any Facility Documents to which it is a party; (d) the status, existence, perfection or priority of any Lien arising through or under such Person under any Facility Documents to which it is a party; or (e) the value, validity, enforceability or collectibility of the Loans pledged as collateral for any Series of Notes or any of the other Transferred Assets pledged as collateral for any Series of Notes.

"Mortgage" shall mean any mortgage, deed of trust, purchase money deed of trust or deed to secure debt encumbering the related Timeshare Property, granted by the related Obligor to the Originator of a Loan to secure payments or other obligations under such Loan.

"Multiemployer Plan" shall have the meaning set forth in Section 3(37) of ERISA.

"Nominee" shall mean (i) with respect to each of the Title Clearing Agreements, the person designed in such agreement as the nominee or, where applicable, the entity given such other designation as is appropriate and which is the entity to which legal title to the subject property is conveyed and held and (ii) with respect to other title clearing documents, instruments and agreements, title holding documents, instruments and agreement or similar documents, instruments and agreements, the entity–which shall not be the Seller or an Affiliate of the Seller–to which legal title to the subject property is conveyed and held for ease of transfer and for the benefit of the entities, among others, to which Series 2002-1 Loans have from time to time been conveyed, as their interests may appear.

"Note" shall mean any Loan-backed note issued, executed and authenticated in accordance with an Indenture and Servicing Agreement and, where appropriate, any related Indenture Supplement.

"Noteholder" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Obligor" shall mean, with respect to any Loan, the Person or Persons obligated to make Scheduled Payments thereon.

"Operating Agreement" shall mean the Tenth Amended and Restated Operating Agreement dated as of August 11, 2005 by and between FRI, FMB, Kona, the VB Subsidiaries, Trendwest and the Seller and such agreement as it may be amended and supplemented from time to time.

"Opinion of Counsel" shall mean a written opinion of counsel in form and substance reasonably satisfactory to the recipient thereof.

"Originator" shall mean FRI, FMB, Kona, SDI, or a VB Subsidiary, as the case may be, or any other Subsidiary of, prior to the Effective Date, Cendant Corporation and, on and after the Effective Date, Wyndham Worldwide that originates Loans in accordance with the Credit Standards and Collection Policies for sale to CTRG-CF.

"PAC" shall mean an arrangement whereby an Obligor makes Scheduled Payments under a Loan via pre-authorized bank account debit.

"PA Supplement" shall have the meaning set forth in the recitals.

"Payment Date" shall mean, with respect to any Series, the payment date set forth in the related Indenture and Servicing Agreement or in the related Indenture Supplement, as applicable.

"Permitted Encumbrance" shall mean, with respect to a Loan, any of the following Liens against the related Timeshare Property: (i) the interest therein of the Obligor and/or the Nominee, as the case may be, (ii) the Lien of due and unpaid Assessments, (iii) covenants, conditions and restrictions, rights of way, easements and other matters of public record, such exceptions appearing of record being consistent with the normal business practices of Wyndham and FRI or specifically disclosed in the applicable land sales registrations filed with the applicable regulatory agencies and (iv) other matters to which properties of the same type as those underlying such Loan are commonly subject that do not materially interfere with the benefits of the security intended to be provided by such Timeshare Property.

"Person" shall mean any person or entity, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity or any other organization or entity, whether or not a legal entity.

"Plan" shall mean an employee benefit plan or other retirement arrangement subject to ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time.

"Plan Insolvency" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"POA" shall mean each property owners' association or similar timeshare owner body for a Timeshare Property Regime or Resort or portion thereof, in each case established pursuant to the declarations, articles or similar charter documents applicable to each such Timeshare Property Regime, Resort or portion thereof.

"Points" shall mean, with respect to any lodging unit at a Timeshare Property Regime, the number of points of symbolic value assigned to such unit pursuant to the FairShare Plus Program.

"Pool Purchase Agreement" shall mean (i) with respect to Series 2002-1 Notes, the master purchase agreement dated as of August 29, 2002, as amended and restated as of July 7, 2006, by and between the Company and the Initial Issuer and all amendments thereof and supplements thereto and (ii) with respect to any Additional Series, the Term Purchase Agreement by and between the Company and the Additional Issuer which issues such Additional Series.

"Pool Purchase Price" shall mean, with respect to any Series, the Pool Purchase Price as defined in the related PA Supplement.

"Post Office Box" shall mean each post office box to which Obligors are directed to mail payments in respect of the Loans of any Series.

"Purchase" shall mean, with respect to any Series, a Purchase as defined in the related PA Supplement.

"Purchaser" shall have the meaning set forth in the preamble.

"Qualified Substitute Loan" shall mean, with respect to any Series, a substitute Loan that (i) is an Eligible Loan on the applicable date of substitution for such substitute Loan, (ii) on such date of substitution has a Loan Rate not less than the Loan Rate of the substituted Loan and (iii) is not selected in a manner adverse to the Purchaser or its assignees.

"Records" shall mean all copies of Loans (not including originals) and other documents, books, records and other information (including without limitation computer programs, tapes, discs, punch cards, data processing software and related property and rights) maintained by the Seller or any of its respective Affiliates (including without limitation each Originator, but not including the Purchaser or the Issuer) with respect to Loans, the related Transferred Assets and the related Obligors.

"Reorganization" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event" shall mean any of the events described in Section 4043 of ERISA.

"Repurchase Date" shall mean, with respect to any Series, the Repurchase Date as defined in the related PA Supplement.

"Repurchase Price" shall mean, with respect to any Series, the Repurchase Price as defined in the related PA Supplement.

"Reservation System" shall mean the system with respect to Timeshare Properties pursuant to which a reservation for a particular location, time, length of stay and unit type is received, accepted, modified or canceled.

"Reserve Account" shall, with respect to any Series, mean any reserve account established pursuant to the related Indenture Supplement.

"Resort" shall mean each resort or development listed on Schedule 2 (as such Schedule 2 may be amended from time to time with the written consent of the Company and the Seller in connection with proposed sales of Additional Loans relating to resorts or developments with respect to which Loans have not previously been sold under this Agreement).

"Scheduled Payment" shall mean each scheduled monthly payment of principal and interest on a Loan.

"SDI" shall mean Shawnee Development, Inc., a Pennsylvania corporation.

"SDI Addition Date" means the date on which Loans originated by SDI are first sold to the Purchaser under the terms of this Agreement and a PA Supplement.

"Seller" shall have the meaning set forth in the preamble.

"Series" shall mean (i) with respect to the sale of Loans to the Purchaser pursuant to a PA Supplement, all Loans sold pursuant to a PA Supplement and (ii) with respect to Notes, the Series 2002-1 Notes or any Additional Series.

"Series Termination Date" shall mean, with respect to any Series, the Series Termination Date as defined in the related PA Supplement or Indenture and Servicing Agreement.

"State" shall mean any of the 50 United States or the District of Columbia.

"Subservicer" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Subservicing Agreement" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Subsidiary" shall mean, with respect to any Person, any corporation or other entity of which more than 50% of the outstanding capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors of such corporation (notwithstanding that at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) or other persons performing similar functions is at the time directly or indirectly owned by such Person.

"Substitution Adjustment Amount" shall, with respect to any Series, have the meaning set forth in the related PA Supplement.

"Term Purchase Agreement" shall mean a purchase agreement between the Purchaser and an Additional Issuer pursuant to which the Purchaser sells Loans to the Additional Issuer and the Additional Issuer purchases such Loans for the purpose of pledging the Loans to secure a Series of Notes.

"Timeshare Price" shall mean the original price of the Timeshare Property paid by an Obligor,plus any accrued and unpaid interest and other amounts owed by the Obligor.

"Timeshare Property" shall mean the underlying ownership interest that is the subject of a Loan, which ownership interest may be either a Fixed Week, a UDI or the Points with respect thereto under the FairShare Plus Program.

"Timeshare Property Regime" shall mean any of the various interval ownership regimes located at a Resort, each of which is an arrangement established under applicable state law whereby all or a designated portion of a development is made subject to a declaration permitting the transfer of Timeshare Properties therein, which Timeshare Properties shall, in the case of Fixed Weeks and UDIs, constitute real property under the applicable local law of each of the jurisdictions in which such regime is located.

"Timeshare Upgrade" shall mean the upgrade by an Obligor of the Obligor's existing Timeshare Property to an upgraded Timeshare Property or an obligor's purchase of an additional Timeshare Property.

"Title Clearing Agreement" shall mean, with respect to certain Loans that are Installment Contracts, each of (a) the Sixteenth Amended and Restated Title Clearing Agreement dated as of August 11, 2005, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, by and among the Issuer, FRI, the Seller, the Purchaser, Lawyers Title Insurance Corporation, the Collateral Agent and the other parties thereto; (b) the Fourteenth Amended and Restated Title Clearing Agreement (Colorado) dated as of August 11, 2005, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, by and among the Issuer, FRI, the Seller, the Purchaser, Colorado Land Title Company, the Collateral Agent and the other parties thereto; (c) the Twelfth Amended and Restated Title Clearing Agreement (Westwinds) dated as of August 11, 2005, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, by and among the Issuer, FRI, the Seller, the Purchaser, Lawyers Title Insurance Corporation, the Collateral Agent and the other parties thereto; (d) the Eleventh Amended and Restated Nashville Title Clearing Agreement dated as of August 11, 2005, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, by and among the Issuer, FRI, the Seller, the Purchaser, Lawyers Title Insurance Corporation, the Collateral Agent and the other parties thereto; (e) the Eleventh Amended and Restated Seawatch Plantation Title Clearing Agreement dated as of August 11, 2005, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, by and among the Issuer, FRI, FMB, the Seller, the Purchaser, Lawyers Title Insurance Corporation, the Collateral Agent and the other parties thereto; (f) the Thirteenth Amended and Restated Supplementary Trust Agreement (Arizona) dated as of August 11, 2005, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, by and among the Issuer, FRI, the Seller, the Purchaser, First American Title

Insurance Corporation, the Collateral Agent and the other parties thereto; (g) the Seventh Amended and Restated Nevada Title Clearing Agreement dated as of August 11, 2005, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, by and among the Issuer, FRI, the Seller, the Purchaser, Lawyer's Title of Nevada, Inc., the Collateral Agent and the other parties thereto; and (h) such other title clearing agreements and other similar documents, instruments and agreements which may be entered into from time to time by each of FRI, the Seller, the Issuer, the Purchaser and the Collateral Agent (among other Persons) in accordance with the transactions contemplated by this Agreement and other Facility Documents relating to the Timeshare Properties.

"Transferred Assets" shall mean, with respect to any Series, any and all right, title and interest of the Seller in, to and under:

(a) the Loans from time to time, including without limitation the Initial Loans as of the close of business on the Cut-Off Date and the Additional Loans as of the close of business on the related Addition Cut-Off Dates and all Scheduled Payments, other Collections and other funds received in respect of such Initial Loans and Additional Loans on or after the Cut-Off Date or Addition Cut-Off Date, as applicable, and any other monies due or to become due on or after the Cut-Off Date or Addition Cut-Off Date, as applicable, in respect of any such Loans, and any security therefor;

(b) (i) the Timeshare Properties relating to the Loans and (ii) the Title Clearing Agreements and the FairShare Plus Program (including without limitation the FairShare Plus Agreement) to the extent that they relate to such Timeshare Properties;

(c) any Mortgages relating to the Loans;

(d) any Insurance Policies relating to the Loans;

(e) the Loan Files and other Records relating to the Loans;

(f) the Loan Conveyance Documents relating to the Loans;

(g) all interest, dividends, cash, instruments, financial assets and other investment property and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for, or on account of, the sale or other disposition of the Transferred Assets, and including all payments under Insurance Policies (whether or not any of the Seller, the Purchaser, any Originator, the Master Servicer, the Issuer or the Trustee is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any Transferred Assets, and any security granted or purported to be granted in respect of any Transferred Assets; and

(h) all proceeds of any of the foregoing property described in clauses (a) through (g).

"Transition Period" shall mean the period from the date the Seller or an affiliate of the Seller acquires an organization, facility or program from an unrelated entity to the date on which the Seller or an affiliate of the Seller has fully converted the servicing of Loans related to such organization, facility or program to the Master Servicer's Credit Standards and Collection Policies.

"Trendwest" shall mean Trendwest Resorts, Inc., a wholly-owned indirect Subsidiary of, prior to the Effective Date, Cendant and, on and after the Effective Date, Wyndham Worldwide.

"Trustee" shall mean with respect to each Indenture and Servicing Agreement, the entity designated as the trustee under such agreement.

"UCC" shall mean the Uniform Commercial Code, as amended from time to time, as in effect in any specified jurisdiction.

"UDI" shall mean an individual interest in fee simple (as tenants in common with all other undivided interest owners) in a lodging unit or group of lodging units at a Resort.

"VB Partnerships" shall have the meaning set forth in the preamble.

"VB Subsidiaries" shall have the meaning set forth in the preamble.

"Wyndham" shall mean Wyndham Consumer Finance, Inc., a Delaware corporation formerly known as Cendant Timeshare Resort Group-Consumer Finance, Inc. and prior to that known as Fairfield Acceptance Corporation-Nevada, a corporation domiciled in Nevada.

"Wyndham Worldwide" shall mean Wyndham Worldwide Corporation and its successors and assigns.

Section 2. Purchase and Sale of Loans.

The Seller may from time to time sell and assign to the Company, and the Company may from time to time Purchase from the Seller, all the Seller's right, title and interest in, to and under the Loans listed on the Loan Schedule with respect to the related PA Supplement. The principal terms of the Purchase and sale of Loans for each Series shall be set forth in the related PA Supplement.

Section 3. Pool Purchase Price.

Provisions with respect to the Purchase and sale of the Loans for each Series shall be set forth in the related PA Supplement.

The purchase price for any Additional Loans and other related Transferred Assets (the "Additional Pool Purchase Price") conveyed to the Company under this Agreement and the related PA Supplement on each Addition Date shall be a dollar amount equal to the aggregate outstanding principal balance of such Additional Loans sold on such date, subject to adjustment to reflect such factors as the Company and the Seller mutually agree will result in an Additional Pool Purchase Price equal to the fair market value of such Additional Loans and other related Transferred Assets.

Section 4. Payment of Purchase Price.

(a) Closing Dates. On the terms and subject to the conditions of this Agreement and the related PA Supplement, payment of the Pool Purchase Price for each Series shall be made by the Company on the related Closing Date in immediately available funds to the Seller to such accounts at such banks as the Seller shall designate to the Company not less than one Business Day prior to the such Closing Date.

(b) Manner of Payment of Additional Pool Purchase Price. On the terms and subject to the conditions in this Agreement and the related PA Supplement, the Company shall pay to the Seller, on each Business Day on which any Additional Loans are purchased from the Seller by the Company pursuant to Section 2 of the related PA Supplement, the Additional Pool Purchase Price for such Additional Loans by paying such Additional Pool Purchase Price to the Seller in cash.

(c) Scheduled Payments Under Loans and Cut-Off Date. The Company shall be entitled to all Scheduled Payments, other Collections and all other funds with respect to any Loan received on or after the related Cut-Off Date or Addition Cut-Off Date, as applicable. The principal balance of each Loan as of the related Cut-Off Date or Addition Cut-Off Date, as applicable, shall be determined after deduction, in accordance with the terms of each such Loan, of payments of principal received before such Cut-Off Date or Addition Cut-Off Date.

Section 5. Conditions Precedent to Sale of Loans.

No Purchase of Loans and related Transferred Assets shall be made hereunder or under any PA Supplement on any date on which:

(a) the Company does not have sufficient funds available to pay the related Pool Purchase Price or Additional Pool Purchase Price in cash; or

(b) an Insolvency Event has occurred and is continuing with respect to the Seller or the Company.

Section 6. Representations and Warranties of the Seller, FRI, FMB, SDI and the VB Subsidiaries

(a) General Representations and Warranties of the Seller, FRI, FMB, SDI and the VB Subsidiaries. The Seller, FRI, FMB, SDI and the VB Subsidiaries jointly and severally represent and warrant as of each Closing Date and as of each Addition Date (except that SDI makes any representations and warranties with respect to SDI only as of the SDI Addition Date, as of each Closing Date occurring after the SDI Addition Date and as of each Addition Date occurring after the SDI Addition Date), or as of such other date specified in such representation and warranty, that:

(i) Organization and Good Standing.

(A) Each of the Seller, FRI, FMB, SDI and the VB Subsidiaries (other than the VB Partnerships) is a corporation duly organized, validly existing and in good standing under the laws of the state of its organization and has full corporate power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement, any related PA Supplement and each of the Facility Documents to which it is a party. Each of the Seller, FRI, FMB, SDI and the VB Subsidiaries (other than the VB Partnerships) is organized in the jurisdiction set forth in the preamble. Each of the Seller, FRI, FMB, SDI and the VB Subsidiaries (other than the VB Partnerships) is duly qualified to do business and is in good standing as a foreign corporation, and has obtained all necessary licenses and approvals in each jurisdiction in which failure to qualify or to obtain such licenses and approvals would render any Loan unenforceable by any of the Seller, FRI, FMB, SDI or the VB Subsidiaries (other than the VB Partnerships).

(B) Each of the VB Partnerships is a general partnership duly organized and validly existing under the laws of the State of Florida and has full power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement, any related PA Supplement and each of the Facility Documents to which it is a party. Each of the VB Partnerships is duly qualified to do business and is in good standing and has obtained all necessary licenses and approvals in each jurisdiction in which failure to qualify or to obtain such licenses and approvals would render any Loan unenforceable by any of the VB Partnerships.

(C) The name of each of the Seller, FRI, FMB, SDI and the VB Subsidiaries set forth in the preamble of this Agreement is the correct legal name of such entity, and such name has not been changed in the past six years (except those name changes made in accordance with the terms of this Agreement). None of the Seller, FRI, FMB, SDI or the VB Subsidiaries utilizes any trade names, assumed names, fictitious names or "doing business names."

(ii) Due Authorization and No Conflict. The execution, delivery and performance by each of the Seller, FRI, FMB, SDI and the VB Subsidiaries of each of the Facility Documents to which it is a party, and the consummation by each such party of the transactions contemplated hereby and under each other Facility Document to which it is a party, has been duly authorized by the Seller, FRI, FMB, SDI and the VB Subsidiaries, respectively, by all necessary corporate or partnership action, does not contravene (i) the Seller's, FRI's, FMB's, SDI's or the VB Subsidiaries' charter or by-laws or partnership agreement, (ii) any law, rule or regulation applicable to the Seller, FRI, FMB, SDI or the VB Subsidiaries, (iii) any contractual restriction contained in any material indenture, loan or credit agreement, lease, mortgage, deed of trust, security agreement, bond, note, or other material agreement or instrument binding on any of the

Seller, FRI, FMB, SDI or the VB Subsidiaries or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting the Seller, FRI, FMB, SDI, the VB Subsidiaries or their properties (except where such contravention would not have a Material Adverse Effect with respect to such Persons or properties), and do not result in (except as provided in the Facility Documents) or require the creation of any Lien upon or with respect to any of their properties; and no transaction contemplated hereby requires compliance with any bulk sales act or similar law. Each of the Facility Documents to which the Seller, FRI, FMB, SDI or the VB Subsidiaries is a party have been duly executed and delivered on behalf of the Seller, FRI, FMB, SDI or the VB Subsidiaries, as applicable. To the extent that this representation is being made with respect to Title I of ERISA or Section 4975 of the Code, it is made subject to the assumption that none of the assets being used to purchase the Loans and Transferred Assets constitute assets of any Benefit Plan or Plan with respect to which the Seller is a party in interest or disqualified person.

(iii) Governmental and Other Consents. All approvals, authorizations, consents or orders of any court or governmental agency or body required in connection with the execution and delivery by the Seller, FRI, FMB, SDI or the VB Subsidiaries of this Agreement, any related PA Supplement or any of the other Facility Documents to which it is a party, the consummation by such party of the transactions contemplated hereby or thereby, the performance by such party of and the compliance by such party with the terms hereof or thereof, have been obtained, except where the failure so to do would not have a Material Adverse Effect with respect to such Party.

(iv) Enforceability of Facility Documents. Each of the Facility Documents to which any of the Seller, FRI, FMB, SDI or the VB Subsidiaries is a party has been duly and validly executed and delivered by the Seller, FRI, FMB, SDI or the VB Subsidiaries, as applicable, and constitutes the legal, valid and binding obligation of the Seller, FRI, FMB, SDI or the VB Subsidiaries, as applicable, enforceable against it in accordance with its respective terms, except as enforceability may be subject to or limited by Debtor Relief Laws or by general principles of equity (whether considered in a suit at law or in equity).

(v) No Litigation. Except as disclosed in Schedule 5 to this Agreement or to any Assignment, there are no proceedings or investigations pending, or to the knowledge of the Seller, FRI, FMB, SDI or the VB Subsidiaries threatened, against the Seller, FRI, FMB, SDI or the VB Subsidiaries before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Agreement or any of the other Facility Documents, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any of the other Facility Documents, (C) seeking any determination or ruling that would adversely affect the performance by any of the Seller, FRI, FMB, SDI or the VB Subsidiaries of its obligations under this Agreement, any related PA Supplement or any of the other Facility Documents to which it is a party, (D) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or any of the other Facility Documents or (E) seeking any determination or ruling that would, if adversely determined, be reasonably likely to have a Material Adverse Effect with respect to such party.

(vi) Governmental Regulations. Neither the Seller, FRI, FMB, SDI nor any of the VB Subsidiaries is (A) an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, or (B) a "public utility company" or a "holding company," a "subsidiary company" or an "affiliate" of any public utility company within the meaning of Section 2(a)(5), 2(a)(7), 2(a)(8) or 2(a)(ii) of the Public Utility Holding Company Act of 1935, as amended.

(vii) Margin Regulations. Neither the Seller, FRI, FMB, SDI nor any of the VB Subsidiaries is engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as each such term is defined or used in any of Regulations T, U or X of the Board of Governors of the Federal Reserve System). No part of the proceeds of any of the notes issued by the Issuer has been used by the Seller, FRI, FMB, SDI or any of the VB Subsidiaries for so purchasing or carrying margin stock or for any purpose that violates or would be inconsistent with the provisions of any of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

(viii) Location of Chief Executive Office and Records. The principal place of business and chief executive office of FRI and FMB, and the office where FRI and FMB maintain all of their Records, is located at 8427 South Park Circle, Orlando, Florida 32819; the principal place of business and chief executive office of the Seller, and the office where the Seller maintains all of its Records, is 10750 West Charleston Blvd., Suite 130, Las Vegas, Nevada 89135; the principal place of business and chief executive office of SDI, and the office where SDI maintains all of its Records shall be provided by written notice given by Shawnee to the Trustee for the Series 2002-1 Notes on or prior to the SDI Addition Date; and the principal place of business and chief executive office of each of the VB Subsidiaries is located at 8427 South Park Circle, Orlando, Florida 32819. None of FRI, FMB, SDI, the VB Subsidiaries or the Seller has changed its principal place of business or chief executive office (or the office where such entity maintains all of its Records) during the previous six years (except for changes made in accordance with the terms of this Agreement and except that FRI and FMB changed their principal place of business and chief executive office from 8669 Commodity Circle, Suite 200, Orlando, Florida 32819 to the address set forth above on February 18, 2002; the Seller changed its principal place of business and chief executive office from 7730 West Sahara Avenue, Suite 105, Las Vegas, Nevada 89117 to the address set forth above in 2002; and each of the VB Subsidiaries changed its principal place of business and chief executive office from 6400 North Andrews Avenue, Fort Lauderdale, Florida 33309 to the address set forth above in 2001). At any time after the Initial Closing Date, upon 30 days' prior written notice to the Trustee as assignee of the Company and the Issuer, any of the Seller, FRI, FMB, SDI and the VB Subsidiaries may change its name or may change its type or its jurisdiction of organization to another jurisdiction within the United States and any of the VB Partnerships may change the location of its chief executive office, but only so long as all action necessary or reasonably requested by the Company to amend the existing financing statements and to file additional financing statements in all applicable jurisdictions to perfect the transfer of the Loans and the related Transferred Assets is taken.

(ix) Lockbox Accounts. Except in the case of any Lockbox Account pursuant to which only Collections in respect of Loans subject to a PAC or Credit Card Account are deposited, each of the Seller, FRI, FMB, SDI and the VB Subsidiaries, as applicable, has filed a standing delivery order with the United States Postal Service authorizing each Lockbox Bank to receive mail delivered to the related Post Office Box. The account numbers of all Lockbox Accounts, together with the names, addresses, ABA numbers and names of contact persons of all the Lockbox Banks maintaining such Lockbox Accounts and the related Post Office Boxes (other than those separately identified in an Indenture and Servicing Agreement), are set forth in Schedule 4. From and after the Initial Closing Date, none of the Seller, FRI, FMB, SDI or the VB Subsidiaries shall have any right, title and/or interest in or to any of the Lockbox Accounts or the Post Office Boxes and will maintain no Lockbox accounts in their own names for the collection of payments in respect of the Loans. None of the Seller, FRI, FMB, SDI or the VB Subsidiaries has any lockbox or other accounts for the collection of payments in respect of the Loans other than the Lockbox Accounts.

(x) Facility Documents. This Agreement and any PA Supplement are the only agreements pursuant to which the Seller sells the Loans and other related Transferred Assets to the Company. Each of the Seller, FRI, FMB SDI and the VB Subsidiaries has furnished to the Company true, correct and complete copies of each Facility Document to which any of the Seller, FRI, FMB, SDI and the VB Subsidiaries is a party, each of which is in full force and effect. None of the Seller, FRI, FMB, SDI, any of the VB Subsidiaries or any of its Affiliates (not including the Purchaser or the Issuer) is in default thereunder in any material respect.

(xi) Taxes. Each of the Seller, FRI, FMB, SDI and the VB Subsidiaries has timely filed or caused to be filed all federal, state and local tax returns required to be filed by it, and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessments the validity of which are being contested in good faith by appropriate proceedings and with respect to which the Seller, FRI, FMB, SDI or any of the VB Subsidiaries, as applicable, has set aside adequate reserves on its books in accordance with GAAP, and which proceedings have not given rise to any Lien.

(xii) Accounting Treatment. Each of the Seller, FRI, FMB, SDI and the VB Subsidiaries has accounted for the transactions contemplated in the Facility Documents to which it is a party in accordance with GAAP.

(xiii) ERISA. There has been no (A) occurrence or expected occurrence of any Reportable Event with respect to any Benefit Plan subject to Title IV of ERISA of FRI, FMB, the Seller, SDI or any ERISA Affiliate, or any withdrawal from, or the termination, Reorganization or Plan Insolvency of any Multiemployer Plan or (B) institution of proceedings or the taking of any other action by Pension Benefit Guaranty Corporation or by FRI, FMB, SDI, the Seller or any ERISA Affiliate or any such Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Plan Insolvency of, any such Plan.

(xiv) No Adverse Selection. No selection procedures materially adverse to the Company, the Issuer, the Noteholders, the Trustee or the Collateral Agent have been employed by any of the Seller, FRI, FMB, SDI or the VB Subsidiaries in selecting the Loans for inclusion in the Loan Pool on such Closing Date or Addition Date, as applicable.

(xv) FairShare Plus Program.

(A) As of each Closing Date or any Addition Date, as applicable, for each Timeshare Property Regime for which the related Timeshare Properties are comprised primarily of UDIs, the ratio of (1) the total number of Points actually allocated to such Timeshare Property Regime pursuant to the FairShare Plus Program for the succeeding twelve-month period to (2) the total number of Points allocable to available space in such Timeshare Property Regime over such twelve-month period, does not exceed 1.0 to 1.0.

(B) On each Closing Date or any Addition Date, as applicable, for each owner of a UDI who is a member of the FairShare Plus Program, the ratio, expressed as a percentage, of (1) the number of Points allocated to such owner in Timeshare Property Regime in return for assigning his Timeshare Property to the FairShare Plus Program trust to (2) the total number of Points assigned to all UDI owners in such Timeshare Property Regime, does not exceed the percentage of such owner's undivided interest in such Timeshare Property Regime as described in such owner's Loan.

(xvi) [Reserved].

(xvii) Separate Identity. Each of the Seller, FRI, SDI, the VB Subsidiaries and their respective Affiliates has observed the applicable legal requirements on its part for the recognition of the Company as a legal entity separate and apart from each of the Seller, FRI, SDI, the VB Subsidiaries and any of their respective Affiliates (other than the Company) and has taken all actions necessary on its part to be taken in order to ensure that the facts and assumptions relating to the Company set forth in the opinion of Orrick, Herrington & Sutcliffe LLP relating to substantive consolidation matters with respect to the Seller and the Company are true and correct; provided, however, that none of the Seller, FRI, FMB, SDI or any of the VB Subsidiaries makes any representations or warranties in this Section 6(a)(xvii) with respect to the Company or the Issuer.

(b) Representations and Warranties Regarding the Loans. The Seller and FRI jointly and severally represent and warrant to the Company as of the applicable Cut-Off Date and Addition Cut-Off Date as to each Loan conveyed on and as of each Closing Date or the related Addition Date, as applicable (except as otherwise expressly stated and except that representations and warranties with respect to Kona apply only to Loans conveyed on or after the Kona Addition

Date and representations and warranties with respect to SDI apply only to Loans conveyed on or after the SDI Addition Date) as follows:

(i) Eligibility. Such Loan is an Eligible Loan.

(ii) No Waivers. The terms of such Loan have not been waived, altered, modified or extended in any respect other than (A) modifications entered into in accordance with Customary Practices and Credit Standards and Collections Policies that do not reduce the amount or extend the maturity of required Scheduled Payments and (B) modifications in the applicability of a PAC (which may result in a change in the related Loan Rate).

(iii) Binding Obligation. Such Loan is the legal, valid and binding obligation of the Obligor thereunder and is enforceable against the Obligor in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws or by general principles of equity (whether considered in a suit at law or in equity).

(iv) No Defenses. Such Loan is not subject to any statutory right of rescission, setoff, counterclaim or defense, including without limitation the defense of usury.

(v) Lawful Assignment. Such Loan was not originated in, and is not subject to the laws of, any jurisdiction the laws of which would make the transfer of the Loan under this Agreement or any PA Supplement unlawful.

(vi) Compliance with Law. The Originator and the Seller have complied with requirements of all material federal, state and local laws (including without limitation usury, truth in lending and equal credit opportunity laws) applicable to such Loan in all material respects. The related Timeshare Property Regime is in compliance with any and all applicable zoning and building laws and regulations and any other laws and regulations relating to the use and occupancy of such Timeshare Property Regime, except where such noncompliance would not have a Material Adverse Effect with respect to the applicable Originator and the Seller. None of the Seller, FRI, FMB, Kona, SDI or the VB Subsidiaries has received notice of any material violation of any legal requirements applicable to such Timeshare Property Regime, except where such violation would not have a Material Adverse Effect with respect to the applicable Originator and the Seller. The Timeshare Property Regime related to such Loan complies with all applicable state statutes, including without limitation condominium statutes, timeshare statutes, HUD filings relating to interstate land sales (if applicable) and the requirements of any governmental authority or local authority having jurisdiction with respect to such Timeshare Property Regime, and constitutes a valid and conforming condominium and timeshare regime under the laws of the State in which the related Resort is located, except where such noncompliance would not have a Material Adverse Effect with respect to the applicable Originator and the Seller.

(vii) Loan in Force; No Subordination. Such Loan is in full force and effect and has not been subordinated, satisfied in whole or in part or rescinded.

(viii) Capacity of Parties. All parties to such Loan had legal capacity to execute the Loan.

(ix) Original Loans. All original executed copies of such Loans are or, within 30 days of Purchase, will be in the custody of the Custodian except to the extent otherwise permitted pursuant to Section 6(b)(xiv)

(x) Loan Form/Governing Law. Such Loan was executed in substantially the form of one of the forms of Loan in Exhibit D (as such Exhibit D may be amended from time to time with the consent of the Seller and the Company), except for changes required by applicable law and certain other modifications that do not, individually or in the aggregate, affect the enforceability or collectibility of such Loan. In addition, such Loan was originated in and is governed by the laws of the State in which the related Resort is located.

(xi) Interest in Real Property. The Timeshare Property underlying such Loan is an interest in real property consisting of either a Fixed Week or a UDI, and (except for a Timeshare Property that is a Green Timeshare Property) such Timeshare Property has been deeded to a Nominee or has been deeded to the related Obligor in accordance with the requirements of the related Loan and applicable law.

(xii) Environmental Compliance. Each Timeshare Property Regime related to a Loan is now, and at all times during FRI's ownership thereof (or the ownership of any Affiliate thereof other than the Company and the Issuer), has been free of contamination from any substance, material or waste identified as toxic or hazardous according to any federal, state or local law, rule, regulation or order governing, imposing standards of conduct with respect to, or regulating in any way the discharge, generation, removal, transportation, storage or handling of toxic or hazardous substances, materials or waste or air or water pollution (hereinafter referred to as "Environmental Laws"), including without limitation any PCB, radioactive substance, methane, asbestos, volatile hydrocarbons, petroleum products or wastes, industrial solvents or any other material or substance that now or hereafter may cause or constitute a health, safety or other environmental hazard to any person or property (any such substance together with any substance, material or waste identified as toxic or hazardous under any Environmental Law now in effect or hereinafter enacted shall be referred to herein as "Contaminants"), but excluding from the foregoing any levels of Contaminants at or below which such Environmental Laws do not apply ("De Minimus Levels"). Neither FRI nor any Affiliate of FRI (other than the Company and the Issuer) has caused or suffered to occur any discharge, spill, uncontrolled loss or seepage of any petroleum or chemical product or any Contaminant (except for De Minimus Levels thereof) onto any property comprising or adjoining any Timeshare Property Regime, and neither FRI nor any Affiliate of FRI (other than the Company and the Issuer) nor any Obligor or occupant of all or part of any Timeshare Property Regime is now or has been involved in operations at the related Timeshare Property Regime that could lead to liability for FRI, the Company, any Affiliate of FRI or any other owner of such Timeshare Property Regime or the imposition of a Lien on such Timeshare Property Regime under any Environmental Law. No practice, procedure or policy employed by FRI (or any Affiliate thereof other than the

Company and the Issuer) with respect to POAs for which FRI acts as the manager or, to the best knowledge of the Seller, by the manager of the POAs with respect to POAs managed by parties unaffiliated with FRI, violates any Environmental Law that, if enforced, would reasonably be expected to (A) have a Material Adverse Effect on such POA or the ability of such POA to do business, (B) have a Material Adverse Effect on the financial condition of the POA or (C) constitute grounds for the revocation of any license, charter, permit or registration that is material to the conduct of the business of the POA.

Except as set forth in Schedule 3, (1) all property owned, managed, or controlled by FRI or any Affiliate of FRI (other than the Company and the Issuer) and located within a Resort is now, and at all times during FRI's ownership, management or control thereof (or the ownership, management or control of any Affiliate thereof (other than the Company and the Issuer)) has been free of contamination from any Contaminants, except for De Minimus Levels thereof, (2) neither FRI nor any Affiliate of FRI (other than the Company and the Issuer) has caused or suffered to occur any discharge, spill, uncontrolled loss or seepage of any Contaminants onto any property comprising or adjoining any of the Resorts, except for De Minimus Levels thereof, and (3) neither FRI nor any Affiliate of FRI (other than the Company and the Issuer) nor any Obligor or occupant of all or part of any of any Resort is now or previously has been involved in operations at any Resort that could lead to liability for FRI, the Company, any Affiliate of FRI or any other owner of any Resort or the imposition of a Lien on such Resort under any Environmental Law. None of the matters set forth in Schedule 3 will have a Material Adverse Effect with respect to the Company or its assignees or the interests of the Company or its assignees in the Loans. Each Resort, and the present use thereof, does not violate any Environmental Law in any manner that would materially adversely affect the value or use of such Resort or the performance by the POAs of their respective obligations under their applicable declarations, articles or similar charter documents. There is no condition presently existing, and to the best knowledge of FRI and the Seller no event has occurred or failed to occur with respect to any Resort, relating to any Contaminants or compliance with any Environmental Laws that would reasonably be expected to have a Materially Adverse Effect with respect to such Resort, including in connection with the present use of such Resort.

(xiii) Tax Liens. All taxes applicable to such Loan and the related Timeshare Property have been paid, except where the failure to pay such tax would not have a Material Adverse Effect with respect to the Seller or its assignees or the Purchaser or the collectibility or enforceability of the Loan. There are no delinquent tax liens in respect of the Timeshare Property underlying such Loan.

(xiv) Loan Files. The related Loan File contains the following Loan Documents (which may include microfiche or other electronic copies of the Loan Documents to the extent provided in the Custodial Agreement):

(A) for Loans other than Loans described in clause (B) below, at least one original of each Loan (or, if the Loan and promissory note are contained in separate documents, an original of the promissory note); provided, however, that the original Loan may have been removed from the Loan File in accordance with the Custodial Agreement for the performance of collection services and other routine servicing requirements; and

(B) for Loans relating to Timeshare Properties located in Resorts in North Carolina or South Carolina with respect to which two originals of such Loans have been executed, each original Loan is in the Loan File, and each contains the following legend (whether by stamp or otherwise) on its face:

"THIS COPY IS ONE OF TWO ORIGINALS, AND WAS EXECUTED SOLELY FOR RECORDATION. TO THE EXTENT THAT POSSESSION OF THIS CONTRACT IS REQUIRED TO TRANSFER OR PERFECT A TRANSFER OF ANY INTEREST IN OR TO THIS CONTRACT, POSSESSION OF THE OTHER ORIGINAL HEREOF IS REQUIRED";

and

(C) for Loans with respect to which the related Timeshare Property has been deeded out to the related Obligor:

(1) a copy of the deed for such Timeshare Property; and

(2) the original recorded Mortgage (or a copy thereof, if applicable, for Mortgages that have been submitted for recording as set forth herein) and Assignments of Mortgages in favor of the Collateral Agent (or a copy of such recorded Mortgage or Assignment of Mortgage, as the case may be, certified to be a true and complete copy thereof, if the original of the recorded Mortgage or Assignment of Mortgage is lost or destroyed), provided that, in the case of any Loan with respect to which the related Mortgage and/or deed has been removed from the Loan File for review and recording in the local real property recording office: (x) the original Mortgage shall have been returned to the Loan File no later than (1) 180 days from the related loan closing date (in the case of Loans (other than Green Loans) relating to Timeshare Properties located in the State of Florida), (2) 180 days from the date on which the related Timeshare Property is required to be deeded to an Obligor in the case of Green Loans relating to Timeshare Properties located in the State of Florida or Loans relating to Timeshare Properties located in any state other than Florida, Nevada, North Carolina, South Carolina or Virginia or (3) 210 days from the date on which the related Timeshare Property is required to be deeded to an Obligor with respect to Timeshare Properties located in Nevada, North Carolina, South Carolina or Virginia and (y) in the case of any Loan (other than a Green Loan) relating to a Timeshare Property located in the State of Florida, the Loan File shall contain one or more certificates from FRI's applicable title agents in Florida to the effect that the related Mortgage has been delivered for purposes of recordation to the appropriate local real property recording office.

(xv) Lockbox Accounts. As of the applicable Cut-Off Date, the Obligor of such Loan either:

(A) shall have been instructed to remit Payments thereunder to a Post Office Box for credit to a Lockbox Account or directly to a Lockbox Account, in each case maintained at a Lockbox Bank pursuant to the terms of a Lockbox Agreement; or

(B) has entered into a PAC or Credit Card Account pursuant to which a deposit account of such Obligor is made subject to a pre-authorized debit in respect of Payments as they become due and payable, and the Seller has caused a Lockbox Bank to take all necessary and appropriate action to ensure that each such pre-authorized debit is credited directly to a Lockbox Account.

(xvi) Ownership Interest. As of the Closing Date or related Addition Date, as applicable, the Seller has good and marketable title to the Loan, free and clear of all Liens (other than Permitted Encumbrances).

(xvii) Interest in Loan. Such Loan constitutes either a "general intangible," an "instrument," "chattel paper" or an "account" under the Uniform Commercial Code of the States of Delaware, Florida and New York.

(xviii) Recordation of Assignments. The collateral Assignment of Mortgage to the Collateral Agent relating to the Mortgage with respect to each Loan has been recorded or delivered for recordation simultaneously with the related Mortgage to the proper office in the jurisdiction in which the related Timeshare Property is located, except to the extent the related Timeshare Property is located in the State of Florida and the Seller shall have delivered an Opinion of Counsel to the effect that recordation of the Assignment of Mortgage is not necessary to perfect a security interest therein in favor of the Collateral Agent.

(xix) Material Disputes. To the actual knowledge of the Seller, the Loan is not subject to any material dispute.

(xx) Good Title; No Liens. Upon the Purchase hereunder occurring on such Closing Date or Addition Date, as applicable, the Company will be the lawful owner of, and have good title to, each Loan and all of the other related Transferred Assets that are the subject of such Purchase, free and clear of any Liens (other than any Permitted Encumbrances on the related Timeshare Properties). All Loans and related Transferred Assets are purchased without recourse to any of the Seller, FRI, FMB, Kona, SDI or the VB Subsidiaries except as described in this Agreement and any PA Supplement. Such Purchase by the Company under this Agreement and under any PA Supplement constitutes a valid and true sale and transfer for consideration (and not merely the grant of a security interest to secure a loan), enforceable against creditors of each of the Seller, FRI, FMB, Kona, SDI and the VB Subsidiaries, and no Loan or other related Transferred Assets that are the subject of such Purchase will constitute property of the Seller after such Purchase.

(xxi) Solvency. Each of the Seller, FRI, FMB, Kona, SDI and the VB Subsidiaries, both prior to and immediately after giving effect to the Purchase of Loans hereunder and under any PA Supplement occurring on such Closing Date or Addition

Date, as applicable, (A) is not insolvent (as such term is defined in §101(32)(A) of the Bankruptcy Code), (B) is able to pay its debts as they become due and (C) does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage.

(xxii) POA Reserves. The capital reserves and maintenance fee levels of the POAs related to each Timeshare Property Regime underlying the Loans Purchased on such Closing Date or Addition Date, as applicable, are adequate in light of the operating requirements of such POAs.

(c) Representations and Warranties Regarding the Loan Files. The Seller and FRI jointly and severally represent and warrant to the Company as of each Closing Date and related Addition Date as to each Loan and the related Loan File conveyed by it hereunder on and as of such Closing Date or related Addition Date, as applicable (except as otherwise expressly stated) as follows:

(i) Possession. On or immediately prior to each Closing Date or related Addition Date, as applicable, the Custodian will have possession of each original Loan and the related Loan File, and will have acknowledged such receipt and its undertaking to hold such original Loan and the related Loan File for purposes of perfection of the Collateral Agent's interest in such original Loan and the related Loan File; provided, however, that the fact that any document not required to be in its respective Loan File pursuant to Section 6(b)(ix) or Section 6(b)(xiv) of this Agreement is not in the possession of the Custodian in its respective Loan File does not constitute a breach of this representation.

(ii) Marking Records. On or before each Closing Date or Addition Date, as applicable, the Seller shall have caused the portions of its computer files relating to the Loans sold on such date to the Company to be clearly and unambiguously marked to indicate that each such Loan has been conveyed on such date to the Company.

(d) Survival of Representations and Warranties. It is understood and agreed that the representations and warranties contained in this Section 6 shall remain operative and in full force and effect, shall survive the transfer and conveyance of the Loans with respect to any Series by the Seller to the Company under this Agreement and any PA Supplement, the conveyance of the Loans by the Company to the Initial Issuer or to an Additional Issuer pursuant to the Pool Purchase Agreement and any Term Purchase Agreement and the Grant of the Collateral by the Initial Issuer or any Additional Issuer to the Collateral Agent and shall inure to the benefit of the Company, the respective Issuers, the Trustees, the Collateral Agent and the Noteholders and their respective designees, successors and assigns.

(e) Indemnification of the Company. FMB, Kona, SDI, each VB Subsidiary and FRI shall jointly and severally indemnify, defend and hold harmless the Company against any and all claims, losses and liabilities, including reasonable attorneys' fees (the foregoing being collectively referred to as "Indemnified Amounts") that may at any time be imposed on, incurred by or asserted against the Company as a result of a breach by any of FMB, Kona, SDI, any VB Subsidiary or FRI of any of its respective representations, warranties or covenants hereunder. Except as otherwise provided in Section 11(i), FRI shall pay to the Company, on demand, any

and all amounts necessary to indemnify the Company for (i) any and all recording and filing fees in connection with the transfer of the Loans from the Seller to the Company, and any and all liabilities with respect to, or resulting from any delay in paying when due, any taxes (including sales, excise or property taxes) payable in connection with the transfer of the Loans from the Seller to the Company and (ii) costs, expenses and reasonable counsel fees in defending against the same. The agreements in this Section 6(e) shall survive the termination of this Agreement or any PA Supplement and the payment of all amounts payable hereunder, under any PA Supplement and under the Loans. For purposes of this Section 6(e), any reference to the Company shall include any officer, director, employee or agent thereof, or any successor or assignee thereof or of the Company.

(f) Representations and Warranties of Kona. Kona makes those representations and warranties set forth in Exhibit F to this Agreement as of the Kona Addition Date and as of each Closing Date occurring after the Kona Addition Date and as of each Addition Date occurring after the Kona Addition Date or as of such other date specified in such representation and warranty.

Section 7. Repurchases or Substitution of Loans for Breach of Representations and Warranties.

Provisions with respect to the repurchase or substitution of Loans of any Series for breach of representations and warranties under this Agreement and any PA Supplement shall be set forth in the related PA Supplement.

Section 8. Covenants of the Seller and FRI.

(a) Affirmative Covenants of the Seller and FRI. Each of the Seller and FRI covenants and agrees that it will, at any time prior to the Termination Date:

(i) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties, provisions of ERISA, the Internal Revenue Code and all applicable regulations and interpretations thereunder, and all Loans and Facility Documents to which it is a party.

(ii) Preservation of Corporate Existence. Preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation, and maintain all necessary licenses and approvals in each jurisdiction in which it does business, except where the failure to preserve and maintain such existence, rights, franchises, privileges, qualifications, licenses and approvals would not have a Material Adverse Effect with respect to it.

(iii) Audits. Upon at least two Business Days notice during regular business hours, permit the Company and/or its agents, representatives or assigns access:

(A) to the offices and properties of the Seller or FRI in order to examine and make copies of and abstracts from all books, correspondence and

Records of the Seller or FRI as appropriate to verify the Seller's or FRI's compliance with this Agreement, any PA Supplement or any other Facility Documents to which the Seller or FRI is a party and any other agreement contemplated hereby or thereby, and the Company and/or its agents, representatives and assigns may examine and audit the same and make photocopies, computer tapes or other computer replicas thereof, as appropriate, and each of the Seller and FRI will provide to the Company and/or its agents, representatives and assigns, at the expense of the Seller and FRI, such clerical and other assistance as may be reasonably requested in connection therewith; and

(B) to the officers or employees of the Seller or FRI designated by the Seller or FRI, as applicable, in order to discuss matters relating to the Loans and the performance of the Seller or FRI hereunder, under any PA Supplement or any other Facility Documents to which the Seller or FRI is a party and any other agreement contemplated hereby or thereby, and under the other Facility Documents to which it is a party with the officers or employees of the Seller and FRI having knowledge of such matters.

Each such audit shall be at the sole expense of the Seller and FRI. The Company shall be entitled to conduct such audits as frequently as it deems reasonable in the exercise of the Company's reasonable commercial judgment; provided, however, that such audits shall not be conducted more frequently than annually unless an Event of Default or an Amortization Event shall have occurred. The Company and its agents, representatives and assigns also shall have the right to discuss the Seller's and FRI's affairs with the officers, employees and independent accountants of the Seller and FRI and to verify under appropriate procedures the validity, amount, quality, quantity, value and condition of, or any other matter relating to, the Loans and other related Transferred Assets.

(iv) [Reserved].

(v) Performance and Compliance with Receivables and Loans. At its expense, timely and fully perform and comply in all material respects with the Credit Standards and Collection Policies and Customary Practices with respect to the Loans and with all provisions, covenants and other promises required to be observed by the Seller or FRI under the Loans.

(vi) [Reserved].

(vii) Ownership Interest. Take such action with respect to each Loan as is necessary to ensure that the Company maintains a first priority ownership interest in such Loan and the other related Transferred Assets, in each case free and clear of any Liens arising through or under the Seller or FRI and, in the case of any Timeshare Properties, other than any Permitted Encumbrance thereon, and respond to any inquiries with respect to ownership of a Loan sold by it hereunder by stating that, from and after the Initial Closing Date or related Addition Date, as applicable, it is no longer the owner of such Loan and that ownership of such Loan has been transferred to the Company.

(viii) Instruments. Not remove any portion of the Loans or related Transferred Assets with respect to any Series that consists of money or is evidenced by an instrument, certificate or other writing from the jurisdiction in which it was held under the related Custodial Agreement unless the Company shall have first received an Opinion of Counsel to the effect that the Company shall continue to have a first-priority perfected ownership or security interest with respect to such property after giving effect to such action or actions.

(ix) No Release. Not take any action, and use its best efforts not to permit any action to be taken by others, that would release any Person from such Person's covenants or obligations under any document, instrument or agreement relating to the Loans or the other Transferred Assets, or result in the hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such document, instrument or agreement, except as expressly provided in this Agreement or any PA Supplement or such other instrument or document.

(x) Insurance and Condemnation.

(A) FRI (1) shall with respect to each Resort which it develops or which is developed by its subsidiaries (other than the Purchaser or the Issuer), cause the governing document of each such POA at the time of creation to contain covenants requiring insurance as described in this paragraph and (2) so long as FRI or an Affiliate (other than the Purchaser or the Issuer) maintains primary or substantial responsibility for the management, administration or other services of a similar nature with respect to such Resort, FRI shall do or cause to be done all things which it may accomplish with a reasonable amount of cost or effort to cause each POA to maintain the insurance described in this paragraph. The insurance referred to clauses in (1) and (2) above is "all-risk" property and general liability insurance with financially sound and reputable insurers providing coverage in scope and amount that (x) satisfy the requirements of the declarations (or any similar charter document) governing the POA for the maintenance of such insurance policies and (y) are at least consistent with the scope and amount of such insurance coverage obtained by prudent POAs and/or management of other similar developments in the same jurisdiction. So long as FRI or an Affiliate other than the Purchaser or the Issuer maintains primary or substantial responsibility for the management, administration or other services of a similar nature with respect to such Resort and possesses the right to direct the application of insurance proceeds, FRI shall use its best efforts to apply the proceeds of any such insurance policies in the manner specified in the related declarations (or any similar charter document) governing the POA and/or any similar charter documents of such POA (which exercise of best efforts shall include voting as a member of the POA or as a proxy or attorney-in-fact for a member). For the avoidance of doubt, the parties acknowledge that the ultimate discretion and control relating to the maintenance of any such insurance policies is vested in the POA in accordance with the respective declaration (or any similar charter document) relating to each Timeshare Property Regime.

(B) Each of the Seller and FRI shall remit to the Collection Account the portion of any proceeds received pursuant to a condemnation of property in any Resort relating to any Timeshare Property to the extent the Obligors are required to make such remittance under the terms of one or more Loans that have been sold to the Company hereunder and under the related PA Supplement.

(xi) Separate Identity. Take such action (and cause FMB, Kona, SDI and the VB Subsidiaries to take such action) as is necessary to ensure compliance with Section 6(a)(xvii), including taking all actions necessary on its part to be taken in order to ensure that the facts and assumptions relating to the Company set forth in the opinion of Orrick, Herrington & Sutcliffe LLP relating to substantive consolidation matters with respect to the Seller and the Company are true and correct.

(xii) Computer Files. Mark or cause to be marked each Loan in its computer files as described in Section 6(c)(ii) and deliver to the Company, the Issuer, the Trustee and the Collateral Agent a copy of the Loan Schedule for each Series as amended from time to time.

(xiii) Taxes. File or cause to be filed, and cause each of its Affiliates with whom it shares consolidated tax liability to file, all federal, state and local tax returns that are required to be filed by it, except where the failure to file such returns could not reasonably be expected to have a Material Adverse Effect with respect to the Purchaser, the Seller or FRI, or otherwise be reasonably expected to expose the Purchaser, the Seller or FRI to material liability. Each of the Seller and FRI will pay or cause to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessments the validity of which are being contested in good faith by appropriate proceedings and with respect to which the Seller, FRI or the applicable Affiliate has set aside adequate reserves on its books in accordance with GAAP, and which proceedings could not reasonably be expected to have a Material Adverse Effect with respect to the Purchaser, the Seller or FRI, or otherwise be reasonably expected to expose the Purchaser, the Seller or FRI to material liability.

(xiv) Facility Documents. Comply in all material respects with the terms of, and employ the procedures outlined under, this Agreement, any PA Supplement and all other Facility Documents to which it is a party, and take all such action as may be from time to time reasonably requested by the Company to maintain this Agreement, any PA Supplement and all such other Facility Documents in full force and effect.

(xv) Loan Schedule. With respect to any Series, promptly amend the applicable Loan Schedule to reflect terms or discrepancies that become known after each Closing Date or any Addition Date, and promptly notify the Company, the Issuer, the Trustee and the Collateral Agent of any such amendments.

(xvi) Segregation of Collections. Prevent, to the extent within its control, the deposit into the Collection Account or any Reserve Account of any funds other than Collections in respect of the Loans with respect to any Series, and to the extent that, to its knowledge, any such funds are nevertheless deposited into the Collection Account or any Reserve Account, promptly identify any such funds to the Master Servicer for segregation and remittance to the owner thereof.

(xvii) Management of Resorts. The Seller hereby covenants and agrees that it will cause the Originator with respect to each Resort (to the extent that such Originator is responsible for maintaining or managing such Resort) to do or cause to be done all things that it may accomplish with a reasonable amount of cost or effort in order to maintain such Resort (including without limitation all grounds, waters and improvements thereon and all other facilities related thereto) in at least as good condition, repair and working order as would be customary for prudent managers of similar timeshare properties.

(b) Negative Covenants of the Seller and FRI. Each of the Seller and FRI covenants and agrees that it will not, at any time prior to the final Series Termination Date without the prior written consent of the Company:

(i) Sales, Liens, Etc. Against Loans and Transferred Assets. Except for the transfers hereunder, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist, any Lien arising through or under it (other than, in the case of any Timeshare Properties, any Permitted Encumbrances thereon) upon or with respect to any Loan or other Transferred Asset or any interest therein. Each of FRI and the Seller shall immediately notify the Company of the existence of any Lien arising through or under it on any Loan or other Transferred Asset.

(ii) Extension or Amendment of Loan Terms. Extend, amend, waive or otherwise modify the terms of any Loan (other than as a result of a Timeshare Upgrade or in accordance with Customary Practices) or permit the rescission or cancellation of any Loan, whether for any reason relating to a negative change in the related Obligor's creditworthiness or inability to make any payment under the Loan or otherwise.

(iii) Change in Business or Credit Standards or Collection Policies (A) Make any change in the character of its business or (B) make any change in the Credit Standards and Collection Policies or (C) deviate from the exercise of Customary Practices, which change or deviation would, in any such case, materially impair the value or collectibility of any Loan.

(iv) Change in Payment Instructions to Obligors Add, except in connection with the issuance of an Additional Series of Notes, or terminate any bank as a bank holding any account for the collection of payments in respect of the Loans from those listed in Exhibit E or make any change in its instructions to Obligors regarding payments to be made to any Lockbox Account at a Lockbox Bank, unless the Company and the Trustee shall have received (A) 30 days' prior written notice of such addition, termination or change, (B) written confirmation from the Seller or FRI that, after the effectiveness of any such termination, there will be at least one Lockbox in existence and (C) prior to the date of such addition, termination or change, (1) executed copies of Lockbox Agreements executed by each new Lockbox Bank, the Seller, the Company, the Master Servicer and the Trustee and (2) copies of all agreements and documents signed by either the Company or the respective Lockbox Bank with respect to any new Lockbox Account.

(v) Change in Corporate Name, Etc. Make any change to its name or its type or jurisdiction of organization (or, in the case of the VB Partnerships, change the location of its chief executive office) that existed on the Initial Closing Date without providing at least 30 days' prior written notice to the Company and the Trustee and taking all action necessary or reasonably requested by the Trustee to amend its existing financing statements and file additional financing statements in all applicable jurisdictions as are necessary to maintain the perfection of the security interest of the Company.

(vi) ERISA Matters. (A) Engage or permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the U.S. Department of Labor; (B) permit to exist any accumulated funding deficiency (as defined in Section 302(a) of ERISA and Section 412(a) of the Internal Revenue Code) or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (C) fail to make any payments to any Multiemployer Plan that the Seller, FRI or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (D) terminate any Benefit Plan so as to result in any liability; (E) permit to exist any occurrence of any Reportable Event that represents a material risk of a liability of the Seller, FRI or any ERISA Affiliate under ERISA or the Internal Revenue Code; provided, however, that the ERISA Affiliates of the Seller and FRI may take or allow such prohibited transactions, accumulated funding deficiencies, payments, terminations and Reportable Events described in clauses (A) through (E) above so long as such events occurring within any fiscal year of the Seller or FRI, in the aggregate, involve a payment of money by or an incurrence of liability of any such ERISA Affiliate (collectively, "ERISA Liabilities") in an amount that does not exceed $2,000,000 or otherwise result in liability that would result in imposition of a lien.

(vii) Terminate or Reject Loans. Without limiting the requirements of Section 8(b)(ii), terminate or reject any Loan prior to the end of the term of such Loan, whether such rejection or early termination is made pursuant to an equitable cause, statute, regulation, judicial proceeding or other applicable law unless, prior to such termination or rejection, such Loan and any related Transferred Assets have been repurchased by the Seller pursuant to Section 7 of the related PA Supplement.

(viii) Facility Documents. Except as otherwise permitted under Section 8(b)(ii), (A) terminate, amend or otherwise modify any Facility Document to which it is a party or grant any waiver or consent thereunder or (B) terminate, amend or otherwise modify the FairShare Plus Agreement; provided, however, that (1) the Title Clearing Agreements may be amended for the purposes of (x) making additional properties subject thereto, (y) making an Affiliate of FRI a party thereto having the same rights and obligations thereunder as FRI or (z) identifying a separate pool of loans (which shall not include Loans sold to the Company hereunder) to be sold or pledged to secure debt under a pooling or financing arrangement similar to that evidenced by the Indenture and Servicing Agreement, and (2) the FairShare Plus Agreement may be amended from time to time (x) to substitute or add additional parties thereto, (y) to comply with state and federal laws or regulations or (z) for any other purpose, provided that with respect to this Section 8(b)(viii), FRI or the Seller furnishes to the Company, the Issuer and the Trustee

an Opinion of Counsel to the effect that such amendment or modification will not adversely affect in any material respect the respective interests of the Company, the Issuer, the Trustee or the Collateral Agent (if applicable) in the Loans and other Transferred Assets.

(ix) Insolvency Proceedings. Institute Insolvency Proceedings with respect to the Company or the Issuer or consent to the institution of Insolvency Proceedings against the Company or the Issuer, or take any corporate action in furtherance of any such action.

Section 9. Representations and Warranties of the Company.

The Company represents and warrants as of each Closing Date and Addition Date, or as of such other date specified in such representation and warranty, that:

(a) The Company is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and has full limited liability company power, authority, and legal right to own its properties and conduct its business as such properties are presently owned and as such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement and any PA Supplement. The Company is duly qualified to do business and is in good standing as a foreign entity, and has obtained all necessary licenses and approvals in each jurisdiction necessary to carry on its business as presently conducted and to perform its obligations under this Agreement and any PA Supplement. One hundred percent (100%) of the outstanding membership interests of the Company is directly owned (both beneficially and of record) by Wyndham. Such membership interests are validly issued, fully paid and nonassessable and there are no options, warrants or other rights to acquire membership interests from the Company.

(b) The execution, delivery and performance of this Agreement and any PA Supplement by the Company and the consummation by the Company of the transactions provided for in this Agreement and any PA Supplement have been duly approved by all necessary limited liability company action on the part of the Company.

(c) This Agreement and any PA Supplement constitutes the legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as such enforceability may be subject to or limited by Debtor Relief Laws and except as such enforceability may be limited by general principles of equity.

(d) The execution and delivery by the Company of this Agreement and any PA Supplement, the performance by the Company of the transactions contemplated hereby and the fulfillment by the Company of the terms hereof applicable to the Company will not conflict with, violate, result in any breach of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a material default under any provision of any existing law or regulation or any order or decree of any court applicable to the Company or its certificate of formation or limited liability company agreement or any material indenture, contract, agreement, mortgage, deed of trust, or other material instrument to which the Company is a party or by which it or its properties is bound.

(e) There are no proceedings or investigations pending, or to the knowledge of the Company threatened, against the Company before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Agreement or any PA Supplement, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any PA Supplement, (C) seeking any determination or ruling that, in the reasonable judgment of the Company, would adversely affect the performance by the Company of its obligations under this Agreement or any PA Supplement or (D) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or any PA Supplement.

(f) All approvals, authorizations, consents, orders or other actions of any person or entity or any governmental body or official required in connection with the execution and delivery of this Agreement and any PA Supplement by the Company, the performance by it of the transactions contemplated hereby and the fulfillment by it of the terms hereof, have been obtained and are in full force and effect.

(g) The Company is solvent and will not become insolvent immediately after giving effect to the transactions contemplated by this Agreement and any PA Supplement, the Company has not incurred debts beyond its ability to pay and, immediately after giving effect to the transactions contemplated by this Agreement and any PA Supplement, the Company shall have an adequate amount of capital to conduct its business in the foreseeable future.

Section 10. Covenants of the Company.

The Company hereby acknowledges that the parties to the Facility Documents are entering into the transactions contemplated by the Facility Documents in reliance upon the Company's identity as a legal entity separate from the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates. From and after the date hereof until the final Series Termination Date under any Indenture Supplement, the Company will take such actions as shall be required in order that:

(a) The Company will conduct its business in office space allocated to it and for which it pays an appropriate rent and overhead allocation;

(b) The Company will maintain corporate records and books of account separate from those of the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates and telephone numbers and stationery that are separate and distinct from those of the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates;

(c) The Company's assets will be maintained in a manner that facilitates their identification and segregation from those of any of the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates;

(d) The Company will observe corporate formalities in its dealings with the public and with the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates and, except as contemplated by the Facility Documents, funds or other assets of the Company will not be commingled with those of any of the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates. The Company will at all times, in its dealings with the public and with

the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates, hold itself out and conduct itself as a legal entity separate and distinct from the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates. The Company will not maintain joint bank accounts or other depository accounts to which any of the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates (other than the Master Servicer) has independent access;

(e) The duly elected board of directors of the Company and duly appointed officers of the Company will at all times have sole authority to control decisions and actions with respect to the daily business affairs of the Company;

(f) Not less than one member of the Company's board of directors will be an Independent Director. The Company will observe those provisions in its limited liability company agreement that provide that the Company's board of directors will not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Company unless the Independent Director and all other members of the Company's board of directors unanimously approve the taking of such action in writing prior to the taking of such action;

(g) The Company will compensate each of its employees, consultants and agents from the Company's own funds for services provided to the Company; and

(h) Except as contemplated by the Facility Documents, the Company will not hold itself out to be responsible for the debts of any of the Seller, FRI, Kona, SDI, the VB Subsidiaries and their respective Affiliates.

Section 11. Miscellaneous.

(a) Amendment. This Agreement may be amended from time to time or the provisions hereof may be waived or otherwise modified by the parties hereto by written agreement signed by the parties hereto.

(b) Assignment. The Company has the right to assign its interests under this Agreement and any PA Supplement as may be required to effect the purposes of the Pool Purchase Agreement or any Term Purchase Agreement without the consent of the Seller or FRI, and the assignee shall succeed to the rights hereunder of the Company. The Seller agrees to perform its obligations hereunder for the benefit of the respective Issuers, Trustees and Noteholders and for the benefit of the Collateral Agent, and agrees that such parties are intended third party beneficiaries of this Agreement and agrees that the Trustees (or the Collateral Agent) and (subject to the terms and conditions of the applicable Indenture and Servicing Agreement and any applicable Indenture Supplement) the Noteholders may enforce the provisions of this Agreement and any PA Supplement, exercise the rights of the Company and enforce the obligations of the Seller hereunder without the consent of the Company.

(c) Counterparts. This Agreement may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

(d) Termination. The obligations of each of the Seller and FRI under this Agreement and any PA Supplement shall survive the sale of the Loans to the Company and the Company's transfer of the Loans and other related Transferred Assets to the Issuer.

(e) **GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING §5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICT OF LAW PRINCIPLES.**

(f) Notices. All demands and notices hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by certified mail, postage prepaid and return receipt requested, or by express delivery service, to (i) in the case of the Seller, Wyndham Consumer Finance, Inc., 10750 West Charleston Blvd., Suite 130, Las Vegas, Nevada 89135, Attention: President, or such other address as may hereafter be furnished to the Company and FRI in writing by the Seller, (ii) in the case of FRI, FMB, Kona, SDI and the VB Subsidiaries, c/o Fairfield Resorts, Inc., 8427 South Park Circle, Orlando, Florida 32819, Attention: President, or such other address as may hereafter be furnished to the Seller or the Company in writing by FRI, and (c) in the case of the Company, Sierra Deposit Company, LLC, 10750 West Charleston Blvd., Suite 130, Mailstop 2067, Las Vegas, Nevada 89135, Attention: President, or such other address as may hereafter be furnished to the Seller or FRI in writing by the Company.

(g) Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

(h) Successors and Assigns. This Agreement shall be binding upon each of the Seller, FRI, Kona, SDI, the VB Subsidiaries, the VB Partnerships and the Company and their respective permitted successors and assigns, and shall inure to the benefit of each of the Seller, FRI, Kona, SDI, the VB Subsidiaries, the VB Partnerships and the Company and each of the Issuer, the Trustee and the Collateral Agent to the extent explicitly contemplated hereby.

(i) Costs, Expenses and Taxes.

(i) Each of the Seller and FRI jointly and severally agrees to pay on demand to the Company all reasonable costs and expenses, if any, incurred or reimbursed (or to be reimbursed) by the Company (including reasonable counsel fees and expenses) in connection with the enforcement or preservation of the rights and remedies under this Agreement and any PA Supplement.

(ii) Each of the Seller and FRI jointly and severally agrees to pay, indemnify and hold the Company harmless from and against any and all stamp, sales, excise and other taxes and fees payable or determined to be payable by or reimbursed (or to be reimbursed) by the Company in connection with the execution, delivery, filing and recording of this Agreement or any PA Supplement, and against any liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

(j) No Bankruptcy Petition. Each of the Seller, Kona, SDI, each VB Subsidiary, each VB Partnership and FRI covenants and agrees not to institute against the Company or the Issuer, or join any other person in instituting against the Company or the Issuer, any proceeding under any Debtor Relief Law.

(k) Treatment of Timeshare Upgrades. Notwithstanding anything in this Agreement to the contrary (but subject to the other provisions of this paragraph), the Seller (or the Master Servicer on the Seller's behalf) may upgrade any Timeshare Property by entering into a new Loan with the related Obligor, but only if the proceeds of such new Loan are used to prepay all obligations in full of such Obligor under the existing Loan (the proceeds of which shall be the property of the Company). Upon its creation, the new Loan created by such Timeshare Upgrade shall not be property of the Company, but may be sold by the Seller to the Company as an Additional Loan pursuant to the terms and conditions of this Agreement and any PA Supplement. The parties hereto intend that the Seller (or the Master Servicer on the Seller's behalf) will not upgrade a Timeshare Property pursuant to this Section 11(k) in order to provide direct or indirect assurance to the Seller, the Trustee or any Noteholder against loss by reason of the bankruptcy or insolvency (or other credit condition) of, or default by, the Obligor on, or the uncollectibility of, any Loan.

IN WITNESS WHEREOF, the parties have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

WYNDHAM CONSUMER FINANCE, INC.

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

FAIRFIELD RESORTS, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

FAIRFIELD MYRTLE BEACH, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

SEA GARDENS BEACH AND TENNIS RESORT, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

VACATION BREAK RESORTS, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

VACATION BREAK RESORTS AT STAR ISLAND, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

PALM VACATION GROUP,
by its General Partners:

Vacation Break Resorts at Palm Aire, Inc.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

Palm Resort Group, Inc.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

[Signature page for Amended and Restated Fairfield MLPA]

OCEAN RANCH VACATION GROUP,
by its General Partners:

Vacation Break at Ocean Ranch, Inc.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

Ocean Ranch Development, Inc.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

KONA HAWAIIAN VACATION OWNERSHIP, LLC

By: Fairfield Resorts, Inc.
Its Managing Member

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

SHAWNEE DEVELOPMENT, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

SIERRA DEPOSIT COMPANY, LLC

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

[Signature page for Amended and Restated Fairfield MLPA]

SCHEDULE 1

Loan Schedule

SCHEDULE 2

Resorts

Resort Name	Location
Fairfield Flagstaff	Flagstaff, Arizona
Fairfield Sedona	Sedona, Arizona
Fairfield Bay	Van Buren, Arkansas
Dolphin's Cove	Anaheim, California
Harbour Lights	San Diego, California
Fairfield Durango	Durango, Colorado
Fairfield Pagosa	Pagosa Springs, Colorado
Ocean Walk	Daytona Beach, Florida
Majestic Sun	Destin, Florida
Bay Club II	Destin, Florida
Destin Beach Street Cottages	Destin, Florida
Fairways at Palm-Aire	Ft Lauderdale, Florida
Royal Vista Resort	Ft Lauderdale, Florida
Santa Barbara Resort and Yacht Club	Ft Lauderdale, Florida
Sea Gardens Beach and Tennis Resort	Ft Lauderdale, Florida
Fairfield Cypress Palms	Orlando, Florida
Star Island	Orlando, Florida
Orlando International Resort Club	Orlando, Florida
Bonnet Creek	Orlando, Florida
Ocean Gate	St. Augustine, Florida
Fairfield Plantation	Atlanta, Georgia
Kona Hawaiian Village	Kona, Hawaii
Royal Sea Cliff	Kona, Hawaii
Mauna Loa Village	Kailua-Kona, Hawaii
Avenue Plaza	New Orleans, Louisiana
Bentley Brook	Hancock, Massachusetts
Branson	Branson, Missouri
Mountain Vista	Branson, Missouri
Thousand Hills	Branson, Missouri
Grand Desert Resort	Las Vegas, Nevada
SouthShore	Zephyr Cove, Nevada
Skyline Towers	Atlantic City, New Jersey
Atlantic Beach Villas	Atlantic Beach, North Carolina
Blue Ridge Village	Banner Elk, North Carolina
Fairfield Mountains	Lake Lure, North Carolina
Maggie Valley	Maggie Valley, North Carolina
Outer Banks	Kill Devil Hills, North Carolina
Fairfield Harbour	New Bern, North Carolina
Fairfield Sapphire Valley	Sapphire Valley, North Carolina
Shawnee Village	Shawnee on Delaware, Pennsylvania
Bay Voyage	Jamestown, Rhode Island
Newport Overlook	Jamestown, Rhode Island
Inn on Long Wharf	Newport, Rhode Island
Long Wharf Resort	Newport, Rhode Island
Newport Inn on the Harbour	Newport, Rhode Island
Newport Onshore	Newport, Rhode Island
Wild Wing	Conway, South Carolina
Sea Mystique	Garden City, South Carolina
Fairfield Ocean Ridge	Edisto Island, South Carolina
Westwinds	Myrtle Beach, South Carolina
Ocean Club	Myrtle Beach, South Carolina
Peppertree by the Sea	Myrtle Beach, South Carolina
Sands Myrtle Beach	Myrtle Beach, South Carolina

Resort Name	Location
Sea Watch Plantation	North Myrtle Beach, South Carolina
Fairfield Myrtle Beach at Ocean Boulevard	North Myrtle Beach, South Carolina
Fairfield Myrtle Beach at the Cottages	North Myrtle Beach, South Carolina
Sand Pebble	Surfside Beach, South Carolina
Fairfield Glade	Glade, Tennessee
Laurel Point	Gatlinburg, Tennessee
Fairfield Nashville	Nashville, Tennessee
Fairfield Smokey Mountains	Sevierville, Tennessee
Riverside Suites	San Antonio, Texas
Fairfield Washington, DC at Old Town Alexandria	Alexandria, Virginia
Governor's Green	Williamsburg, Virginia
Fairfield Kingsgate	Williamsburg, Virginia
Patriot's Place	Williamsburg, Virginia
Fairfield Wisconsin Dells	Wisconsin Dells, Wisconsin
Mirror Lake	Wisconsin Dells, Wisconsin
Peppertree at Tamarack	Wisconsin Dells, Wisconsin
Bluebeard's Castle	St. Thomas, U.S. Virgin Islands
Bluebeard's Beach Club	St. Thomas, U.S. Virgin Islands
Elysian Beach Resort	St. Thomas, U.S. Virgin Islands

SCHEDULE 3

Environmental Issues

None.

SCHEDULE 4

Lockbox Accounts

Bank	Account Name	Account	ABA Number	Account Number	Contact Person
Bank of America	Wyndham Timeshare Conduit Receivables Funding, LLC – Fairfield	Lockbox	Wire 026009593 ACH 011000138	3756384323	Toni Krantz 212-503-8471
Wells Fargo	Wyndham Timeshare Conduit Receivables Funding, LLC – Fairfield	Deposit	121000248	1009350057	Alice Botello 415-222-6730
JPMorgan Chase Bank	Wyndham Timeshare Conduit Receivables Funding, LLC – Fairfield	ACH Collections	021000021	323405452	Dorin Ladon 312-954-9288

SCHEDULE 5

Litigation

On July 19, 2005, a complaint was filed in Federal District Court in the Middle District of Florida against Fairfield Resorts Inc., FairShare Vacation Owners Association, and certain individual officers of Fairfield Resorts Inc., as defendants. The lawsuit alleges, under a variety of legal theories, that the defendants violated their duties to the members of FairShare Plus through self-serving changes to the reservations and availability policies (including an affiliation with RCI), which diminished the value of the vacation ownership interests purchased by the members and rendered it more difficult for members to obtain reservations at their home resort. The complaint does not seek monetary damages in a specified amount, nor does it specify the form of injunctive or declaratory relief sought. Plaintiffs filed their motion for class certification on October 18, 2005, and the defendants submitted their opposition on January 18, 2006. On April 26, 2006, the court heard oral arguments and on April 27, 2006, the court denied the plaintiffs' motion for class certification. On May 15, 2006, the District Court ordered plaintiffs to file not later than May 31, 2006, an amended complaint which omits class action allegations. On or about May 31, 2006, plaintiffs filed an amended complaint omitting the class action allegations. On June 7, 2006, defendants moved to dismiss the amended complaint for lack of subject matter jurisdiction. On June 21, 2006, the U.S. Court of Appeals for the Eleventh Circuit denied the plaintiff's petition for an interlocutory review of the District Court's April 27 order.

EXHIBIT A

Forms of Custodial Agreement

EXHIBIT B

FORM OF ASSIGNMENT OF ADDITIONAL LOANS

ASSIGNMENT NO. __ OF ADDITIONAL LOANS dated as of _____, by and between WYNDHAM CONSUMER FINANCE, INC., a Delaware corporation formerly known as Cendant Timeshare Resort Group-Consumer Finance, Inc. and as Fairfield Acceptance Corporation-Nevada (the "Seller"), FAIRFIELD RESORTS, INC., a Delaware corporation, KONA HAWAIIAN VACATION OWNERSHIP, LLC, a Hawaii limited liability company, SHAWNEE DEVELOPMENT, INC., a Pennsylvania corporation, FAIRFIELD MYRTLE BEACH, INC., a Delaware corporation, SEA GARDENS BEACH AND TENNIS RESORT, INC., a Florida corporation, VACATION BREAK RESORTS, INC., a Florida corporation, VACATION BREAK RESORTS AT STAR ISLAND, INC., a Florida corporation, PALM VACATION GROUP, a Florida general partnership, OCEAN RANCH VACATION GROUP, a Florida general partnership, and SIERRA DEPOSIT COMPANY, LLC, a Delaware limited liability company (the "Purchaser"), pursuant to the Agreement referred to below.

WITNESSETH:

WHEREAS, the Seller and the Purchaser are parties to the Master Loan Purchase Agreement dated as of August 29, 2002 and amended and restated as of July 7, 2006, and the Purchase Agreement Supplement dated as of August 29, 2002 and amended and restated as of July 7, 2006 (the "PA Supplement") (as so supplemented, and as such agreement may have been, or may from time to time be, further amended, supplemented or otherwise modified, the "Agreement");

WHEREAS, pursuant to the Agreement, the Seller wishes to designate Additional Loans (including Additional Upgrade Balances) to be included as Loans, and the Seller wishes to sell its right, title and interest in and to the Additional Loans to the Purchaser pursuant to this Assignment and the Agreement; and

WHEREAS, the Purchaser wishes to purchase such Additional Loans subject to the terms and conditions hereof.

NOW, THEREFORE, the Seller and the Purchaser hereby agree as follows:

1. Defined Terms. All capitalized terms used herein shall have the meanings ascribed to them in the Agreement unless otherwise defined herein.

"Addition Cut-Off Date" shall mean, with respect to the Additional Loans, _____.

"Addition Date" shall mean, with respect to the Additional Loans, _____.

"Additional Loans" shall mean the Additional Loans, as defined in the Agreement, that are sold hereby and listed on Schedule 1.

"Additional Transferred Assets" shall have the meaning set forth in Section 3.

2. Designation of Additional Loans. The Seller delivers herewith a Loan Schedule containing a true and complete list of the Additional Loans. Such Loan Schedule is incorporated into and made part of this Assignment, shall be Schedule 1 to this Assignment and shall supplement Schedule 1 to the Agreement.

3. Sale of Additional Loans.

The Seller does hereby sell, transfer, assign, set over and otherwise convey to the Purchaser, without recourse except as provided in the Agreement, all of the Seller's right, title and interest in, to and under (i) the Additional Loans as of the close of business on the Addition Cut-Off Date and all Scheduled Payments, other Collections and other funds received in respect of such Additional Loans on or after the Addition Cut-Off Date and any other monies due or to become due on or after the Addition Cut-Off Date in respect of any such Additional Loans, and any security therefor; (ii) (A) the Timeshare Properties relating to the Timeshare Property Loans and (B) the Title Clearing Agreements and the FairShare Plus Program (including without limitation the FairShare Plus Agreement) to the extent that they relate to such Timeshare Properties; (iii) any Mortgages relating to the Additional Loans; (iv) any Insurance Policies relating to the Additional Loans; (v) the Loan Files and other Records relating to the Additional Loans; (vi) the Loan Conveyance Documents relating to the Additional Loans; (vii) all interest, dividends, cash, instruments, financial assets and other investment property and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for, or on account of, the sale or other disposition of the Additional Transferred Assets, and including all payments under Insurance Policies (whether or not any of the Seller, the Purchaser, any Originator, the Master Servicer, the Issuer or the Trustee is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any Additional Transferred Assets, and any security granted or purported to be granted in respect of any Additional Transferred Assets; and (viii) all proceeds of any of the foregoing property described in clauses (i) through (vii) (collectively, the "Additional Transferred Assets").

In connection with the foregoing sale and if necessary, the Seller agrees to record and file one or more financing statements (and continuation statements or other amendments with respect to such financing statements when applicable) with respect to the Additional Transferred Assets meeting the requirements of applicable State law in such manner and in such jurisdictions as are necessary to perfect the sale of the Additional Transferred Assets to the Purchaser, and to deliver a file–stamped copy of such financing statements and continuation statements (or other amendments) or other evidence of such filing to the Purchaser.

In connection with the foregoing sale, the Seller further agrees, on or prior to the date of this Assignment, to cause the portions of its computer files relating to the Additional Loans sold on such date to the Purchaser to be clearly and unambiguously marked to indicate that each such Additional Loan has been sold on such date to the Purchaser pursuant to the Agreement and this Assignment.

It is the express and specific intent of the parties that the transfer of the Additional Loans and the other Transferred Assets relating thereto from the Seller to the Purchaser as provided is and shall be construed for all purposes as a true and absolute sale of such Additional Loans and Transferred Assets, shall be absolute and irrevocable and provide the Purchaser with the full benefits of ownership of the Additional Loans and related Transferred Assets and will be treated as such for all federal income tax reporting and all other purposes. Without prejudice to preceding sentence providing for the absolute transfer of the Seller's interest in the Additional Loans and other Transferred Assets to the Purchaser, in order to secure the prompt payment and performance of all obligations of the Seller to the Purchaser under the Agreement, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, the Seller hereby assigns and grants to the Purchaser a first priority security interest in all of the Seller's right, title and interest, whether now owned or hereafter acquired, if any, in, to and under all of the Additional Loans and the other related Transferred Assets and the proceeds thereof. FRI, FMB, Kona, SDI, the VB Subsidiaries and the Seller acknowledge that the Additional Loans and other related Transferred Assets are subject to the Lien of the Indenture and Servicing Agreement for the benefit of the Collateral Agent on behalf of the Trustee and the Noteholders.

4. Acceptance by the Purchaser. The Purchaser hereby acknowledges that, prior to or simultaneously with the execution and delivery of this Assignment, the Seller delivered to the Purchaser the Loan Schedule described in Section 2 of this Assignment with respect to all Additional Loans.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser on the Addition Date that each representation and warranty to be made by it on such Addition Date pursuant to the Agreement is true and correct, and that each such representation and warranty is hereby incorporated herein by reference as though fully set out in this Assignment.

6. Ratification of the Agreement. The Agreement is hereby ratified, and all references to the Agreement shall be deemed from and after the Addition Date to be references to the Agreement as supplemented and amended by this Assignment. Except as expressly amended hereby, all the representations, warranties, terms, covenants and conditions of the Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or consent to non-compliance with any term or provision of the Agreement.

7. Counterparts. This Assignment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

8. GOVERNING LAW. THIS ASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING § 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICT OF LAW PRINCIPLES.

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

IN WITNESS WHEREOF, each of the parties hereto has caused this Assignment to be duly executed by their respective officers as of the day and year first written above.

WYNDHAM CONSUMER FINANCE, INC
as Seller

By: _____
Name:
Title:

FAIRFIELD RESORTS, INC.

By: _____
Name:
Title:

FAIRFIELD MYRTLE BEACH, INC.

By: _____
Name:
Title:

SEA GARDENS BEACH AND TENNIS RESORT, INC.

By: _____
Name:
Title:

VACATION BREAK RESORTS, INC.

By: _____
Name:
Title:

VACATION BREAK RESORTS AT STAR ISLAND, INC.

By: _____
Name:
Title:

PALM VACATION GROUP,
by its General Partners:

Vacation Break Resorts at Palm Aire, Inc.

By: _____
Name:
Title:

Palm Resort Group, Inc.

By: _____
Name:
Title:

HAWAIIAN VACATION OWNERSHIP, LLC

By: Fairfield Resorts, Inc.,
Its Managing Member

By: _____
Name:
Title:

SHAWNEE DEVELOPMENT, INC.

By: _____
Name:
Title:

OCEAN RANCH VACATION GROUP,
by its General Partners:

Vacation Break at Ocean Ranch, Inc.

By: _____
Name:
Title:

Ocean Ranch Development, Inc.

By: _____
Name:
Title:

SIERRA DEPOSIT COMPANY, LLC

By: _____
Name:
Title:

EXHIBIT C

Credit Standard and Collection Policies

EXHIBIT D

Forms of Loans

EXHIBIT E

Forms of
Lockbox Agreements

[On file at Orrick, Herrington & Sutcliffe LLP.]

EXHIBIT F

Representations and Warranties of Kona.

(a) General Representation of Kona. Kona represents and warrants as of the Kona Addition Date, as of each Closing Date occurring after the Kona Addition Date and as of each Addition Date occurring after the Kona Addition Date or as of such other date specified in such representation and warranty that:

(1) Organization and Good Standing.

(i) Kona is a limited liability company duly organized and validly existing and in good standing under the laws of the State of Hawaii and has full power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under the Purchase Agreement, any related PA Supplement to which it is a party, and each of the Facility Documents to which it is a party. Kona is duly qualified to do business and is in good standing as a foreign corporation, and has obtained all necessary licenses and approvals in each jurisdiction in which failure to qualify or to obtain such licenses and approvals would render any Loan unenforceable by Kona.

(ii) Kona's name as set forth in the preamble of this Agreement is its correct legal name and has not been changed in the past six years. Kona does not utilize any trade name, assumed name, fictitious name or "doing business name."

(2) Due Authorization and No Conflict. The execution, delivery and performance by Kona of each of the Facility Documents to which it is a party and the consummation by Kona of the transactions contemplated under the Purchase Agreement and each other Facility Document to which Kona is a party has been duly authorized by Kona by all necessary company action, does not contravene (i) Kona's limited liability company agreement, (ii) any law, rule or regulation applicable to Kona, (iii) any contractual restriction contained in any material indenture, loan or credit agreement, lease, mortgage, deed of trust, security agreement, bond, note, or other material agreement or instrument binding on Kona or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting Kona or its properties (except where such contravention would not have a Material Adverse Effect with respect to Kona or its properties), and do not result in or require the creation of any Lien upon or with respect to any of its properties; and no transaction contemplated hereby or the Facility Documents requires compliance with any bulk sales act or similar law. To the extent that this representation is being made with respect to Title I of ERISA or Section 4975 of the Code, it is made subject to the assumption that none of the assets being used to purchase the Loans and Transferred Assets constitute assets of any Benefit Plan or Plan with respect to which the Seller is a party in interest or disqualified person.

(3) Governmental and Other Consents. All approvals, authorizations, consents or orders of any court or governmental agency or body required in connection with the execution and delivery by Kona of this Agreement and the consummation by Kona of the transactions contemplated hereby, the performance by Kona of and the compliance by Kona with the terms hereof and of the Master Loan Purchase Agreement as amended hereby have been obtained, except where the failure to do so would not have a Material Adverse Effect with respect to Kona.

(4) Enforceability of this Agreement. This Agreement and each of the Facility Documents to which Kona is a party has been duly and validly executed and delivered by Kona and constitutes the legal, valid and binding obligation of Kona, enforceable against it in accordance with its respective terms, except as enforceability may be subject to or limited by Debtor Relief Laws or by general principles of equity (whether considered in a suit at law or in equity).

(5) No Litigation. There are no proceedings or investigations pending, or to the knowledge of Kona, threatened, against Kona before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Agreement or any of the other Facility Documents, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any of the other Facility Documents, (C) seeking any determination or ruling that would adversely affect the performance by Kona of its obligations under this Agreement or any of the Facility Documents to which it is a party, (D) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or any of the other Facility Documents or (E) seeking any determination or ruling that would, if adversely determined, be reasonably likely to have a Material Adverse Effect with respect to Kona.

(6) Governmental Regulations. Kona is not (A) an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, or (B) a "public utility company" or a "holding company," a "subsidiary company" or an "affiliate" of any public utility company within the meaning of Section 2(a)(5), 2(a)(7), 2(a)(8) or 2(a)(ii) of the Public Utility Holding Company Act of 1935, as amended.

(7) Margin Regulations. Kona is not engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as each such term is defined or used in any of Regulations T, U or X of the Board of Governors of the Federal Reserve System). No part of the proceeds of any of the notes issued by the Issuer has been used by Kona for so purchasing or carrying margin stock or for any purpose that violates or would be inconsistent with the provisions of any of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

(8) Location of Chief Executive Office and Records. The principal place of business and chief executive office of Kona and the office where all of its Records are maintained, is located at Kona Hawaiian Vacation Ownership, LLC, 75 5722 Kuakini Highway, Suite 108, Kailua Kona, Hawaii 96740. Kona has not changed its principal place of business or chief executive office (or the office where it maintains all of its Records) during the previous six years.

At any time after the Kona Addition Date, upon 30 days' prior written notice to the Trustee as assignee of the Purchaser and the Issuer, Kona may change its name or may change its type or its jurisdiction of organization to another jurisdiction within the United States, but only so long as all action necessary or reasonably requested by the Purchaser to amend the existing financing statements and to file additional financing statements in all applicable jurisdictions to perfect the transfer of the Loans and the related Transferred Assets is taken.

(9) Lockbox Accounts. Except in the case of any Lockbox Account pursuant to which only Collections in respect of Loans subject to a PAC or Credit Card Account are deposited, Kona has filed a standing delivery order with the United States Postal Service authorizing each Lockbox Bank to receive mail delivered to the related Post Office Box. The account numbers of all Lockbox Accounts, together with the names, addresses, ABA numbers and names of contact persons of all the Lockbox Banks maintaining such Lockbox Accounts and the related Post Office Boxes, are set forth in Schedule 4 to the Master Loan Purchase Agreement. From and after the date of the Kona Addition Date, Kona shall not have any right, title and/or interest in or to any of the Lockbox Accounts or the Post Office Boxes and will maintain no Lockbox accounts in its own name for the collection of payments in respect of the Loans. Kona does not have any lockbox or other accounts for the collection of payments in respect of the Loans other than the Lockbox Accounts.

(10) Facility Documents. Kona has furnished to the Company true, correct and complete copies of each Facility Document to which it is a party, each of which is in full force and effect. Kona is not in default thereunder in any material respect.

(11) Taxes. Kona has timely filed or caused to be filed all federal, state and local tax returns required to be filed by it, and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessments the validity of which are being contested in good faith by appropriate proceedings and has set aside adequate reserves on its books in accordance with GAAP, and which proceedings have not given rise to any Lien.

(12) Accounting Treatment. Kona has accounted for the transactions contemplated in this Agreement and the Facility Documents in accordance with GAAP.

(13) ERISA There has been no (A) occurrence or expected occurrence of any Reportable Event with respect to any Benefit Plan subject to Title IV of ERISA of Kona, or any withdrawal from, or the termination, Reorganization or Plan Insolvency of any Multiemployer Plan or (B) institution of proceedings or the taking of any other action by Pension Benefit Guaranty Corporation or by Kona or any such Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Plan Insolvency of, any such Plan.

(14) No Adverse Selection. No selection procedures materially adverse to the Purchaser, the Issuer, the Noteholders, the Trustee or the Collateral Agent have been employed by Kona in selecting the Loans for inclusion in the Loan Pool on any Closing Date or Addition Date.

(15) Separate Identity. Kona has observed the applicable legal requirements on its part for the recognition of the Purchaser as a legal entity separate and apart from the Seller; provided, however, that Kona makes no representation or warranty in this paragraph with respect to the Company or the Issuer.

Exhibit 10.12

EXECUTION COPY

SERIES 2002-1 SUPPLEMENT
Dated as of August 29, 2002

to

MASTER LOAN PURCHASE AGREEMENT
Dated as of August 29, 2002

Amended and Restated as of July 7, 2006

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC
LOAN-BACKED
VARIABLE FUNDING NOTES,
SERIES 2002-1

by and between

WYNDHAM CONSUMER FINANCE, INC.,
as Seller

FAIRFIELD RESORTS, INC.,
as Co-Originator

FAIRFIELD MYRTLE BEACH, INC.,
as Co-Originator

KONA HAWAIIAN VACATION OWNERSHIP, LLC,
as an Originator

SHAWNEE DEVELOPMENT, INC.,
as an Originator

SEA GARDENS BEACH AND TENNIS RESORT, INC.,
VACATION BREAK RESORTS, INC.,
VACATION BREAK RESORTS AT STAR ISLAND, INC.,
PALM VACATION GROUP
and
OCEAN RANCH VACATION GROUP,
each as a VB Subsidiary

PALM VACATION GROUP
and
OCEAN RANCH VACATION GROUP,
each as a VB Partnership

and

SIERRA DEPOSIT COMPANY, LLC
as Purchaser

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(continued)

THIS PURCHASE AGREEMENT SUPPLEMENT (this "PA Supplement"), dated as of August 29, 2002, as amended and restated as of July 7, 2006, is by and between WYNDHAM CONSUMER FINANCE, INC., a Delaware corporation, as seller (the "Seller"), FAIRFIELD RESORTS, INC., a Delaware corporation and the parent corporation of the Seller, as co-originator ("FRI"), FAIRFIELD MYRTLE BEACH, INC., a Delaware corporation and a wholly-owned subsidiary of FRI, as co-originator ("FMB"), KONA HAWAIIAN VACATION OWNERSHIP, LLC, a Hawaii limited liability company, as an Originator ("Kona"), SHAWNEE DEVELOPMENT, INC., a Pennsylvania corporation ("SDI"), SEA GARDENS BEACH AND TENNIS RESORT, INC., a Florida corporation ("Sea Gardens"), VACATION BREAK RESORTS, INC., a Florida corporation ("VBR"), VACATION BREAK RESORTS AT STAR ISLAND, INC., a Florida corporation ("VBRS") (each of Sea Gardens, VBR and VBRS being wholly-owned subsidiaries of Vacation Break, USA, Inc., a wholly-owned subsidiary of FRI), PALM VACATION GROUP, a Florida general partnership ("PVG"), OCEAN RANCH VACATION GROUP, a Florida general partnership ("ORVG") (each of Sea Gardens, VBR, VBRS, PVG and ORVG are hereinafter collectively referred to as the "VB Subsidiaries" and PVG and ORVG are hereinafter collectively referred to as the "VB Partnerships") and SIERRA DEPOSIT COMPANY, LLC, a Delaware limited liability company, as purchaser (hereinafter referred to as the "Purchaser" or the "Company").

Section 2 of the Agreement provides that the Seller may from time to time sell and assign to the Company, and the Company may from time to time Purchase from the Seller, all the Seller's right, title and interest in, to and under Loans listed on the Loan Schedule of the related PA Supplement on the Closing Date for the related Series. The principal terms of the Purchase and sale of Loans for each Series shall be set forth in a PA Supplement to the Agreement.

Pursuant to this PA Supplement and in accordance with Section 2 of the Agreement, the Seller hereby sells to the Company, and the Company hereby Purchases from the Seller, the Series 2002-1 Loans, and the Seller and the Company hereby specify the principal terms of such sales and Purchases.

The Company has determined with the agreement of the Seller that Loans purchased from the Seller may be sold to Sierra Timeshare Conduit Receivables Funding, LLC (the "Initial Issuer") and pledged to secure notes issued by the Initial Issuer or may be sold by the Company to an Additional Issuer and pledged to secure Notes issued by the Additional Issuer. The Company may also, from time to time, purchase Loans from the Initial Issuer and transfer such Loans to an Additional Issuer to be pledged to secure an Additional Series.

The Seller and the Company agree that Loans sold to the Company under the Agreement and the PA Supplement retain their character as Series 2002-1 Loans whether sold to and retained by the Initial Issuer or reacquired by the Company and transferred to an Additional Issuer.

The PA Supplement supplements the Master Loan Purchase Agreement dated as of August 29, 2002, as amended and restated as of July 7, 2006 and as amended from time to time. The Master Loan Purchase Agreement, as so amended, is the "Agreement." Terms used in this Amendment and not defined herein have the meaning assigned in the Agreement.

Section 1. Definitions.

All capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in the Agreement. Each capitalized term defined herein shall relate only to the Series 2002-1 Loans and to no other Loans purchased by the Company from the Seller.

In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Agreement, the terms and provisions of this PA Supplement shall be controlling.

The words "hereof," "herein" and "hereunder" and words of similar import when used in this PA Supplement shall refer to this PA Supplement as a whole and not to any particular provision of this PA Supplement; and Article, Section, subsection, Schedule and Exhibit references contained in this PA Supplement are references to Articles, Sections, subsections, Schedules and Exhibits in or to this PA Supplement unless otherwise specified.

"Addition Date" shall mean the date from and after which Additional Loans are sold pursuant to Section 2(d).

"Agreement" shall mean the Master Loan Purchase Agreement dated as of August 29, 2002, as amended and restated as of July 7, 2006, by and between the Seller, FRI, FMB, Kona, SDI, the VB Subsidiaries, the VB Partnerships and the Purchaser, as the same may be amended, supplemented or otherwise modified from time to time thereafter in accordance with its terms.

"Assignment" shall have the meaning set forth in Section 2(d)(iii)(E).

"Closing Date" shall mean August 29, 2002.

"Company" shall have the meaning set forth in the preamble.

"Cut-Off Date" shall mean August 27, 2002.

"Cut-Off Date Pool Principal Balance" shall have the meaning set forth in Section 3.

"Eligible Loan" shall mean a Series 2002-1 Loan:

(a) with respect to which (i) the related Timeshare Property is not a Lot, (ii) the related Timeshare Property has been purchased by an Obligor, (iii) except in the case of a Green Loan, a certificate of occupancy for the related Timeshare Property has been issued, (iv) except in the case of a Green Loan, the unit for the related Timeshare Property is complete and ready for occupancy, is not in need of material maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural defects materially affecting its value, (v) the related Timeshare Property Regime is not in need of maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural defects materially affecting its value, (vi) there is no legal, judicial or administrative proceeding pending, or to the Seller's

knowledge threatened, for the total condemnation of the related Timeshare Property or partial condemnation of any portion of the related Timeshare Property Regime that would have a material adverse effect on the value of the related Timeshare Property and (vii) the related Timeshare Property is not related to a Resort located outside of the United States, Canada, Mexico or the United States Virgin Islands;

(b) with respect to which the rights of the Obligor thereunder are subject to declarations, covenants and restrictions of record affecting the Resort;provided, however, that a Series 2002-1 Loan shall not fail to be an Eligible Loan solely because the rights of the Obligor thereunder have been subjected to the FairShare Plus Program;

(c) in the case of a Series 2002-1 Loan that is an Installment Contract, with respect to which the Seller has a valid ownership or security interest in an underlying Timeshare Property, subject only to Permitted Encumbrances, unless the criteria in paragraph (d) are satisfied;

(d) with respect to which (i) if the related Timeshare Property has been deeded to the Obligor of the related Series 2002-1 Loan, (A) the Originator has a valid and enforceable first lien Mortgage on such Timeshare Property, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, (B) such Mortgage and related mortgage note have been assigned to the Collateral Agent, (C) such Mortgage and the related note for such Mortgage have been transferred or will be transferred to the custody of the Custodian in accordance with the provisions of Section 6(c)(i) of the Agreement and (D) if any Mortgage relating to such Series 2002-1 Loan is a deed of trust, a trustee duly qualified under applicable law to serve as such has been properly designated in accordance with applicable law and currently so serves or (ii) if the related Timeshare Property has not been deeded to the Obligor of the related Series 2002-1 Loan, a Nominee has legal title to such Timeshare Property and the Seller has an equitable interest in such Timeshare Property underlying the related Series 2002-1 Loan;

(e) that was issued in a transaction that complied, and is in compliance, in all material respects with all material requirements of applicable federal, state and local law;

(f) that requires the Obligor to pay the unpaid principal balance over an original term of not greater than 120 months and (ii) the original term of which does not exceed 84 months unless (A) the Series 2002-1 Loan relates to a Timeshare Upgrade or (B) the weighted average FICO score of all such Series 2002-1 Loans with original terms longer than 84 months is at least 640 and (x) with respect to Series 2002-1 Loans sold prior to November 14, 2005 has a FICO score not less than 600 or (xi) with respect to Series 2002-1 Loans sold on or after November 14, 2005 has a FICO score not less than 550;

(g) the Scheduled Payments on which are denominated and payable in United States dollars;

(h) that is not a Defective Loan or a Defaulted Loan;

(i) *that, with respect to Loans sold prior to July 28, 2004*, (i) is not a Delinquent Loan as of the Cut-Off Date or related Addition Cut-Off Date, as applicable, and (ii) with respect to which no Scheduled Payment was (A) delinquent for more than 30 days past its Due Date more than once during the 18-month period preceding the Cut-Off Date or related Addition Cut-Off Date, as applicable, with respect to such Series 2002-1 Loan, or (B) delinquent for more than 60 days at any time during such 18-month period (each such determination under this clause (ii) being made without giving effect to the grant of any extension of the Due Date of any such Scheduled Payment); or

that, with respect to Loans sold on or after July 28, 2004, that is not a Delinquent Loan and, unless it is a Permitted Deferred Loan, it has never been a Defaulted Loan, as of the Addition Cut-Off Date.

(j) that does not finance the purchase of credit life insurance;

(k) *with respect to any Loan sold prior to July 28, 2004*, no Due Date thereunder occurring after the Cut-Off Date or the related Addition Cut-Off Date, as applicable, has been deferred; (*this provision (k) shall not be applicable to Loans sold on or after July 28, 2004*);

(l) *with respect to Loans sold prior to July 28, 2004*, the related Timeshare Property (A) consists of a Fixed Week or a UDI and (B) if it consists of a Fixed Week, it has been converted into a UDI or has become subject to the FairShare Plus Program, which conversion or other modification does not give rise to the extension of the maturity of any payments under such Series 2002 1 Loan; or

with respect to Loans sold on or after July 28, 2004, the related Timeshare Property (A) consists of a Fixed Week or a UDI and (B) if it consists of a Fixed Week, (i) it has been converted or is convertible into a UDI or has become subject to the FairShare Plus Program, which conversion into a UDI or any modification made in connection with the FairShare Plus Program does not or would not give rise to the extension of the maturity of any payments under such Series 2002 1 Loan or *with respect to Loans sold on or after November 14, 2005* (ii) it is an Acquired Portfolio Loan;

(m) that (i) either (A) has been transferred by FRI to the Seller pursuant to the Operating Agreement, (B) in the case of any Series 2002 1 Loan originated by an Originator other than FRI or any Loan related to the Dolphin's Cove Resort,

has been transferred by such Originator to FRI pursuant to the Operating Agreement and in the case of any Loan related to the Dolphin's Cove Resort, was originated by Dolphin's Cove Resort, Ltd., a California limited partnership, and was transferred to FRI pursuant to a receivables purchase agreement dated December 29, 2000 by and between Dolphin's Cove Resort, Ltd. and FRI or (C) *with respect to Loans sold on or after November 14, 2005*, was originated by another entity and transferred to the Seller pursuant to the Operating Agreement or pursuant to another agreement acceptable to the Seller and the originator has provided to the Company a written quitclaim of all right, title and interest of such originator in the Loan which quitclaim shall be substantially similar to those provisions contained in Section 2(h) of this PA Supplement and (ii) in the case of any Loans sold to the Purchaser on the Closing Date, such Loans were sold by Fairfield Receivables Corporation to the Seller pursuant to an Assignment of Contracts and Mortgages, dated as of August 29, 2002;

(n) that was originated by an Originator and has been consistently serviced by the Seller, in each case in the ordinary course of its respective business and in accordance with Customary Practices and Credit Standards and Collection Policies; or, *with respect to Loans sold on or after November 14, 2005*, was acquired by the Seller directly or indirectly from the originator of such Loan and within a period of not more than 120 days after such acquisition, the Seller has undertaken the servicing of such Loan either directly or through a contractual agreement with a third party reasonably acceptable to the Seller;

(o) that has not been specifically reserved against by the Seller or classified by the Seller or FRI as uncollectible or charged off;

(p) that arises from transactions in a jurisdiction in which FRI and each Subsidiary of FRI (other than the Purchaser and the Issuer) that conducts business in such jurisdiction is duly qualified to do business, except where the failure to so qualify will not adversely affect or impair the legality, validity, binding effect and enforceability of such Series 2002-1 Loan;

(q) that has not been cancelled or terminated by the related Obligor (regardless of whether such Obligor is legally entitled to do so) and constitutes a legal, valid, binding and enforceable obligation of the related Obligor, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(r) that is fully amortizing pursuant to a required schedule of substantially equal monthly payments of principal and interest;

(s) with respect to which (i) the downpayment has been made and (ii) no statutory rescission rights with respect to the related Obligor are continuing as of the Cut-Off Date or related Addition Cut-Off Date, as applicable;

(t) that had an Equity Percentage of 10% or more at the time of the sale of the related Timeshare Property to the related Obligor (or, in the case of a Loan relating to a Timeshare Upgrade, an Equity Percentage of 10% or more of the value of all vacation credits owned by the related Obligor);

(u) with respect to which the related Obligor has not at any time made a written request for rescission of such Series 2002-1 Loan or otherwise stated in writing that it does not intend to consummate such Loan or to fully perform under such Series 2002-1 Loan;

(v) that is not a Series 2002-1 Loan originated under an Alliance Program;

(w) with respect to which at least one Scheduled Payment has been made by the Obligor;

(x) as of the Cut-Off Date or related Addition Cut-Off Date, as applicable, has an outstanding loan balance not greater than $100,000; and

(y) that, in the case of a Green Loan, (i) satisfies each of the eligibility criteria set forth in paragraphs (a) through (x) above other than any such criteria that cannot be satisfied due solely to (A) the related Green Timeshare Property being located in a Resort that is not yet complete and ready for occupancy; (B) the Seller not having a valid ownership interest in the related Green Timeshare Property; or (C) the related Green Timeshare Property not having been deeded to the Obligor or legal title not being held by the Nominee; and (ii) the related Green Timeshare Property has a scheduled completion date no more than six months following the Cut-Off Date or related Addition Cut-Off Date, as applicable.

"Excess Concentration Amount" shall have the meaning set forth in the Series 2002-1 Supplement.

"Noteholder" shall mean any Series 2002-1 Noteholder and any holder of a note of any Additional Series.

"PA Supplement" shall have the meaning set forth in the preamble.

"Permitted Deferred Loan" shall mean a Loan with respect to which the Obligor has been granted an extension of the time required to pay the amounts due thereon, provided that (i) any such extension was made in accordance with the Credit Standards and Collection Policies and Customary Practices and (ii) such Loan is not a Delinquent Loan as of the Addition Cut-Off Date.

"Pool Purchase Price" shall have the meaning set forth in Section 3.

"Purchase" shall have the meaning set forth in Section 2(e).

"Purchaser" shall have the meaning set forth in the preamble.

"Repurchase Date" shall have the meaning set forth in Section 7.

"Repurchase Price" shall have the meaning set forth in Section 7.

"Series Termination Date" shall mean, with respect to Series 2002-1, the date on which all obligations with respect to the Series 2002-1 Notes issued under the Series 2002-1 Supplement have been paid in full and the Series 2002-1 Supplement is discharged and, with respect to any Additional Series, the date set forth in the related Indenture and Servicing Agreement.

"Series 2002-1 Additional Loan" shall mean each Additional Loan constituting one of the Series 2002-1 Loans Purchased from the Seller on an Addition Cut-Off Date and listed on Schedule 1 to the related Assignment.

"Series 2002-1 Loan" shall mean each Loan listed from time to time on the Series 2002-1 Loan Schedule whether such Loan is at such time a Series 2002-1 Pledged Loan or is pledged to secure an Additional Series.

"Series 2002-1 Loan Schedule" shall mean the Loan Schedule for the Series 2002-1 Loans.

"Series 2002-1 Noteholder" shall mean any Noteholder under the Series 2002-1 Supplement.

"Series 2002-1 Pledged Loan" shall have the meaning set forth in the Series 2002-1 Supplement.

"Series 2002-1 Supplement" shall mean the supplement to the Master Indenture and Servicing Agreement executed and delivered in connection with the original issuance of the Series 2002-1 Notes and all amendments thereof and supplements thereto.

"Substitution Adjustment Amount" shall have the meaning set forth in Section 7.

Section 2. Sale.

(a) Series 2002-1 Loans. Subject to the terms and conditions and in reliance on the representations, warranties, and covenants and agreements set forth in the Agreement and this PA Supplement, the Seller hereby sells and assigns to the Company, and the Company hereby Purchases from the Seller, without recourse except as specifically set forth herein, all of the Seller's right, title and interest in, to and under the Initial Loans listed on the Series 2002-1 Loan Schedule delivered on the Closing Date, together with all other Transferred Assets relating thereto. The Series 2002-1 Additional Loans existing at the close of business on the related Addition Cut-Off Date and all other Transferred Assets relating thereto shall be sold by the Seller and purchased by the Company on the related Addition Date. Notwithstanding the foregoing, and for avoidance of doubt, the Seller does not assign, and the Purchaser does not agree to assume, any obligations specific to FRI or any Originator as developer of any Timeshare Property underlying an Installment Contract.

(b) Filing of Financing Statements. In connection with the foregoing sale, the Seller agrees to record and file a financing statement or statements (and continuation statements or other amendments with respect to such financing statements) with respect to the Series 2002-1 Loans and related Transferred Assets described in Section 2(a) sold by the Seller hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the interests of the Purchaser created hereby under the applicable UCC and to deliver a file-stamped copy of such financing statements and continuation statements (or other amendments) or other evidence of such filings to the Purchaser.

(c) Delivery of Series 2002-1 Loan Schedule. In connection with the sale and conveyance hereunder, the Seller agrees on or prior to the Closing Date and on or prior to the applicable Addition Date (in the case of Additional Series 2002-1 Loans) to indicate or cause to be indicated clearly and unambiguously in its accounting, computer and other records that the Series 2002-1 Loans and related Transferred Assets have been sold to the Purchaser pursuant to this PA Supplement. In addition, in connection with the sale and conveyance hereunder, the Seller agrees on or prior to the Closing Date and on or prior to the applicable Addition Date (in the case of Additional Series 2002-1 Loans) to deliver to the Company a Series 2002-1 Loan Schedule for such Series 2002-1 Loans or Additional Series 2002-1 Loans. The Seller and the Company agree that the Series 2002-1 Loan Schedule shall include all Loans sold under the Agreement and this PA Supplement whether such Loans are Series 2002-1 Pledged Loans or are pledged to secure an Additional Series.

(d) Purchase of Additional Series 2002-1 Loans.

(i) [Reserved].

(ii) The Seller may, with the consent of the Purchaser, designate Eligible Loans to be sold as Additional Series 2002-1 Loans.

(iii) On the Addition Date with respect to any Additional Series 2002-1 Loans, such Additional Series 2002-1 Loans shall become Series 2002-1 Loans, and the Purchaser shall Purchase the Seller's right, title and interest in, to and under the Additional Series 2002-1 Loans and the other related Transferred Assets as provided in the Assignment, subject to the satisfaction of the following conditions on such Addition Date:

(A) The Seller shall have delivered to the Purchaser copies of UCC financing statements covering such Additional Series 2002-1 Loans, if necessary to perfect the Purchaser's first priority interest in such Series 2002-1 Additional Loans and the other related Transferred Assets;

(B) On each of the Addition Cut-Off Date and the Addition Date, the sale of such Additional Series 2002-1 Loans and the other related Transferred Assets to the Purchaser shall not have caused the Seller's insolvency or have been made in contemplation of the Seller's insolvency;

(C) No selection procedure shall have been utilized by the Seller that would result in a selection of such Additional Series 2002-1 Loans (from the Eligible Loans available to the Seller) that would be materially adverse to the interests of the Purchaser as of the Addition Date;

(D) The Seller shall have indicated in its accounting, computer and other records that the Additional Series 2002-1 Loans and the other related Transferred Assets have been sold to the Purchaser and shall have delivered to the Purchaser the required Series 2002-1 Loan Schedule;

(E) The Seller and the Purchaser shall have entered into a duly executed, written assignment substantially in the form of Exhibit B to the Agreement (an "Assignment");

(F) The Seller shall have delivered to the Purchaser an Officer's Certificate of the Seller dated the Addition Date, confirming, to the extent applicable, the items set forth in Section 2(d)(iii) (A) through (E); and

(G) The Purchaser shall have paid the Additional Pool Purchase Price as provided in Section 3 of the Agreement.

(iv) The Seller shall have no obligation to sell the Additional Series 2002-1 Loans if it has not been paid the Additional Pool Purchase Price therefor.

(e) Treatment as Sale. It is the express and specific intent of the parties that the sale of the Series 2002-1 Loans and related Transferred Assets from the Seller to the Company as provided in this Section 2 (the "Purchase") is and shall be construed for all purposes as a true and absolute sale of such Series 2002-1 Loans and related Transferred Assets, shall be absolute and irrevocable and provide the Company with the full benefits of ownership of the Series 2002-1 Loans and related Transferred Assets and will be treated as such for all federal income tax reporting and all other purposes.

(f) Recharacterization. Without prejudice to the provisions of Section 2(e) providing for the absolute transfer of the Seller's interest in the Series 2002-1 Loans and related Transferred Assets to the Company, in order to secure the prompt payment and performance of all of the obligations of the Seller to the Company and the Company's assignees arising in connection with the Agreement, this PA Supplement and the other Facility Documents, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, the Seller hereby assigns and grants to the Company a first priority security interest in all of the Seller's right, title and interest, whether now owned or hereafter acquired, if any, in, to and under all of the Series 2002-1 Loans and related Transferred Assets and the proceeds thereof.

(g) Security Interest in Transferred Assets. Each of FRI, FMB, Kona, SDI, the VB Subsidiaries and the Seller acknowledges that the Series 2002-1 Loans and related Transferred Assets are subject to the Lien of the Series 2002-1 Supplement for the benefit of the Trustee and the Series 2002-1 Noteholders (or to the Collateral Agent on behalf of the Trustee and the Series 2002-1 Noteholders). With respect to Series 2002-1 Loans and related Transferred Assets which have been released from the Lien of the Series 2002-1 Supplement, conveyed to the Company and transferred by the Company to an Additional Issuer, each of FRI, FMB, Kona, SDI, the VB Subsidiaries and the Seller acknowledges that such Series 2002-1 Loans and related Transferred Assets are subject to the Lien of the applicable Indenture and Servicing Agreement for the benefit of the applicable Trustee and Noteholders.

(h) Quitclaim of All Right, Title and Interest by FMB, the VB Subsidiaries, FRI, Kona and SDI

(i) The parties hereto recognize that each of (A) FMB and the VB Subsidiaries has previously sold, transferred and assigned to FRI all of its right, title and interest in and to the Series 2002-1 Loans originated by it and (B) FRI has previously sold, transferred and assigned to the Seller all of its respective right, title and interest in and to the Series 2002-1 Loans originated by it or sold to it by FMB or the VB Subsidiaries, together with, in each case, the other related Transferred Assets. Each such sale, transfer and assignment has been made pursuant to the terms of the Operating Agreement and one or more blanket assignments executed by such parties in favor of FRI or the Seller, as applicable. For the avoidance of doubt and to further evidence the intent of the parties hereto that all right, title and interest in the Series 2002-1 Loans and related Transferred Assets are being sold and transferred to the Company pursuant to the Agreement and this PA Supplement, each of FRI, FMB and the VB Subsidiaries hereby irrevocably quitclaim all right, title and interest that any of them may have or be deemed to have in and to any of the Series 2002-1 Loans and related Transferred Assets directly to the Company.

(ii) To the extent that any quitclaim of the Series 2002-1 Loans and related Transferred Assets from FRI, FMB or the VB Subsidiaries to the Company contemplated by this Section 2(h) is not treated as a sale under applicable law, this PA Supplement shall constitute a security agreement under applicable law and, in order to secure the prompt payment and performance of all of the obligations of the Seller to the Company and the Company's assignees arising in connection with the Agreement, this PA Supplement and the other Facility Documents, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, each of FRI, FMB and the VB Subsidiaries, as applicable, hereby assigns and grants to the Company a first priority security interest in all of the right, title and interest of FRI, FMB or such VB Subsidiary, as applicable, whether now owned or hereafter acquired, if any, in, to and under all of the Series 2002-1 Loans and related Transferred Assets and the proceeds thereof.

(iii) The parties hereto recognize that each of (A) Kona and SDI has previously sold, transferred and assigned or simultaneously herewith do sell, transfer and assign to FRI all of their right, title and interest in and to the Series 2002-1 Loans originated by it and

(B) FRI has previously sold, transferred and assigned or simultaneously herewith does sell, transfer and assign to the Seller all of its respective right, title and interest in and to the Series 2002-1 Loans originated by it or sold to it by Kona or SDI, together with, in each case, the other related Transferred Assets. Each such sale, transfer and assignment has been made or is being made pursuant to the terms of the Operating Agreement and one or more blanket assignments executed by such parties in favor of FRI or the Seller, as applicable. For the avoidance of doubt and to further evidence the intent of the parties hereto that all right, title and interest in the Series 2002-1 Loans and related Transferred Assets are being sold and transferred to the Company pursuant to the Agreement and the PA Supplement, each of Kona and SDI hereby irrevocably quitclaim all right, title and interest that they may have or be deemed to have in and to any of the Series 2002-1 Loans and related Transferred Assets directly to the Company.

(iv) To the extent that any quitclaim of the Series 2002-1 Loans and related Transferred Assets from Kona or SDI to the Company contemplated by this Section 2 is not treated as a sale under applicable law, this PA Supplement shall constitute a security agreement under applicable law and, in order to secure the prompt payment and performance of all of the obligations of the Seller to the Company and the Company's assignees arising in connection with the Agreement, the PA Supplement and the other Facility Documents, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, each of Kona and SDI, as applicable, hereby assign and grant to the Company a first priority security interest in all of the right, title and interest of Kona or SDI, as applicable, whether now owned or hereafter acquired, if any, in, to and under all of the Series 2002-1 Loans and related Transferred Assets and the proceeds thereof.

(i) Transfer of Loans. All Series 2002-1 Loans conveyed to the Company hereunder shall be held by the Custodian pursuant to the terms of either Custodial Agreement for the benefit of the Company, the respective Issuers, the respective Trustees and the Collateral Agent. Upon each Purchase hereunder, the Custodian shall execute and deliver to the Company a certificate acknowledging receipt of the applicable Series 2002-1 Loans pursuant to either Custodial Agreement; provided that, with respect to a Series 2002-1 Loan purchased on a Purchase Date, receipt shall be timely delivered if it is delivered to the Company no later than 30 days after the Purchase Date for that Loan.

Each of FRI, the other Originators and the Seller acknowledges that the Company will convey the Series 2002-1 Loans and the other related Transferred Assets to the Initial Issuer or an Additional Issuer and that the Initial Issuer or Additional Issuer will grant a security interest in the Series 2002-1 Loans and other related Transferred Assets to the Collateral Agent pursuant to the applicable Indenture and Servicing Agreement. Each of FRI, the other Originators and the

Seller agrees that, upon such grant, the Initial Issuer or the Additional Issuer and the Collateral Agent may enforce all of the Seller's and FRI's obligations hereunder and under the Agreement directly, including without limitation the repurchase obligations of the Seller set forth in Section 7.

Section 3. Purchase Price.

The Initial Series 2002-1 Loans had an aggregate unpaid principal balance of $280,127,904.13 at the Cut-Off Date (such aggregate unpaid principal balance at the Cut-Off Date being referred to herein as the "Cut-Off Date Pool Principal Balance"). The purchase price (the "Pool Purchase Price") for the Loans sold on the Closing Date shall be $280,127,904.13. The purchase price for Additional Loans sold on an Addition Date shall be the Additional Pool Purchase Price.

Section 4. Payment of Purchase Price.

Sections 4(a) through (c) are set forth in the Agreement.

(d) Payment for and delivery of the Series 2002-1 Loans being purchased by the Company on the Closing Date shall take place at a closing at the offices of Orrick, Herrington & Sutcliffe LLP, Washington Harbour, 3050 K Street, NW, Washington, D.C. 20007, at 10:00 a.m. local time on the Closing Date, or such other time and place as shall be mutually agreed upon among the parties hereto.

Section 5. Conditions Precedent to Sale of Series 2002-1 Loans.

The Purchaser's obligations hereunder to Purchase and pay for the Series 2002-1 Loans and related Transferred Assets on the Closing Date are subject to the fulfillment of the following conditions on or before the Closing Date:

(a) (i) The Purchaser shall have received the Series 2002-1 Pool Purchase Agreement relating to each Series 2002-1 Loan executed by all the parties thereto and (ii) all conditions precedent to the sale of the Series 2002-1 Pool Loans thereunder shall have been fulfilled to the extent they are capable of being fulfilled prior to the performance by the Purchaser of its obligations under this PA Supplement.

(b) The representations and warranties of each of the Seller, FRI, FMB and the VB Subsidiaries made in the Agreement and herein shall be true and correct in all material respects on the Closing Date.

Section 6. Representations and Warranties of the Seller, FRI, FMB and the VB Subsidiaries.

(a) [Reserved].

Sections 6(a)(i) through (xvii) are set forth in the Agreement.

(b) Representations and Warranties Regarding the Series 2002-1 Loans. The Seller and FRI jointly and severally represent and warrant to the Company as of the Cut-Off Date and Addition Cut-Off Date as to each Series 2002-1 Loan conveyed on and as of the Closing Date or the related Addition Date, as applicable (except as otherwise expressly stated) as follows:

(xxiii) Loan Schedule. The information set forth in the Series 2002-1 Loan Schedule is true and correct with respect to such Series 2002-1 Loan.

(xxiv) Good Title to Series 2002-1 Loans. The Seller has good and marketable title to such Series 2002-1 Loan free and clear of any Lien other than Permitted Encumbrances. The Seller has not sold, assigned or pledged such Series 2002-1 Loan or any interest therein to any Person other than the Company. With respect to the related Timeshare Property, either (A) a generally accepted form of title insurance policy insuring the fee estate ownership of the real property subject to the Timeshare Property Regime by the Persons owning the respective interests therein and their successors and assigns (1) was effective either at the time the Originator (or a Subsidiary thereof) acquired the Timeshare Property or at the time of registration of the Timeshare Property Regime, (2) is valid and remains in full force and effect and (3) was issued by a title insurer qualified to do business in the applicable jurisdiction; or (B) either at the time the Originator (or a Subsidiary thereof) acquired the Timeshare Property or at the time of registration of the Timeshare Property Regime, such fee estate ownership had been verified by an attorney's opinion of title, the form and substance of which is of a type acceptable for purposes of registration of sales of Timeshare Properties and which may be relied upon by Persons subsequently owning the respective interests therein and their successors and assigns.

(xxv) No Defaults. As of the Cut-Off Date or related Addition Cut-Off Date, as applicable, such Series 2002-1 Loan is not a Defaulted Loan and no event has occurred which, with the taking of any action or the expiration of any grace or cure period or both, would cause such Series 2002-1 Loan to be a Defaulted Loan. None of the Seller, FRI, FMB or the VB Subsidiaries has waived any such default, breach, violation or event permitting acceleration with respect to such Series 2002-1 Loan.

(xxvi) Equal Installments. Such Series 2002-1 Loan has a fixed Loan Rate and provides for substantially equal monthly payments that fully amortize the Series 2002-1 Loan over its term.

(xxvii) Excess Concentration Amount. The Purchase of such Series 2002-1 Loan occurring on such Closing Date or Addition Date, as applicable, and the inclusion of such Series 2002-1 Loan as a Series 2002-1 Pledged Loan pursuant to the Series 2002-1 Supplement to the Indenture and Servicing Agreement, does not cause an increase in the Excess Concentration Amount.

Sections 6(b)(i) through (xxii) are set forth in the Agreement.

Section 7. Repurchases or Substitution of Series 2002-1 Loans.

The parties understand and agree that references in this Section 7 to the Issuer, Trustee or Master Servicer, shall in each case refer to the Issuer, Trustee or Master Servicer for the Series to which the Loan to be repurchased is then pledged.

(a) Repurchase or Substitution Obligation. Subject to Section 7(b), upon discovery by the Seller or upon written notice from the Company, the Issuer or the Trustee that any Series 2002-1 Loan is a Defective Loan, the Seller shall, within 90 days after the earlier of its discovery or receipt of notice thereof, cure such Defective Loan in all material respects or either (i) repurchase such Defective Loan from the Company or its assignee at the Repurchase Price or (ii) substitute one or more Qualified Substitute Loans for such Defective Loan. For purposes of this Agreement, the term "Repurchase Price" shall mean an amount equal to the outstanding Principal Balance of such Defective Loan as of the close of business on the Due Date immediately preceding the Payment Date on which the repurchase is to be made, plus accrued but unpaid interest thereon to the date of the repurchase. The Company hereby directs the Seller, for so long as the Indenture and Servicing Agreement is in effect, to make such payment on its behalf to the Collection Account pursuant to Section 7(b). The following defects with respect to documents in any Loan File, solely to the extent they do not impair the validity or enforceability of the subject document under applicable law, shall not be deemed to constitute a breach of the representations and warranties contained in Section 6(b): misspellings of or omissions of initials in names; name changes from divorce or marriage; discrepancies as to payment dates in a Series 2002-1 Loan of no more than 30 days; discrepancies as to Scheduled Payments of no more than $5.00; discrepancies as to origination dates of not more than 30 days; inclusion of additional parties other than the primary Obligor not listed in the Master Servicer's records or in the Series 2002-1 Loan Schedule and non-substantive typographical errors and other non-substantive minor errors of a clerical or administrative nature.

(b) Repurchases and Substitutions. The Seller shall provide written notice to the Company of any repurchase pursuant to Section 7(a) not less than two Business Days prior to the date on which such repurchase is to be effected, specifying the Defective Loan and the Repurchase Price therefor. Upon the repurchase of a Defective Loan pursuant to Section 7(a), the Seller shall deposit the Repurchase Price in the Collection Account on behalf of the Company no later than 12:00 noon, New York time, on the Payment Date on which such repurchase is made (the "Repurchase Date").

If the Seller elects to substitute a Qualified Substitute Loan or Loans for a Defective Loan pursuant to this Section 7(b), the Seller shall deliver such Qualified Substitute Loan in the same manner as the other Series 2002-1 Loans sold hereunder, including delivery of the applicable Loan Documents as required pursuant to either Custodial Agreement and satisfaction of the same conditions with respect to such Qualified Substitute Loan as to the Purchase of Additional Loans set forth in Section 2(d)(iii). Payments due with respect to Qualified Substitute Loans prior to the last day of the Due Period next preceding the date of substitution shall not be property of the Company, but will be retained by the Master Servicer and remitted by the Master Servicer to the Seller on the next succeeding Payment Date. Scheduled Payments due on a Defective Loan prior to the last day of the Due Period next preceding the date of substitution shall be property of the Company, and after such last day of the

Due Period next preceding the date of substitution the Seller shall be entitled to retain all Scheduled Payments due thereafter and other amounts received in respect of such Defective Loan. The Seller shall cause the Master Servicer to deliver a schedule of any Defective Loans so removed and Qualified Substitute Loans so substituted to the Company, and such schedule shall be an amendment to the Series 2002-1 Loan Schedule. Upon such substitution, the Qualified Substitute Loan or Loans shall be subject to the terms of this PA Supplement in all respects, the Seller shall be deemed to have made the representations and warranties with respect to each Qualified Substitute Loan set forth in Section 6(b) of the Agreement and this PA Supplement and Section 6(c) of the Agreement, in each case as of the date of substitution, and the Seller shall be deemed to have made a representation and warranty that each Loan so substituted is an Qualified Substitute Loan as of the date of substitution. The Seller shall be obligated to repurchase or substitute for any Eligible Substitute Loan as to which the Seller has breached the Seller's representations and warranties in Section 6(b) to the same extent as for any other Series 2002-1 Loan, as provided herein. In connection with the substitution of one or more Qualified Substitute Loans for one or more Defective Loans, the Master Servicer shall determine the amount (such amount, a "Substitution Adjustment Amount"), if any, by which the aggregate principal balance of all such Qualified Substitute Loans as of the date of substitution is less than the aggregate principal balance of all such Defective Loans (after application of the principal portion of the Scheduled Payments due in the month of substitution that are to be distributed to the Company in the month of substitution). The Seller shall deposit the amount of such shortfall into the Collection Account in immediately available funds on the date of substitution, without any reimbursement therefor.

Upon each repurchase or substitution, the Company shall automatically and without further action sell, transfer, assign, set over and otherwise convey to the Seller, without recourse, representation or warranty, all of the Company's right, title and interest in and to the related Defective Loan, the related Timeshare Property, the Loan File relating thereto and any other related Transferred Assets, all monies due or to become due with respect thereto and all Collections with respect thereto (including payments received from Obligors from and including the last day of the Due Period next preceding the date of transfer, subject to the payment of any Substitution Adjustment Amount). The Company shall execute such documents, releases and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Seller to effect the conveyance of such Defective Loan, the related Timeshare Property and related Loan File pursuant to this Section 7(b).

Promptly after the occurrence of a Repurchase Date and after the repurchase of Defective Loans in respect of which the Repurchase Price has been paid on such date, the Seller shall direct the Master Servicer to delete such Defective Loans from the Series 2002-1 Loan Schedule.

The obligation of the Seller to repurchase or substitute for any Defective Loan shall constitute the sole remedy against the Seller, FRI or their Affiliates with respect to any breach of the representations and warranties set forth in Section 6(b) available hereunder to the Company or its successors or assigns.

(c) Repurchases of Series 2002-1 Loans that Become Defaulted Loans. If any Series 2002-1 Loan becomes a Defaulted Loan during any Due Period, the Seller may repurchase such Defaulted Loan from the Company or its assignees at the Repurchase Price therefor and in accordance with the additional provisions applicable to repurchases of Defective Loans under Section 7(b).

(d) Maximum Repurchases. Notwithstanding anything to the contrary in the Agreement or this PA Supplement, no Defaulted Loans shall be repurchased by the Seller to the extent that the aggregate principal balance of all Defaulted Loans so repurchased is greater than the Defaulted Loan Repurchase Cap.

Section 8. Covenants of the Seller and FRI.

Section 8 is set forth in the Agreement.

Section 9. Representations and Warranties of the Company.

Section 9 is set forth in the Agreement.

Section 10. Covenants of the Company.

Section 10 is set forth in the Agreement.

Section 11. Miscellaneous Provisions.

Sections 11(a) through (l) are set forth in the Agreement.

(m) Ratification of Agreement. As supplemented by this PA Supplement, the Agreement is in all respects ratified and confirmed and the Agreement as so supplemented by this PA Supplement shall be read, taken and construed as one and the same instrument.

(n) Amendment. This PA Supplement may be amended from time to time or the provisions hereof may be waived or otherwise modified by the parties hereto by written agreement signed by the parties hereto.

(o) Counterparts. This PA Supplement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

(p) GOVERNING LAW. THIS PA SUPPLEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING §5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

(q) Successors and Assigns. This PA Supplement shall be binding upon each of the Seller, FRI, Kona, SDI, the VB Subsidiaries, the VB Partnerships and the Company and their respective permitted successors and assigns, and shall inure to the benefit of, and be enforceable by, each of the Seller, FRI, Kona, SDI, the VB Subsidiaries, the VB Partnerships and the Company and each of the Issuer, the Trustee, the Collateral Agent and the Noteholders.

IN WITNESS WHEREOF, the parties have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

WYNDHAM CONSUMER FINANCE, INC.

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

FAIRFIELD RESORTS, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

FAIRFIELD MYRTLE BEACH, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

SEA GARDENS BEACH AND TENNIS RESORT, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

VACATION BREAK RESORTS, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

VACATION BREAK RESORTS AT STAR ISLAND, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

PALM VACATION GROUP,
by its General Partners:

Vacation Break Resorts at Palm Aire, Inc.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

Palm Resort Group, Inc.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

OCEAN RANCH VACATION GROUP,
by its General Partners:

Vacation Break at Ocean Ranch, Inc.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

Ocean Ranch Development, Inc.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

SIERRA DEPOSIT COMPANY, LLC

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

KONA HAWAIIAN VACATION OWNERSHIP, LLC
By: Fairfield Resort, Inc.,
Its Managing Member

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

SHAWNEE DEVELOPMENT, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

SCHEDULE 1

SERIES 2002-1 LOAN SCHEDULE

[Previously delivered and delivered on each Addition Date.]

Exhibit 10.13

EXECUTION COPY

MASTER LOAN PURCHASE AGREEMENT
Dated as of August 29, 2002

Amended and Restated as of July 7, 2006

by and between

TRENDWEST RESORTS, INC.,
as Seller

and

SIERRA DEPOSIT COMPANY, LLC
as Purchaser

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SCHEDULES

EXHIBITS

MASTER LOAN PURCHASE AGREEMENT

THIS MASTER LOAN PURCHASE AGREEMENT (this "Agreement"), dated as of August 29, 2002, as amended and restated as of July 7, 2006, is made by and between TRENDWEST RESORTS, INC., an Oregon corporation, as seller (the "Seller"), and SIERRA DEPOSIT COMPANY, LLC, a Delaware limited liability company, as purchaser (hereinafter referred to as the "Purchaser" or the "Company").

RECITALS

WHEREAS, Trendwest has originated certain Loans in connection with the sale to Obligors of Timeshare Properties at various Resorts;

WHEREAS, each of the Seller and the Company wishes to enter into this Agreement and the related Master Loan Purchase Agreement Supplement for each Series of Notes (each, a "PA Supplement") in order to, among other things, effect the sale to the Company on the related Closing Date of Initial Loans and related Transferred Assets that the Seller owns as of the close of business on the related Cut-Off Date, and the sale to the Company of Additional Loans (including Additional Upgrade Balances) and related Transferred Assets that the Seller will own from time to time thereafter as of the close of business on the related Addition Cut-Off Dates; and

WHEREAS, the Company intends to transfer and assign the Loans and related Transferred Assets to the various Issuers, which will then grant security interests in the Loans and related Transferred Assets to Wachovia Bank, National Association, as Collateral Agent on behalf of the various Trustees and the holders of Notes issued from time to time pursuant to an Indenture and Servicing Agreement.

NOW, THEREFORE, in consideration of the purchase price set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Section 1. Definitions.

Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Addition Cut-Off Date" shall mean, for Additional Loans of any Series, the date set forth in the related Assignment.

"Addition Date" shall mean, with respect to any Series, the Addition Date as defined in the related PA Supplement.

"Additional Issuer" shall mean an entity which is a subsidiary of the Purchaser, other than the Initial Issuer, which purchases Loans from the Purchaser with the proceeds of a Series of Notes issued by such entity and pledges the Loans to secure such Series of Notes.

"Additional Loan" shall mean, with respect to any Series, each Installment Contract or other contract for deed or contract or note secured by a mortgage, deed of trust, vendor's lien or retention of title, in each case relating to the sale of one or more Timeshare Properties or Green Timeshare Properties to an Obligor and each Additional Upgrade Balance, in each case constituting one of the Loans of such Series purchased from the Seller on an Addition Cut-Off Date and listed on Schedule 1 to the related Assignment.

"Additional Pool Purchase Price" shall have the meaning set forth in Section 3.

"Additional Series" shall mean a Series of Notes, other than the Series 2002-1 Notes.

"Additional Upgrade Balance" shall mean, with respect to any Loan, any future borrowing made by the related Obligor pursuant to a modification of the Loan relating to a Timeshare Upgrade after the Cut-Off Date or the Addition Cut-Off Date, as applicable, with respect to such Loan, together with all money due or to become due in respect of such borrowing.

"Affiliate" of any Person shall mean any other Person controlling or controlled by or under common control with such Person, and "control" shall mean the power to direct the management and policies of such Person directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Agreement" shall mean this Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Amortization Event" shall mean, with respect to any Series, one or more of the events constituting an Amortization Event as defined in the related Indenture Supplement.

"Assessments" shall mean any assessments made with respect to a Timeshare Property, including but not limited to real estate taxes, recreation fees, community club or property owners' association dues, water and sewer improvement district assessments or other similar assessments, the nonpayment of which could result in the imposition of a Lien or other encumbrance upon such Timeshare Property.

"Assignment" shall mean, with respect to any Series, an Assignment as defined in the related PA Supplement.

"Assignment of Mortgage" shall mean any assignment (including any collateral assignment) of any Mortgage.

"Bankruptcy Code" shall mean the United States Bankruptcy Code, Title 11 of the United States Code, as amended.

"Benefit Plan" shall mean any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Company or any ERISA Affiliate of the Company is, or at any time during the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

"Business Day" shall mean any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in New York, New York, Las Vegas, Nevada, or the city in which the Corporate Trust Office of the Trustee is located, or any other city specified in the PA Supplement for a Series, are authorized or obligated by law or executive order to be closed.

"Cendant" shall mean Cendant Corporation, a Delaware corporation, or any successor thereof.

"Closing Date" shall mean, with respect to any Series, the Closing Date as defined in the related PA Supplement.

"Collateral" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Collateral Agency Agreement" shall mean the Collateral Agency Agreement dated as of January 15, 1998 by and between Wachovia Bank, National Association as successor Collateral Agent and the secured parties named therein, as amended by the First Amendment dated as of July 31, 1998, the Second Amendment dated as of July 25, 2000, the Third Amendment dated as of July 1, 2001, the Fourth Amendment dated as of August 29, 2002, the Fifth Amendment dated as of March 31, 2003, the Sixth Amendment dated as of May 20, 2003, the Seventh Amendment dated as of December 5, 2003, the Eighth Amendment dated as of March 27, 2004 and the Ninth Amendment dated as of August 11, 2005, as such Collateral Agency Agreement may be further amended, supplemented or otherwise modified from time to time in accordance therewith.

"Collateral Agent" shall mean Wachovia Bank, National Association, as Collateral Agent, its successors and assigns and any entity which is substituted as Collateral Agent under the terms of the Collateral Agency Agreement.

"Collection Account" shall mean with respect to any Series the account or accounts established as the collection account for such Series pursuant to the Indenture and Servicing Agreement under which such Series of Notes is issued.

"Collections" shall mean, with respect to any Loan, all funds, cash collections and other cash proceeds of such Loan, including without limitation (i) all Scheduled Payments or recoveries made in the form of money, checks and like items to, or a wire transfer or an automated clearinghouse transfer received in, any of the Lockbox Accounts or received by the Issuer or the Master Servicer (or any Subservicer) in respect of such Loan, (ii) all amounts received by the Issuer, the Master Servicer (or any Subservicer) or the Trustee in respect of any Insurance Proceeds relating to such Loan or the related Timeshare Property and (iii) all amounts received by the Issuer, the Master Servicer (or any Subservicer) or the Trustee in respect of any proceeds in respect of a condemnation of property in any Resort, which proceeds relate to such Loan or the related Timeshare Property.

"Company" shall have the meaning set forth in the preamble.

"Contaminants" shall have the meaning set forth in Section 6(b)(xii).

"Corporate Trust Office," with respect to any Trustee, shall have the meaning set forth in the Indenture and Servicing Agreement.

"Credit Card Account" shall mean an arrangement whereby an Obligor makes Scheduled Payments under a Loan via pre-authorized debit to a Major Credit Card.

"Credit Standards and Collection Policies" shall mean the Credit Standards and Collection Policies of the Seller, a copy of which is attached to this Agreement as Exhibit C, as the same may be amended from time to time in accordance with the provisions of Section 8(b)(iii).

"Custodial Agreement" shall mean the Fifth Amended and Restated Custodial Agreement dated as of August 11, 2005 by and between each of the Issuers, Wyndham, Trendwest, Wachovia Bank, National Association as Custodian, the Trustees and the Collateral Agent, a copy of which is attached to this Agreement as Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time thereafter in accordance with the terms hereof.

"Custodian" shall mean, at any time, the custodian under the Custodial Agreement at such time.

"Customary Practices" shall mean the Master Servicer's practices with respect to the servicing and administration of Loans as in effect from time to time, which practices shall be consistent with the practices employed by prudent lending institutions that originate and service instruments similar to the Loans or other timeshare loans in the jurisdictions in which the Resorts are located.

"Cut-Off Date" shall mean, with respect to any Series, the Cut-Off Date as defined in the related PA Supplement.

"De Minimus Levels" shall have the meaning set forth in Section 6(b)(xii).

"Debtor Relief Laws" shall mean the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"Defaulted Loan" shall mean any Loan (a) with any portion of a Scheduled Payment delinquent more than 90 days, (b) with respect to which the Master Servicer shall have determined in good faith that the Obligor will not resume making Scheduled Payments, (c) for which the related Obligor has been the subject of a proceeding under a Debtor Relief Law or (d) for which cancellation or foreclosure actions have been commenced.

"Defaulted Loan Repurchase Cap" shall mean, as of any date of determination, an amount equal to theproduct of (a) 16.0% multiplied by (b) the aggregate Loan principal balance of all Loans (calculated as of the Cut-Off Date or related Addition Cut-Off Date, as applicable, for each Loan) sold by the Seller to the Depositor pursuant to this Agreement on or prior to such date of determination.

"Defective Loan" shall mean, with respect to any Series, any Loan with any uncured material breach of a representation or warranty of the Seller set forth in Section 6(b) hereof and in the related PA Supplement.

"Delinquent Loan" shall mean, with respect to any Series, a Loan with any portion of a Scheduled Payment delinquent more than 30 days, other than any Loan that is a Defaulted Loan.

"Depositor Administrative Services Agreement" shall mean the administrative services agreement dated as of August 29, 2002 by and between Wyndham, as administrator, and the Company.

"Due Date" shall mean, with respect to any Loan, the date on which an Obligor is required to make a Scheduled Payment thereon.

"Due Period" shall mean, with respect to any Payment Date, the immediately preceding calendar month.

"Effective Date" shall mean the date on which Wyndham Worldwide and its subsidiaries cease to be subsidiaries of Cendant.

"Eligible Loan" shall mean, with respect to any Series, an Eligible Loan as defined in the related PA Supplement.

"Environmental Laws" shall have the meaning set forth in Section 6(b)(xii).

"Equity Percentage" shall mean, with respect to a Loan, a fraction, expressed as a percentage, the numerator of which is the excess of (A) the Timeshare Price of the related Timeshare Property relating to a Loan paid or to be paid by an Obligor over (B) the outstanding principal balance of such Loan at the time of sale of such Timeshare Property to such Obligor (less the amount of any valid check presented by such Obligor at the time of such sale that has cleared the payment system), and the denominator of which is the Timeshare Price of the related Timeshare Property, provided that any cash downpayments or principal payments made on any initial Loan that have been fully prepaid as part of a Timeshare Upgrade and financed downpayments under such initial Loan financed over a period not exceeding six months from the date of origination of such Loan that have actually been paid within such six-month period shall be included for purposes of calculating the numerator of such fraction.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean, with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as such Person; (ii) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with such Person; or (iii) a member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as such Person, any corporation described in clause (i) or any trade or business described in clause (ii).

"ERISA Liabilities" shall have the meaning set forth in Section 8(b)(vi).

"Event of Default" shall mean, with respect to any Series, one or more of the events constituting an Event of Default under the related Indenture Supplement.

"Facility Documents" shall mean, collectively, this Agreement, each PA Supplement, each Indenture and Servicing Agreement, each Indenture Supplement, each Pool Purchase Agreement, the Custodial Agreement, the Lockbox Agreements, the Collateral Agency Agreement, the Loan Conveyance Documents, the Depositor Administrative Services Agreement, the Issuer Administrative Services Agreement, the Financing Statements and all other agreements, documents and instruments delivered pursuant thereto or in connection therewith.

"Fractional Interests" shall mean a fractional interest consisting of an ownership interest as tenant in common in an individual lodging unit in a Resort.

"FRI" shall mean Fairfield Resorts, Inc., a Delaware corporation.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Grant" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Green Loan" shall mean a Loan the proceeds of which are used to finance the purchase of a Green Timeshare Property.

"Green Timeshare Property" shall mean a Timeshare Property for which construction on the related Resort has not yet begun or is subject to completion.

"Indemnified Amounts" shall have the meaning set forth in Section 6(e).

"Indenture and Servicing Agreement" shall mean (i) the Master Indenture and Servicing Agreement dated as of August 29, 2002, as amended and restated as of July 7, 2006, together with the Indenture Supplement, each as amended from time to time, and each among the Initial Issuer, as issuer, Wyndham, as master servicer and Wachovia Bank, National Association, as trustee and collateral agent, and (ii) with respect to any Additional Series, the indenture and servicing agreement or similar document or documents pursuant to which such Additional Series is issued and in which the terms of such Additional Series are set forth.

"Indenture Supplement" shall mean (i) with respect to Series 2002-1, the supplement to the Master Indenture and Servicing Agreement executed and delivered in connection with the issuance of the Series 2002-1 Notes and all amendments thereof and supplements thereto and (ii) with respect to any Additional Series, the Indenture and Servicing Agreement for that Series.

"Independent Director" shall mean an individual who is an Independent Director as defined in the Limited Liability Company Agreement of the Company as in effect on the date of this Agreement.

"Initial Closing Date" shall mean August 29, 2002.

"Initial Issuer" shall mean Sierra Timeshare Conduit Receivables Funding, LLC, formerly known as Cendant Timeshare Conduit Receivables Funding, LLC and prior to that known as Sierra Receivables Funding Company LLC, a Delaware limited liability company as issuer of the Series 2002-1 Notes.

"Initial Loan" shall mean, with respect to any Series, each Loan listed on the related Loan Schedule on the Closing Date for such Series.

"Insolvency Event" shall mean, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Debtor Relief Law now or hereafter in effect, or the filing of a petition against such Person in an involuntary case under any applicable Debtor Relief Law now or hereafter in effect, which case remains unstayed and undismissed within 30 days of such filing, or the appointing of a receiver, conservator, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the ordering of the winding-up or liquidation of such Person's business; or (b) the commencement by such Person of a voluntary case under any applicable Debtor Relief Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such Debtor Relief Law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due or the admission by such Person of its inability to pay its debts generally as they become due.

"Insolvency Proceeding" shall mean any proceeding relating to an Insolvency Event.

"Installment Contract" shall mean, with respect to any Series, an installment sale contract for deed and retained title in a related Timeshare Property by and between the Seller and an Obligor.

"Insurance Proceeds" shall mean proceeds of any insurance policy relating to any Loan or the related Timeshare Property, including any refund of unearned premium, but only to the extent such proceeds are not to be applied to the restoration of any improvements on the related Timeshare Property or released to the Obligor in accordance with Customary Practices.

"Internal Revenue Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

"Issuer" shall mean the Initial Issuer and each Additional Issuer.

"Issuer Administrative Services Agreement" shall mean the administrative services agreement dated as of August 29, 2002 by and between Wyndham as administrator and the Initial Issuer.

"Lien" shall mean any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including without limitation any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC (other than any such financing statement filed for informational purposes only) or comparable law of any jurisdiction to evidence any of the foregoing.

"Loan" shall mean, with respect to any Series, each Installment Contract or other contract for deed or contract or note secured by a mortgage, deed of trust, vendor's lien or retention of title, in each case relating to the sale of one or more Timeshare Properties or Green Timeshare Properties to an Obligor, that is listed on the Loan Schedule for such Series on the related Closing Date and any Additional Loans that are listed from time to time on such Loan Schedule in accordance with the related PA Supplement.

"Loan Conveyance Documents" shall mean, with respect to any Loan, (a) the Assignment of Additional Loans in the form of Exhibit B, if applicable, and (b) any such other releases, documents, instruments or agreements as may be required by the Company, the Issuer or the Trustee in order to more fully effect the sale (including any prior assignments) of such Loan and any related Transferred Assets.

"Loan Documents" shall mean, with respect to any Loan, all papers and documents related to such Loan, including the original of all applicable promissory notes, stamped as required by the Custodial Agreement, the original of any related recorded or (to the extent permitted under this Agreement) unrecorded Mortgage (or a copy of such recorded Mortgage if the original of the recorded Mortgage is not available, certified to be a true and complete copy of the original) and a copy of any recorded or (to the extent permitted under this Agreement) unrecorded warranty deed transferring legal title to the related Timeshare Property to the Obligor; provided, however, that the Loan Documents may be provided in microfiche or other electronic form to the extent permitted under the Custodial Agreement.

"Loan File" shall mean, with respect to any Loan, the Loan Documents pertaining to such Loan and any additional amendments, supplements, extensions, modifications or waiver agreements required to be added to the Loan File pursuant to this Agreement, the Credit Standards and Collection Policies and/or Customary Practices.

"Loan Pool" shall mean, with respect to any Series, all Loans identified in the Loan Schedule for such Series.

"Loan Rate" shall mean the annual rate at which interest accrues on any Loan, as modified from time to time in accordance with the terms of any related Credit Standards and Collection Policies.

"Loan Schedule" shall mean, with respect to any Series, the list of Loans attached to the related PA Supplement as Schedule 1, as amended from time to time on each Addition Date and Repurchase Date as provided in the related PA Supplement, which list shall set forth the following information with respect to each Loan therein as of the applicable date:

(a) the Loan number;

(b) the Obligor's name and the home address and telephone number for such Obligor set forth in the Loan;

(c) the Resort in which the related Timeshare Property is located, if applicable;

(d) as to Timeshare Properties other than UDIs, the number of Vacation Credits related thereto for which occupancy rights in a Timeshare Property may be redeemed and which are represented thereby;

(e) the Loan Rate;

(f) whether the Obligor has elected a PAC with respect to the Loan;

(g) the original term of the Loan;

(h) the original Loan principal balance and outstanding Loan principal balance as of the Cut-Off Date or related Addition Cut-Off Date, as applicable;

(i) the date of execution of the Loan;

(j) the amount of the Scheduled Payment on the Loan;

(k) the original Timeshare Price and Equity Percentage; and

(l) with respect to UDI's whether the related Timeshare Property has been deeded to the Obligor.

The Loan Schedule also shall set forth the aggregate amounts described under clause (h) above for all outstanding Loans. The Loan Schedule may be in the form of more than one list, collectively setting forth all of the information required.

"Lockbox Account" shall mean any of the accounts established pursuant to a Lockbox Agreement.

"Lockbox Agreement" shall mean (i) with respect to Loans pledged to secure the Series 2002-1 Notes, any agreement substantially in the form of Exhibit E by and between the Initial Issuer, the Trustee, the Master Servicer and the applicable Lockbox Bank, which agreement sets forth the rights of the Issuer, the Trustee and the applicable Lockbox Bank with respect to the disposition and application of the Collections deposited in the applicable Lockbox Account, including without limitation the right of the Trustee to direct the Lockbox Bank to remit all Collections directly to the Trustee and (ii) with respect to Loans pledged to secure an Additional Series, the lockbox agreements or similar arrangements described in the applicable Indenture and Servicing Agreement.

"Lockbox Bank" shall mean any of the commercial banks holding one or more Lockbox Accounts for the purpose of receiving Collections.

"Lot" shall mean a fully or partially developed parcel of real estate.

"Major Credit Card" shall mean a credit card issued by any Visa USA, Inc., MasterCard International Incorporated, American Express Company, Discover Bank or Diners Club International Ltd. credit card entity.

"Master Servicer" shall mean, with respect to each Indenture and Servicing Agreement, the entity then designated as the servicer or master servicer under such agreement.

"Material Adverse Effect" shall mean, with respect to any Person and any event or circumstance, a material adverse effect on: (a) the business, properties, operations or condition (financial or otherwise) of any of such Person; (b) the ability of such Person to perform its respective obligations under any Facility Documents to which it is a party; (c) the validity or enforceability of, or collectibility of amounts payable under, any Facility Documents to which it is a party; (d) the status, existence, perfection or priority of any Lien arising through or under such Person under any Facility Documents to which it is a party; or (e) the value, validity, enforceability or collectibility of the Loans pledged as collateral for any Series of Notes or any of the other Transferred Assets pledged as collateral for any Series of Notes.

"Mortgage" shall mean any mortgage, deed of trust, purchase money deed of trust or deed to secure debt encumbering the related Timeshare Property, granted by the related Obligor to the Seller to secure payments or other obligations under a Loan.

"Multiemployer Plan" shall have the meaning set forth in Section 3(37) of ERISA.

"Note" shall mean any Loan-backed note issued, executed and authenticated in accordance with an Indenture and Servicing Agreement and, where appropriate, any related Indenture Supplement.

"Noteholder" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Obligor" shall mean, with respect to any Loan, the Person or Persons obligated to make Scheduled Payments thereon.

"Opinion of Counsel" shall mean a written opinion of counsel in form and substance reasonably satisfactory to the recipient thereof.

"PAC" shall mean an arrangement whereby an Obligor makes Scheduled Payments under a Loan via pre-authorized bank account debit.

"PA Supplement" shall have the meaning set forth in the recitals.

"Payment Date" shall mean, with respect to any Series, the payment date set forth in the related Indenture and Servicing Agreement or in the related Indenture Supplement, as applicable.

"Permitted Encumbrance" shall mean, with respect to a Loan, any of the following Liens against the related Timeshare Property: (i) the interest therein of the Obligor, (ii) the Lien of due and unpaid Assessments, (iii) covenants, conditions and restrictions, rights of way, easements and other matters of public record, such exceptions appearing of record being consistent with the normal business practices of the Seller or specifically disclosed in the applicable land sales registrations filed with the applicable regulatory agencies and (iv) other matters to which properties of the same type as those underlying such Loan are commonly subject that do not materially interfere with the benefits of the security intended to be provided by such Timeshare Property.

"Person" shall mean any person or entity, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity or any other organization or entity, whether or not a legal entity.

"Plan" shall mean an employee benefit plan or other retirement arrangement subject to ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time.

"Plan Insolvency" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"POA" shall mean each property owners' association or similar timeshare owner body for a Timeshare Property Regime or Resort or portion thereof, in each case established pursuant to the declarations, articles or similar charter documents applicable to each such Timeshare Property Regime, Resort or portion thereof.

"Pool Purchase Agreement" shall mean (i) with respect to Series 2002-1 Notes, the master purchase agreement dated as of August 29, 2002, as amended and restated as of July 7, 2006, by and between the Company and the Initial Issuer and all amendments thereof and supplements thereto and (ii) with respect to any Additional Series, the Term Purchase Agreement by and between the Company and the Additional Issuer which issues such Additional Series.

"Pool Purchase Price" shall mean, with respect to any Series, the Pool Purchase Price as defined in the related PA Supplement.

"Post Office Box" shall mean each post office box to which Obligors are directed to mail payments in respect of the Loans of any Series.

"Purchase" shall mean, with respect to any Series, a Purchase as defined in the related PA Supplement.

"Purchaser" shall have the meaning set forth in the preamble.

"Qualified Substitute Loan" shall mean, with respect to any Series, a substitute Loan that (i) is an Eligible Loan on the applicable date of substitution for such substitute Loan, (ii) on such date of substitution has a Loan Rate not less than the Loan Rate of the substituted Loan and (iii) is not selected in a manner adverse to the Purchaser and its assignees.

"Records" shall mean all copies of Loans (not including originals) and other documents, books, records and other information (including without limitation computer programs, tapes, discs, punch cards, data processing software and related property and rights) maintained by the Seller or any of its respective Affiliates (not including the Purchaser or the Issuer) with respect to Loans, the related Transferred Assets and the related Obligors.

"Reorganization" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event" shall mean any of the events described in Section 4043 of ERISA.

"Repurchase Date" shall mean, with respect to any Series, the Repurchase Date as defined in the related PA Supplement.

"Repurchase Price" shall mean, with respect to any Series, the Repurchase Price as defined in the related PA Supplement.

"Reservation System" shall mean the system with respect to Timeshare Properties pursuant to which a reservation for a particular location, time, length of stay and unit type is received, accepted, modified or canceled.

"Reserve Account" shall, with respect to any Series, mean any reserve account established pursuant to the related Indenture Supplement.

"Resort" shall mean each resort or development listed on Schedule 2 (as such Schedule 2 may be amended from time to time with the consent of the Company and the Seller in connection with proposed sales of Additional Loans relating to resorts or developments with respect to which Loans have not previously been sold under this Agreement).

"Scheduled Payment" shall mean each scheduled monthly payment of principal and interest on a Loan.

"Seller" shall have the meaning set forth in the preamble.

"Series" shall mean (i) with respect to the sale of Loans to the Purchaser pursuant to a PA Supplement, all Loans sold pursuant to a PA Supplement and (ii) with respect to Notes, the Series 2002-1 Notes or any Additional Series.

"Series Termination Date" shall mean, with respect to any Series, the Series Termination Date as defined in the related PA Supplement or Indenture and Servicing Agreement.

"State" shall mean any of the 50 United States or the District of Columbia.

"Subservicer" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Subservicing Agreement" shall have the meaning set forth in the Indenture and Servicing Agreement.

"Subsidiary" shall mean, with respect to any Person, any corporation or other entity of which more than 50% of the outstanding capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors of such corporation (notwithstanding that at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) or other persons performing similar functions is at the time directly or indirectly owned by such Person.

"Substitution Adjustment Amount" shall, with respect to any Series, have the meaning set forth in the related PA Supplement.

"Term Purchase Agreement" shall mean a purchase agreement between the Purchaser and an Additional Issuer pursuant to which the Purchaser sells Loans to the Additional Issuer and the Additional Issuer purchases such Loans for the purpose of pledging the Loans to secure a Series of Notes.

"Timeshare Price" shall mean the original price of the Timeshare Property paid by an Obligor, plus any accrued and unpaid interest and other amounts owed by the Obligor.

"Timeshare Property" shall mean the underlying ownership interest that is the subject of a Loan, which ownership interest may be either a UDI or Vacation Credits.

"Timeshare Property Regime" shall mean any of the various interval ownership regimes located at a Resort, each of which is an arrangement established under applicable state law whereby all or a designated portion of a development is made subject to a declaration permitting the transfer of Timeshare Properties therein, which Timeshare Properties shall, in the case of UDIs, constitute real property under the applicable local law of each of the jurisdictions in which such regime is located.

"Timeshare Upgrade" shall mean the upgrade by an Obligor of the Obligor's existing Timeshare Property to an upgraded Timeshare Property or an Obligor's purchase of an additional Timeshare Property.

"Transferred Assets" shall mean, with respect to any Series, any and all right, title and interest of the Seller in, to and under:

(a) the Loans from time to time, including without limitation the Initial Loans as of the close of business on the Cut-Off Date and the Additional Loans as of the close of business on the related Addition Cut-Off Dates and all Scheduled Payments, other Collections and other funds received in respect of such Initial Loans and Additional Loans on or after the Cut-Off Date or Addition Cut-Off Date, as applicable, and any other monies due or to become due on or after the Cut-Off Date or Addition Cut-Off Date, as applicable, in respect of any such Loans, and any security therefor;

(b) the Timeshare Properties relating to the Loans;

(c) any Mortgages relating to the Loans;

(d) any Insurance Policies relating to the Loans;

(e) the Loan Files and other Records relating to the Loans;

(f) the Loan Conveyance Documents relating to the Loans;

(g) all interest, dividends, cash, instruments, financial assets and other investment property and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for, or on account of, the sale or other disposition of the Transferred Assets, and including all payments under Insurance Policies (whether or not any of the Seller, the Purchaser, the Master Servicer, the Issuer or the Trustee is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any Transferred Assets, and any security granted or purported to be granted in respect of any Transferred Assets; and

(h) all proceeds of any of the foregoing property described in clauses (a) through (g).

"Trendwest" shall mean Trendwest Resorts, Inc., a wholly-owned indirect Subsidiary of, prior to the Effective Date, Cendant and, on and after the Effective Date, Wyndham Worldwide.

"Trustee" shall mean with respect to each Indenture and Servicing Agreement, the entity designated as the trustee under such agreement.

"UCC" shall mean the Uniform Commercial Code, as amended from time to time, as in effect in any specified jurisdiction.

"UDI" shall mean an individual interest in fee simple (as tenants in common with all other undivided interest owners) in a lodging unit or group of lodging units at a Resort, including, without limitation, a Fractional Interest.

"Vacation Credits" shall mean ownership interests in WorldMark that entitle the owner thereof to use Resorts.

"WorldMark" shall mean WorldMark, The Club, a California not-for-profit mutual benefit corporation.

"Wyndham" shall mean Wyndham Consumer Finance, Inc., a Delaware corporation formerly known as Cendant Timeshare Resort Group-Consumer Finance, Inc., and prior to that known as Fairfield Acceptance Corporation-Nevada, a corporation domiciled in Nevada.

"Wyndham Worldwide" shall mean Wyndham Worldwide Corporation and its successors and assigns.

Section 2. Purchase and Sale of Loans.

The Seller may from time to time sell and assign to the Company, and the Company may from time to time Purchase from the Seller, all the Seller's right, title and interest in, to and under the Loans listed on the Loan Schedule with respect to the related PA Supplement. The principal terms of the Purchase and sale of Loans for each Series shall be set forth in the related PA Supplement.

Section 3. Pool Purchase Price.

Provisions with respect to the Purchase and sale of the Loans for each Series shall be set forth in the related PA Supplement.

The purchase price for any Additional Loans and other related Transferred Assets (the "Additional Pool Purchase Price") conveyed to the Company under this Agreement and the related PA Supplement on each Addition Date shall be a dollar amount equal to the aggregate outstanding principal balance of such Additional Loans sold on such date, subject to adjustment to reflect such factors as the Company and the Seller mutually agree will result in an Additional Pool Purchase Price equal to the fair market value of such Additional Loans and other related Transferred Assets.

Section 4. Payment of Purchase Price.

(a) Closing Dates. On the terms and subject to the conditions of this Agreement and the related PA Supplement payment of the Pool Purchase Price for each Series shall be made by the Company on the related Closing Date in immediately available funds to the Seller to such accounts at such banks as the Seller shall designate to the Company not less than one Business Day prior to the such Closing Date.

(b) Manner of Payment of Additional Pool Purchase Price. On the terms and subject to the conditions in this Agreement and the related PA Supplement, the Company shall pay to the Seller, on each Business Day on which any Additional Loans are purchased from the Seller by the Company pursuant to Section 2 of the related PA Supplement, the Additional Pool Purchase Price for such Additional Loans by paying such Additional Pool Purchase Price to the Seller in cash.

(c) Scheduled Payments Under Loans and Cut-Off Date. The Company shall be entitled to all Scheduled Payments, other Collections and all other funds with respect to any Loan received on or after the related Cut-Off Date or Addition Cut-Off Date, as applicable. The principal balance of each Loan as of the related Cut-Off Date or Addition Cut-Off Date, as applicable, shall be determined after deduction, in accordance with the terms of each such Loan, of payments of principal received before such Cut-Off Date or Addition Cut-Off Date.

Section 5. Conditions Precedent to Sale of Loans.

No Purchase of Loans and related Transferred Assets shall be made hereunder or under any PA Supplement on any date on which:

(a) the Company does not have sufficient funds available to pay the related Pool Purchase Price or Additional Pool Purchase Price in cash; or

(b) an Insolvency Event has occurred and is continuing with respect to the Seller or the Company.

Section 6. Representations and Warranties of the Seller.

(a) General Representations and Warranties of the Seller. The Seller represents and warrants as of each Closing Date and as of each Addition Date, or as of such other date specified in such representation and warranty, that:

(i) Organization and Good Standing.

(A) The Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of its organization and has full corporate power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement, any related PA Supplement and each of the Facility Documents to which it is a party. The Seller is organized in the jurisdiction set forth in the preamble. The Seller is duly qualified to do business and is in good standing as a foreign corporation, and has obtained all necessary licenses and approvals in each jurisdiction in which failure to qualify or to obtain such licenses and approvals would render any Loan unenforceable by the Seller.

(B) The name of the Seller set forth in the preamble of this Agreement is its correct legal name and such name has not been changed in the past six years (except those name changes made in accordance with the terms of this Agreement). The Seller does not utilize any trade names, assumed names, fictitious names or "doing business names."

(ii) Due Authorization and No Conflict. The execution, delivery and performance by the Seller of each of the Facility Documents to which it is a party, and the consummation by the Seller of the transactions contemplated hereby and under each other Facility Document to which it is a party, has been duly authorized by the Seller by all necessary corporate action, does not contravene (i) the Seller's charter or by-laws, (ii) any law, rule or regulation applicable to the Seller, (iii) any contractual restriction contained in any material indenture, loan or credit agreement, lease, mortgage, deed of trust, security agreement, bond, note, or other material agreement or instrument binding on the Seller or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting the Seller or its properties (except where such contravention would not have a Material Adverse Effect with respect to the Seller or its properties), and does not result in (except as provided in the Facility Documents) or require the creation of any Lien upon or with respect to any of its properties; and no transaction contemplated hereby requires compliance with any bulk sales act or similar law. Each of the Facility Documents to which the Seller is a party have been duly executed and delivered on behalf of the Seller. To the extent that this representation is being made with respect to Title I of ERISA or Section 4975 of the Code, it is made subject to the assumption that none of the assets being used to purchase the Loans and Transferred Assets constitute assets of any Benefit Plan or Plan with respect to which the Seller is a party in interest or disqualified person.

(iii) Governmental and Other Consents. All approvals, authorizations, consents or orders of any court or governmental agency or body required in connection with the execution and delivery by the Seller of this Agreement, any related PA Supplement or any of the other Facility Documents to which it is a party, the consummation by such party of the transactions contemplated hereby or thereby, the performance by such party of and the compliance by such party with the terms hereof or thereof, have been obtained, except where the failure so to do would not have a Material Adverse Effect with respect to such Party.

(iv) Enforceability of Facility Documents. Each of the Facility Documents to which the Seller is a party has been duly and validly executed and delivered by the Seller and constitutes the legal, valid and binding obligation of the Seller, enforceable against it in accordance with its respective terms, except as enforceability may be subject to or limited by Debtor Relief Laws or by general principles of equity (whether considered in a suit at law or in equity).

(v) No Litigation. Except as disclosed in Schedule 5 to this Agreement or to any Assignment, there are no proceedings or investigations pending, or to the knowledge of the Seller threatened, against the Seller before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Agreement or any of the other Facility Documents, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any of the other Facility Documents, (C) seeking any determination or ruling that would adversely affect the performance by the Seller of its obligations under this Agreement, any related PA Supplement or any of the other Facility Documents to which it is a party, (D) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or any of the other Facility Documents or (E) seeking any determination or ruling that would, if adversely determined, be reasonably likely to have a Material Adverse Effect with respect to such party.

(vi) Governmental Regulations. The Seller is not (A) an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, or (B) a "public utility company" or a "holding company," a "subsidiary company" or an "affiliate" of any public utility company within the meaning of Section 2(a)(5), 2(a)(7), 2(a)(8) or 2(a)(ii) of the Public Utility Holding Company Act of 1935, as amended.

(vii) Margin Regulations. The Seller is not engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as each such term is defined or used in any of Regulations T, U or X of the Board of Governors of the Federal Reserve System). No part of the proceeds of any of the notes issued by the Issuer has been used by the Seller for so purchasing or carrying margin stock or for any purpose that violates or would be inconsistent with the provisions of any of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

(viii) Location of Chief Executive Office and Records. The principal place of business and chief executive office of the Seller, and the office where the Seller maintains all of its Records, is 8427 South Park Circle, Orlando, Florida 32819 and prior to January 1, 2006 was 9805 Willows Road, Redmond, Washington 98052. Except for the change stated in the prior sentence, the Seller has not changed its principal place of business or chief executive office (or the office where such entity maintains all of its Records) during the previous six years. At any time after the Initial Closing Date, upon 30 days' prior written notice to the Trustee as assignee of the Company and the Issuer, the Seller may change its name or may change its type or its jurisdiction of organization to another jurisdiction within the United States, but only so long as all action necessary or reasonably requested by the Company to amend the existing financing statements and to file additional financing statements in all applicable jurisdictions to perfect the transfer of the Loans and the related Transferred Assets is taken.

(ix) Lockbox Accounts. Except in the case of any Lockbox Account pursuant to which only Collections in respect of Loans subject to a PAC or Credit Card Account are deposited, the Seller has filed a standing delivery order with the United States Postal Service authorizing each Lockbox Bank to receive mail delivered to the related Post Office Box. The account numbers of all Lockbox Accounts, together with the names, addresses, ABA numbers and names of contact persons of all the Lockbox Banks maintaining such Lockbox Accounts and the related Post Office Boxes (other than those separately identified in an Indenture and Servicing Agreement), are set forth in Schedule 4. From and after the Initial Closing Date, the Seller shall not have any right, title and/or interest in or to any of the Lockbox Accounts or the Post Office Boxes and will maintain no Lockbox accounts in its own name for the collection of payments in respect of the Loans. The Seller has no lockbox or other accounts for the collection of payments in respect of the Loans other than the Lockbox Accounts.

(x) Facility Documents. This Agreement and any PA Supplement are the only agreements pursuant to which the Seller sells the Loans and other related Transferred Assets to the Company. The Seller has furnished to the Company true, correct and complete copies of each Facility Document to which the Seller is a party, each of which is in full force and effect. Neither the Seller nor any of its Affiliates (not including the Purchaser or the Issuer) is in default thereunder in any material respect.

(xi) Taxes. The Seller has timely filed or caused to be filed all federal, state and local tax returns required to be filed by it, and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessments the validity of which are being contested in good faith by appropriate proceedings and with respect to which the Seller has set aside adequate reserves on its books in accordance with GAAP, and which proceedings have not given rise to any Lien.

(xii) Accounting Treatment. The Seller has accounted for the transactions contemplated in the Facility Documents to which it is a party in accordance with GAAP.

(xiii) ERISA. There has been no (A) occurrence or expected occurrence of any Reportable Event with respect to any Benefit Plan subject to Title IV of ERISA of the Seller or any ERISA Affiliate, or any withdrawal from, or the termination, Reorganization or Plan Insolvency of any Multiemployer Plan or (B) institution of proceedings or the taking of any other action by Pension Benefit Guaranty Corporation or by the Seller or any ERISA Affiliate or any such Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Plan Insolvency of, any such Plan.

(xiv) No Adverse Selection. No selection procedures materially adverse to the Company, the Issuer, the Noteholders, the Trustee or the Collateral Agent have been employed by the Seller in selecting the Loans for inclusion in the Loan Pool on such Closing Date or Addition Date, as applicable.

(xv) Vacation Credit Program. As of each Closing Date or any Addition Date, as applicable, for each Timeshare Property Regime for which the related Timeshare Properties are comprised primarily of Vacation Credits, the ratio of (1) the total number of Vacation Credits actually allocated to such Timeshare Property Regime for the succeeding twelve-month period to (2) the total number of Vacation Credits allocable to available space in such Timeshare Property Regime over such twelve-month period, does not exceed 1.0 to 1.0.

(xvi) Separate Identity. The Seller and its Affiliates have observed the applicable legal requirements on their part for the recognition of the Company as a legal entity separate and apart from the Seller and any of its Affiliates (other than the Company) and have taken all actions necessary on their part to be taken in order to ensure that the facts and assumptions relating to the Company set forth in the opinion of Orrick, Herrington & Sutcliffe LLP relating to substantive consolidation matters with respect to the Seller and the Company are true and correct; provided, however, that the Seller makes no representations or warranties in this Section 6(a)(xvi) with respect to the Company or the Issuer.

(b) Representations and Warranties Regarding the Loans. The Seller represents and warrants to the Company as of the applicable Cut-Off Date and Addition Cut-Off Date as to each Loan conveyed on and as of each Closing Date or the related Addition Date, as applicable (except as otherwise expressly stated) as follows:

(i) Eligibility. Such Loan is an Eligible Loan.

(ii) No Waivers. The terms of such Loan have not been waived, altered, modified or extended in any respect other than (A) modifications entered into in accordance with Customary Practices and Credit Standards and Collections Policies that do not reduce the amount or extend the maturity of required Scheduled Payments and (B) modifications in the applicability of a PAC (which may result in a change in the related Loan Rate).

(iii) Binding Obligation. Such Loan is the legal, valid and binding obligation of the Obligor thereunder and is enforceable against the Obligor in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws or by general principles of equity (whether considered in a suit at law or in equity).

(iv) No Defenses. Such Loan is not subject to any statutory right of rescission, setoff, counterclaim or defense, including without limitation the defense of usury.

(v) Lawful Assignment. Such Loan was not originated in, and is not subject to the laws of, any jurisdiction the laws of which would make the transfer of the Loan under this Agreement or any PA Supplement unlawful.

(vi) Compliance with Law. The Seller has complied with requirements of all material federal, state and local laws (including without limitation usury, truth in lending and equal credit opportunity laws) applicable to such Loan in all material respects except, with respect only to California Business and Professions Code Section 11018.10 as in effect prior to its repeal as of July 1, 2005 and California Business and Professions Code Section 11226, which became effective as of July 1, 2005, where such failure to comply would not have a Material Adverse Effect on the Seller or a material adverse effect on such Loan. The related Timeshare Property Regime is in compliance with any and all applicable zoning and building laws and regulations and any other laws and regulations relating to the use and occupancy of such Timeshare Property Regime, except where such noncompliance would not have a Material Adverse Effect with respect to the Seller. The Seller has not received notice of any material violation of any legal requirements applicable to such Timeshare Property Regime, except where such violation would not have a Material Adverse Effect with respect to the Seller. The Timeshare Property Regime related to such Loan complies with all applicable state statutes, including without limitation condominium statutes, timeshare statutes, HUD filings relating to interstate land sales (if applicable) and the requirements of any governmental authority or local authority having jurisdiction with respect to such Timeshare Property Regime, and constitutes a valid and conforming condominium and timeshare regime under the laws of the State in which the related Resort is located, except where such noncompliance would not have a Material Adverse Effect with respect to the Seller.

(vii) Loan in Force; No Subordination. Such Loan is in full force and effect and has not been subordinated, satisfied in whole or in part or rescinded.

(viii) Capacity of Parties. All parties to such Loan had legal capacity to execute the Loan.

(ix) Original Loans. All original executed copies of such Loans are or, within 30 days of Purchase, will be in the custody of the Custodian except to the extent otherwise permitted pursuant to Section 6(b)(xiv).

(x) Loan Form/Governing Law. Such Loan was executed in substantially the form of one of the forms of Loan in Exhibit D (as such Exhibit D may be amended from time to time with the consent of the Seller and the Company), except for changes required by applicable law and certain other modifications that do not, individually or in the aggregate, affect the enforceability or collectibility of such Loan. In addition, such Loan was originated in and is governed by the laws of the State in which the Loan was executed.

(xi) Interest in Real Property. Each Timeshare Property that is a UDI constitutes a fee simple interest in real property and improvements on the real property.

(xii) Environmental Compliance. Each Timeshare Property Regime related to a Loan is now, and at all times during the Seller's ownership thereof (or the ownership of any Affiliate thereof other than the Company and the Issuer), has been free of contamination from any substance, material or waste identified as toxic or hazardous according to any federal, state or local law, rule, regulation or order governing, imposing standards of conduct with respect to, or regulating in any way the discharge, generation, removal, transportation, storage or handling of toxic or hazardous substances, materials or waste or air or water pollution (hereinafter referred to as "Environmental Laws"), including without limitation any PCB, radioactive substance, methane, asbestos, volatile hydrocarbons, petroleum products or wastes, industrial solvents or any other material or substance that now or hereafter may cause or constitute a health, safety or other environmental hazard to any person or property (any such substance together with any substance, material or waste identified as toxic or hazardous under any Environmental Law now in effect or hereinafter enacted shall be referred to herein as "Contaminants"), but excluding from the foregoing any levels of Contaminants at or below which such Environmental Laws do not apply ("De Minimus Levels"). Neither the Seller nor any Affiliate of the Seller (other than the Company and the Issuer) has caused or suffered to occur any discharge, spill, uncontrolled loss or seepage of any petroleum or chemical product or any Contaminant (except for De Minimus Levels thereof) onto any property comprising or adjoining any Timeshare Property Regime, and neither the Seller nor any Affiliate of the Seller (other than the Company and the Issuer) nor any Obligor or occupant of all or part of any Timeshare Property Regime is now or has been involved in operations at the related Timeshare Property Regime that could lead to liability for the Seller, the Company, any Affiliate of the Seller or any other owner of such Timeshare Property Regime or the imposition of a Lien on such Timeshare Property Regime under any Environmental Law. No practice, procedure or policy employed by the Seller (or any Affiliate thereof other than the Company and the Issuer) with respect to POAs for which the Seller acts as the manager or, to the best knowledge of the Seller, by the manager of the POAs with respect to POAs managed by parties unaffiliated with the Seller, violates any Environmental Law that, if enforced, would reasonably be expected to (A) have a Material Adverse Effect on such POA or the ability of such POA to do business, (B) have a Material Adverse Effect on the financial condition of the POA or (C) constitute grounds for the revocation of any license, charter, permit or registration that is material to the conduct of the business of the POA.

Except as set forth in Schedule 3, (1) all property owned, managed, or controlled by the Seller or any Affiliate of the Seller (other than the Company and the Issuer) and located within a Resort is now, and at all times during the Seller's ownership, management or control thereof (or the ownership, management or control of any Affiliate thereof (other than the Company and the Issuer)) has been free of contamination from any Contaminants, except for De Minimus Levels thereof, (2) neither the Seller nor any Affiliate of the Seller (other than the Company and the Issuer) has caused or suffered to occur any discharge, spill, uncontrolled loss or seepage of any Contaminants onto any property comprising or adjoining any of the Resorts, except for De Minimus Levels thereof, and (3) neither the Seller nor any Affiliate of the Seller (other than the Company and the Issuer) nor any Obligor or occupant of all or part of any of any Resort is now or previously has been involved in operations at any Resort that could lead to liability for the Seller, the Company, any Affiliate of the Seller or any other owner of any Resort or the imposition of a Lien on such Resort under any Environmental Law. None of the matters set forth in Schedule 3 will have a Material Adverse Effect with respect to the Company or its assignees or the interests of the Company or its assignees in the Loans. Each Resort, and the present use thereof, does not violate any Environmental Law in any manner that would materially adversely affect the value or use of such Resort or the performance by the POAs of their respective obligations under their applicable declarations, articles or similar charter documents. There is no condition presently existing, and to the best knowledge of the Seller no event has occurred or failed to occur with respect to any Resort, relating to any Contaminants or compliance with any Environmental Laws that would reasonably be expected to have a Materially Adverse Effect with respect to such Resort, including in connection with the present use of such Resort.

(xiii) Tax Liens. All taxes applicable to such Loan and the related Timeshare Property have been paid, except where the failure to pay such tax would not have a Material Adverse Effect with respect to the Seller or its assignees or the Purchaser or the collectibility or enforceability of the Loan. There are no delinquent tax liens in respect of the Timeshare Property underlying such Loan.

(xiv) Loan Files. The related Loan File contains the following Loan Documents (which may include microfiche or other electronic copies of the Loan Documents to the extent provided in the Custodial Agreement):

(A) at least one original of each Loan (or, if the Loan and promissory note are contained in separate documents, an original of the promissory note); provided, however, that the original Loan may have been removed from the Loan File in accordance with the Custodial Agreement for the performance of collection services and other routine servicing requirements; and

(B) for Loans with respect to which the related Timeshare Property has been deeded out to the related Obligor:

(1) a copy of the deed for such Timeshare Property; and

(2) the original recorded Mortgage (or a copy thereof, if applicable, for Mortgages that have been submitted for recording as set forth herein) and Assignments of Mortgages in favor of the Collateral Agent (or a copy of such recorded Mortgage or Assignment of Mortgage, as the case may be, certified to be a true and complete copy thereof, if the original of the recorded Mortgage or Assignment of Mortgage is lost or destroyed), provided that in the case of any Loan with respect to which the related Mortgage and/or deed has been removed from the Loan File for review and recording in the local real property recording office, the original Mortgage shall have been returned to the Loan File no later than 180 days from the date on which the related Timeshare Property is required to be deeded to an Obligor.

(xv) Lockbox Accounts. As of the applicable Cut-Off Date, the Obligor of such Loan either:

(A) shall have been instructed to remit Payments thereunder to a Post Office Box for credit to a Lockbox Account or directly to a Lockbox Account, in each case maintained at a Lockbox Bank pursuant to the terms of a Lockbox Agreement; or

(B) has entered into a PAC or Credit Card Account pursuant to which a deposit account of such Obligor is made subject to a pre-authorized debit in respect of Payments as they become due and payable, and the Seller has caused a Lockbox Bank to take all necessary and appropriate action to ensure that each such pre-authorized debit is credited directly to a Lockbox Account.

(xvi) Ownership Interest. As of the Closing Date or related Addition Date, as applicable, the Seller has good and marketable title to the Loan, free and clear of all Liens (other than Permitted Encumbrances).

(xvii) Interest in Loan. Such Loan constitutes either a "general intangible," an "instrument," "chattel paper" or an "account" under the Uniform Commercial Code of the States of Delaware, Oregon and New York.

(xviii) Recordation of Assignments. The collateral Assignment of Mortgage to the Collateral Agent relating to the Mortgage with respect to each Loan has been recorded or delivered for recordation simultaneously with the related Mortgage to the proper office in the jurisdiction in which the related Timeshare Property is located.

(xix) Material Disputes. To the actual knowledge of the Seller, the Loan is not subject to any material dispute.

(xx) Good Title; No Liens. Upon the Purchase hereunder occurring on such Closing Date or Addition Date, as applicable, the Company will be the lawful owner of, and have good title to, each Loan and all of the other related Transferred Assets that are the subject of such Purchase, free and clear of any Liens (other than any Permitted Encumbrances on the related Timeshare Properties). All Loans and related Transferred Assets are purchased without recourse to the Seller except as described in this Agreement

and any PA Supplement. Such Purchase by the Company under this Agreement and under any PA Supplement constitutes a valid and true sale and transfer for consideration (and not merely the grant of a security interest to secure a loan), enforceable against creditors of the Seller, and no Loan or other related Transferred Assets that are the subject of such Purchase will constitute property of the Seller after such Purchase.

(xxi) Solvency. The Seller, both prior to and immediately after giving effect to the Purchase of Loans hereunder and under any PA Supplement occurring on such Closing Date or Addition Date, as applicable, (A) is not insolvent (as such term is defined in §101(32)(A) of the Bankruptcy Code), (B) is able to pay its debts as they become due and (C) does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage.

(xxii) POA Reserves. The capital reserves and maintenance fee levels of the POAs related to each Timeshare Property Regime underlying the Loans Purchased on such Closing Date or Addition Date, as applicable, are adequate in light of the operating requirements of such POAs.

(c) Representations and Warranties Regarding the Loan Files. The Seller represents and warrants to the Company as of each Closing Date and related Addition Date as to each Loan and the related Loan File conveyed by it hereunder on and as of such Closing Date or related Addition Date, as applicable (except as otherwise expressly stated) as follows:

(i) Possession. On or immediately prior to each Closing Date or related Addition Date, as applicable, the Custodian will have possession of each original Loan and the related Loan File and will have acknowledged such receipt, and its undertaking to hold such original Loan and the related Loan File for purposes of perfection of the Collateral Agent's interest in such original Loan and the related Loan File; provided, however, that the fact that any document not required to be in its respective Loan File pursuant to Section 6(b)(xiv) of this Agreement is not in the possession of the Custodian in its respective Loan File does not constitute a breach of this representation.

(ii) Marking Records. On or before each Closing Date or Addition Date, as applicable, the Seller shall have caused the portions of its computer files relating to the Loans sold on such date to the Company to be clearly and unambiguously marked to indicate that each such Loan has been conveyed on such date to the Company.

(d) Survival of Representations and Warranties. It is understood and agreed that the representations and warranties contained in this Section 6 shall remain operative and in full force and effect, shall survive the transfer and conveyance of the Loans with respect to any Series by the Seller to the Company under this Agreement and any PA Supplement, the conveyance of the Loans by the Company to the Initial Issuer or to an Additional Issuer pursuant to the Pool Purchase Agreement and any Term Purchase Agreement and the Grant of the Collateral by the Initial Issuer or any Additional Issuer to the Collateral Agent and shall inure to the benefit of the Company, the respective Issuers, the Trustees, the Collateral Agent and the Noteholders and their respective designees, successors and assigns.

(e) Indemnification of the Company. The Seller shall indemnify, defend and hold harmless the Company against any and all claims, losses and liabilities, including reasonable attorneys' fees (the foregoing being collectively referred to as "Indemnified Amounts") that may at any time be imposed on, incurred by or asserted against the Company as a result of a breach by the Seller of any of its respective representations, warranties or covenants hereunder. Except as otherwise provided in Section 11(i), the Seller shall pay to the Company, on demand, any and all amounts necessary to indemnify the Company for (i) any and all recording and filing fees in connection with the transfer of the Loans from the Seller to the Company, and any and all liabilities with respect to, or resulting from any delay in paying when due, any taxes (including sales, excise or property taxes) payable in connection with the transfer of the Loans from the Seller to the Company and (ii) costs, expenses and reasonable counsel fees in defending against the same. The agreements in this Section 6(e) shall survive the termination of this Agreement or any PA Supplement and the payment of all amounts payable hereunder, under any PA Supplement and under the Loans. For purposes of this Section 6(e), any reference to the Company shall include any officer, director, employee or agent thereof, or any successor or assignee thereof or of the Company.

Section 7. Repurchases or Substitution of Loans for Breach of Representations and Warranties.

Provisions with respect to the repurchase or substitution of Loans of any Series for breach of representations and warranties under this Agreement and any PA Supplement shall be set forth in the related PA Supplement.

Section8. Covenants of the Seller.

(a) Affirmative Covenants of the Seller. The Seller covenants and agrees that it will, at any time prior to the Termination Date:

(i) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties, provisions of ERISA, the Internal Revenue Code and all applicable regulations and interpretations thereunder, and all Loans and Facility Documents to which it is a party.

(ii) Preservation of Corporate Existence. Preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation, and maintain all necessary licenses and approvals in each jurisdiction in which it does business, except where the failure to preserve and maintain such existence, rights, franchises, privileges, qualifications, licenses and approvals would not have a Material Adverse Effect with respect to it.

(iii) Audits. Upon at least two Business Days notice during regular business hours, permit the Company and/or its agents, representatives or assigns access:

(A) to the offices and properties of the Seller in order to examine and make copies of and abstracts from all books, correspondence and Records of the

Seller as appropriate to verify the Seller's compliance with this Agreement, any PA Supplement or any other Facility Documents to which the Seller is a party and any other agreement contemplated hereby or thereby, and the Company and/or its agents, representatives and assigns may examine and audit the same and make photocopies, computer tapes or other computer replicas thereof, as appropriate, and the Seller will provide to the Company and/or its agents, representatives and assigns, at the expense of the Seller, such clerical and other assistance as may be reasonably requested in connection therewith; and

(B) to the officers or employees of the Seller designated by the Seller in order to discuss matters relating to the Loans and the performance of the Seller hereunder, under any PA Supplement or any other Facility Documents to which the Seller is a party and any other agreement contemplated hereby or thereby, and under the other Facility Documents to which it is a party with the officers or employees of the Seller having knowledge of such matters.

Each such audit shall be at the sole expense of the Seller. The Company shall be entitled to conduct such audits as frequently as it deems reasonable in the exercise of the Company's reasonable commercial judgment; provided, however, that such audits shall not be conducted more frequently than annually unless an Event of Default or an Amortization Event shall have occurred. The Company and its agents, representatives and assigns also shall have the right to discuss the Seller's affairs with the officers, employees and independent accountants of the Seller and to verify under appropriate procedures the validity, amount, quality, quantity, value and condition of, or any other matter relating to, the Loans and other related Transferred Assets.

(iv) [Reserved.]

(v) Performance and Compliance with Receivables and Loans. At its expense, timely and fully perform and comply in all material respects with the Credit Standards and Collection Policies and Customary Practices with respect to the Loans and with all provisions, covenants and other promises required to be observed by the Seller under the Loans.

(vi) [Reserved.]

(vii) Ownership Interest. Take such action with respect to each Loan as is necessary to ensure that the Company maintains a first priority ownership interest in such Loan and the other related Transferred Assets, in each case free and clear of any Liens arising through or under the Seller and, in the case of any Timeshare Properties, other than any Permitted Encumbrance thereon, and respond to any inquiries with respect to ownership of a Loan sold by it hereunder by stating that, from and after the Initial Closing Date or related Addition Date, as applicable, it is no longer the owner of such Loan and that ownership of such Loan has been transferred to the Company.

(viii) Instruments. Not remove any portion of the Loans or related Transferred Assets with respect to any Series that consists of money or is evidenced by an instrument,

certificate or other writing from the jurisdiction in which it was held under the related Custodial Agreement unless the Company shall have first received an Opinion of Counsel to the effect that the Company shall continue to have a first-priority perfected ownership or security interest with respect to such property after giving effect to such action or actions.

(ix) No Release. Not take any action, and use its best efforts not to permit any action to be taken by others, that would release any Person from such Person's covenants or obligations under any document, instrument or agreement relating to the Loans or the other Transferred Assets, or result in the hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such document, instrument or agreement, except as expressly provided in this Agreement or any PA Supplement or such other instrument or document.

(x) Insurance and Condemnation.

(A) The Seller shall do or cause to be done all things that it may accomplish with a reasonable amount of cost or effort to cause each of the POAs for each Resort, in each case (1) to maintain one or more policies of "all-risk" property and general liability insurance with financially sound and reputable insurers providing coverage in scope and amount that (x) satisfy the requirements of the declarations (or any similar charter document) governing the POA for the maintenance of such insurance policies and (y) are at least consistent with the scope and amount of such insurance coverage obtained by prudent POAs and/or management of other similar developments in the same jurisdiction and (2) to the extent the Seller is the property manager of the Resort and possesses the right to direct the application of insurance proceeds, to use its best efforts to apply the proceeds of any such insurance policies in the manner specified in the related declarations (or any similar charter document) governing the POA and/or any similar charter documents of such POA (which exercise of best efforts shall include voting as a member of the POA or as a proxy or attorney-in-fact for a member). For the avoidance of doubt, the parties acknowledge that the ultimate discretion and control relating to the maintenance of any such insurance policies is vested in the POA in accordance with the respective declaration (or any similar charter document) relating to each Timeshare Property Regime.

(B) The Seller shall remit to the Collection Account the portion of any proceeds received pursuant to a condemnation of property in any Resort relating to any Timeshare Property to the extent the Obligors are required to make such remittance under the terms of one or more Loans that have been sold to the Company hereunder and under the related PA Supplement.

(xi) Separate Identity. Take such action as is necessary to ensure compliance with Section 6(a)(xvi), including taking all actions necessary on its part to be taken in order to ensure that the facts and assumptions relating to the Company set forth in the opinion of Orrick, Herrington & Sutcliffe LLP relating to substantive consolidation matters with respect to the Seller and the Company are true and correct.

(xii) Computer Files. Mark or cause to be marked each Loan in its computer files as described in Section 6(c)(ii) and deliver to the Company, the Issuer, the Trustee and the Collateral Agent a copy of the Loan Schedule for each Series as amended from time to time.

(xiii) Taxes. File or cause to be filed, and cause each of its Affiliates with whom it shares consolidated tax liability to file, all federal, state and local tax returns that are required to be filed by it, except where the failure to file such returns could not reasonably be expected to have a Material Adverse Effect with respect to the Purchaser or the Seller, or otherwise be reasonably expected to expose the Purchaser or the Seller to material liability. The Seller will pay or cause to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessments the validity of which are being contested in good faith by appropriate proceedings and with respect to which the Seller or the applicable Affiliate has set aside adequate reserves on its books in accordance with GAAP, and which proceedings could not reasonably be expected to have a Material Adverse Effect with respect to the Purchaser or the Seller or otherwise be reasonably expected to expose the Purchaser or the Seller to material liability.

(xiv) Facility Documents. Comply in all material respects with the terms of, and employ the procedures outlined under, this Agreement, any PA Supplement and all other Facility Documents to which it is a party, and take all such action as may be from time to time reasonably requested by the Company to maintain this Agreement, any PA Supplement and all such other Facility Documents in full force and effect.

(xv) Loan Schedule. With respect to any Series, promptly amend the applicable Loan Schedule to reflect terms or discrepancies that become known after each Closing Date or any Addition Date, and promptly notify the Company, the Issuer, the Trustee and the Collateral Agent of any such amendments.

(xvi) Segregation of Collections. Prevent, to the extent within its control, the deposit into the Collection Account or any Reserve Account of any funds other than Collections in respect of the Loans with respect to any Series, and to the extent that, to its knowledge, any such funds are nevertheless deposited into the Collection Account or any Reserve Account, promptly identify any such funds to the Master Servicer for segregation and remittance to the owner thereof.

(xvii) Management of Resorts. The Seller hereby covenants and agrees (to the extent that the Seller is responsible for maintaining or managing such Resort) to do or cause to be done all things that it may accomplish with a reasonable amount of cost or effort in order to maintain such Resort (including without limitation all grounds, waters and improvements thereon and all other facilities related thereto) in at least as good condition, repair and working order as would be customary for prudent managers of similar timeshare properties.

(b) Negative Covenants of the Seller. The Seller covenants and agrees that it will not, at any time prior to the final Series Termination Date without the prior written consent of the Company:

(i) Sales, Liens, Etc. Against Loans and Transferred Assets. Except for the transfers hereunder, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist, any Lien arising through or under it (other than, in the case of any Timeshare Properties, any Permitted Encumbrances thereon) upon or with respect to any Loan or other Transferred Asset or any interest therein. The Seller shall immediately notify the Company of the existence of any Lien arising through or under it on any Loan or other Transferred Asset.

(ii) Extension or Amendment of Loan Terms. Extend, amend, waive or otherwise modify the terms of any Loan (other than as a result of a Timeshare Upgrade or in accordance with Customary Practices) or permit the rescission or cancellation of any Loan, whether for any reason relating to a negative change in the related Obligor's creditworthiness or inability to make any payment under the Loan or otherwise.

(iii) Change in Business or Credit Standards or Collection Policies. (A) Make any change in the character of its business or (B) make any change in the Credit Standards and Collection Policies or (C) deviate from the exercise of Customary Practices, which change or deviation would, in any such case, materially impair the value or collectibility of any Loan.

(iv) Change in Payment Instructions to Obligors. Add, except in connection with the issuance of an Additional Series of Notes, or terminate any bank as a bank holding any account for the collection of payments in respect of the Loans from those listed in Exhibit E or make any change in its instructions to Obligors regarding payments to be made to any Lockbox Account at a Lockbox Bank, unless the Company and the Trustee shall have received (A) 30 days' prior written notice of such addition, termination or change, (B) written confirmation from the Seller that, after the effectiveness of any such termination, there will be at least one Lockbox in existence and (C) prior to the date of such addition, termination or change, (1) executed copies of Lockbox Agreements executed by each new Lockbox Bank, the Seller, the Company, the Master Servicer and the Trustee and (2) copies of all agreements and documents signed by either the Company or the respective Lockbox Bank with respect to any new Lockbox Account.

(v) Change in Corporate Name, Etc. Make any change to its name or its type or jurisdiction of organization that existed on the Initial Closing Date without providing at least 30 days' prior written notice to the Company and the Trustee and taking all action necessary or reasonably requested by the Trustee to amend its existing financing statements and file additional financing statements in all applicable jurisdictions as are necessary to maintain the perfection of the security interest of the Company.

(vi) ERISA Matters. (A) Engage or permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the U.S. Department of Labor; (B) permit to exist any accumulated

funding deficiency (as defined in Section 302(a) of ERISA and Section 412(a) of the Internal Revenue Code) or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (C) fail to make any payments to any Multiemployer Plan that the Seller or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (D) terminate any Benefit Plan so as to result in any liability; (E) permit to exist any occurrence of any Reportable Event that represents a material risk of a liability of the Seller or any ERISA Affiliate under ERISA or the Internal Revenue Code; provided, however, that the ERISA Affiliates of the Seller may take or allow such prohibited transactions, accumulated funding deficiencies, payments, terminations and Reportable Events described in clauses (A) through (E) above so long as such events occurring within any fiscal year of the Seller, in the aggregate, involve a payment of money by or an incurrence of liability of any such ERISA Affiliate (collectively, "ERISA Liabilities") in an amount that does not exceed $2,000,000 or otherwise result in liability that would result in imposition of a lien.

(vii) Terminate or Reject Loans. Without limiting the requirements of Section 8(b)(ii), terminate or reject any Loan prior to the end of the term of such Loan, whether such rejection or early termination is made pursuant to an equitable cause, statute, regulation, judicial proceeding or other applicable law unless, prior to such termination or rejection, such Loan and any related Transferred Assets have been repurchased by the Seller pursuant to Section 7 of the related PA Supplement.

(viii) Facility Documents. Except as otherwise permitted under Section 8(b)(ii), terminate, amend or otherwise modify any Facility Document to which it is a party or grant any waiver or consent thereunder.

(ix) Insolvency Proceedings. Institute Insolvency Proceedings with respect to WorldMark, the Company or the Issuer or consent to the institution of Insolvency Proceedings against WorldMark, the Company or the Issuer, or take any corporate action in furtherance of any such action.

Section 9. Representations and Warranties of the Company.

The Company represents and warrants as of each Closing Date and Addition Date, or as of such other date specified in such representation and warranty, that:

(a) The Company is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and has full limited liability company power, authority, and legal right to own its properties and conduct its business as such properties are presently owned and as such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement and any PA Supplement. The Company is duly qualified to do business and is in good standing as a foreign entity, and has obtained all necessary licenses and approvals in each jurisdiction necessary to carry on its business as presently conducted and to perform its obligations under this Agreement and any PA Supplement. One hundred percent (100%) of the outstanding membership interests of the Company is directly owned (both beneficially and of record) by Wyndham. Such membership interests are validly issued, fully paid and nonassessable and there are no options, warrants or other rights to acquire membership interests from the Company.

(b) The execution, delivery and performance of this Agreement and any PA Supplement by the Company and the consummation by the Company of the transactions provided for in this Agreement and any PA Supplement have been duly approved by all necessary limited liability company action on the part of the Company.

(c) This Agreement and any PA Supplement constitutes the legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as such enforceability may be subject to or limited by Debtor Relief Laws and except as such enforceability may be limited by general principles of equity.

(d) The execution and delivery by the Company of this Agreement and any PA Supplement, the performance by the Company of the transactions contemplated hereby and the fulfillment by the Company of the terms hereof applicable to the Company will not conflict with, violate, result in any breach of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a material default under any provision of any existing law or regulation or any order or decree of any court applicable to the Company or its certificate of formation or limited liability company agreement or any material indenture, contract, agreement, mortgage, deed of trust, or other material instrument to which the Company is a party or by which it or its properties is bound.

(e) There are no proceedings or investigations pending, or to the knowledge of the Company threatened, against the Company before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Agreement or any PA Supplement, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any PA Supplement, (C) seeking any determination or ruling that, in the reasonable judgment of the Company, would adversely affect the performance by the Company of its obligations under this Agreement or any PA Supplement or (D) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or any PA Supplement.

(f) All approvals, authorizations, consents, orders or other actions of any person or entity or any governmental body or official required in connection with the execution and delivery of this Agreement and any PA Supplement by the Company, the performance by it of the transactions contemplated hereby and the fulfillment by it of the terms hereof, have been obtained and are in full force and effect.

(g) The Company is solvent and will not become insolvent immediately after giving effect to the transactions contemplated by this Agreement and any PA Supplement, the Company has not incurred debts beyond its ability to pay and, immediately after giving effect to the transactions contemplated by this Agreement and any PA Supplement, the Company shall have an adequate amount of capital to conduct its business in the foreseeable future.

Section 10. Affirmative Covenants of the Company.

The Company hereby acknowledges that the parties to the Facility Documents are entering into the transactions contemplated by the Facility Documents in reliance upon the Company's identity as a legal entity separate from the Seller and its Affiliates. From and after the date hereof until the final Series Termination Date under any Indenture Supplement, the Company will take such actions as shall be required in order that:

(a) The Company will conduct its business in office space allocated to it and for which it pays an appropriate rent and overhead allocation;

(b) The Company will maintain corporate records and books of account separate from those of the Seller and its Affiliates and telephone numbers and stationery that are separate and distinct from those of the Seller and its Affiliates;

(c) The Company's assets will be maintained in a manner that facilitates their identification and segregation from those of any of the Seller and its Affiliates;

(d) The Company will observe corporate formalities in its dealings with the public and with the Seller and its Affiliates and, except as contemplated by the Facility Documents, funds or other assets of the Company will not be commingled with those of any of the Seller and its Affiliates. The Company will at all times, in its dealings with the public and with the Seller and its Affiliates, hold itself out and conduct itself as a legal entity separate and distinct from the Seller and its Affiliates. The Company will not maintain joint bank accounts or other depository accounts to which the Seller and its Affiliates (other than the Master Servicer) has independent access;

(e) The duly elected board of directors of the Company and duly appointed officers of the Company will at all times have sole authority to control decisions and actions with respect to the daily business affairs of the Company;

(f) Not less than one member of the Company's board of directors will be an Independent Director. The Company will observe those provisions in its limited liability company agreement that provide that the Company's board of directors will not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Company unless the Independent Director and all other members of the Company's board of directors unanimously approve the taking of such action in writing prior to the taking of such action;

(g) The Company will compensate each of its employees, consultants and agents from the Company 's own funds for services provided to the Company; and

(h) Except as contemplated by the Facility Documents, the Company will not hold itself out to be responsible for the debts of the Seller and its Affiliates.

Section 10A Negative Covenant of the Company.

The Company covenants and agrees that it will not, at any time prior to the final Series Termination Date institute Insolvency Proceedings with respect to WorldMark or consent to the institution of Insolvency Proceedings against WorldMark, or take any corporate action in furtherance of any such action.

Section 11. Miscellaneous.

(a) Amendment. This Agreement may be amended from time to time or the provisions hereof may be waived or otherwise modified by the parties hereto by written agreement signed by the parties hereto.

(b) Assignment. The Company has the right to assign its interests under this Agreement and any PA Supplement as may be required to effect the purposes of the Pool Purchase Agreement or any Term Purchase Agreement without the consent of the Seller, and the assignee shall succeed to the rights hereunder of the Company. The Seller agrees to perform its obligations hereunder for the benefit of the respective Issuers, Trustees and Noteholders and for the benefit of the Collateral Agent, and agrees that such parties are intended third party beneficiaries of this Agreement and agrees that the Trustees (or the Collateral Agent) and (subject to the terms and conditions of the applicable Indenture and Servicing Agreement and any applicable Indenture Supplement) the Noteholders may enforce the provisions of this Agreement and any PA Supplement, exercise the rights of the Company and enforce the obligations of the Seller hereunder without the consent of the Company.

(c) Counterparts. This Agreement may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

(d) Termination. The obligations of the Seller under this Agreement and any PA Supplement shall survive the sale of the Loans to the Company and the Company's transfer of the Loans and other related Transferred Assets to the Issuer.

(e) GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING §5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICT OF LAW PRINCIPLES.

(f) Notices. All demands and notices hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by certified mail, postage prepaid and return receipt requested, or by express delivery service, to (i) in the case of the Seller, Trendwest Resorts, Inc., 8427 South Park Circle, Orlando, Florida 32819, Attention: President, or such other address as may hereafter be furnished to the Company in writing by the Seller and (ii) in the case of the Company, Sierra Deposit Company, LLC, 10750 West Charleston Blvd., Suite 130, Mailstop 2067, Las Vegas, Nevada 89135, Attention: President, or such other address as may hereafter be furnished to the Seller in writing by the Company.

(g) Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

(h) Successors and Assigns. This Agreement shall be binding upon each of the Seller and the Company and their respective permitted successors and assigns, and shall inure to the benefit of each of the Seller and the Company and each of the Issuer, the Trustee and the Collateral Agent to the extent explicitly contemplated hereby.

(i) Costs, Expenses and Taxes.

(a) The Seller agrees to pay on demand to the Company all reasonable costs and expenses, if any, incurred or reimbursed (or to be reimbursed) by the Company (including reasonable counsel fees and expenses) in connection with the enforcement or preservation of the rights and remedies under this Agreement and any PA Supplement.

(b) The Seller agrees to pay, indemnify and hold the Company harmless from and against any and all stamp, sales, excise and other taxes and fees payable or determined to be payable by or reimbursed (or to be reimbursed) by the Company in connection with the execution, delivery, filing and recording of this Agreement or any PA Supplement, and against any liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

(j) No Bankruptcy Petition. The Seller covenants and agrees not to institute against the Company or the Issuer, or join any other person in instituting against the Company or the Issuer, any proceeding under any Debtor Relief Law.

IN WITNESS WHEREOF, the parties have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

TRENDWEST RESORTS, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

SIERRA DEPOSIT COMPANY, LLC

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

SCHEDULE 1

Loan Schedule

To be delivered on first sale of Loans.

SCHEDULE 2

Resorts

Resort Name	Location
Rancho Vistoso	Oro Valley, Arizona
Bison Ranch	Overgaard, Arizona
Pinetop	Pinetop, Arizona
Dolphin's Cove	Anaheim, California
Angels Camp	Angels Camp, California
Bass Lake	Bass Lake, California
Big Bear	Big Bear Lake, California
Marina Dunes	Marina, California
Clear Lake	Nice, California
Oceanside	Oceanside, California
Palm Springs	Palm Springs, California
Pismo Beach	Pismo Beach, California
San Francisco	San Francisco, California
Solvang	Solvang, California
Windsor	Windsor, California
Estes Park	Estes Park, Colorado
Steamboat Springs	Steamboat Springs, Colorado
Ocean Walk	Daytona Beach, Florida
Orlando	Orlando, Florida
Kapaa Shores	Kapaa, Hawaii
Kihei	Kihei, Hawaii
Kona	Kona, Hawaii
Valley Isle	Lahaina, Hawaii
Arrow Point	Harrison, Idaho
McCall	McCall, Idaho
Galena	Galena, Illinois
New Orleans	New Orleans, Louisiana
Branson	Branson, Missouri
Lake of the Ozarks	Osage Beach, Missouri
Las Vegas	Las Vegas, Nevada
Las Vegas/Spencer	Las Vegas, Nevada
Reno	Reno, Nevada
Tahoe	Stateline, Nevada
South Shore	Zephyr Cove, Nevada
Grand Lake	Grand Lake, Oklahoma
Depoe Bay	Depoe Bay, Oregon
Gleneden	Gleneden Beach, Oregon
Running Y	Klamath Falls, Oregon
Schooners Landing	Newport, Oregon
Eagle Crest	Redmond, Oregon
Seaside	Seaside, Oregon
Wolf Creek	Eden, Utah
Bear Lake	Garden City, Utah
St. George	St. George, Utah
Birch Bay	Blaine, Washington
Lake Chelan Shores	Chelan, Washington
Park Village	Leavenworth, Washington
Surfside Inn	Ocean Park, Washington
Mariner Village	Ocean Shores, Washington
Discovery Bay	Port Townsend, Washington
The Camlin	Seattle, Washington
The Canadian	Vancouver, British Columbia, Canada
Victoria	Victoria, British Columbia, Canada

Resort Name	Location
Cascade Lodge	Whistler, British Columbia, Canada
Sundance	Whistler, British Columbia, Canada
Denarau Island[1]	Nadi Town, Denarau Island, Fiji
Coral Baja	San Jose del Cabo, Baja California Sur, Mexico
La Paloma	Rosarito, Baja California, Mexico
Cairns[2]	Cairns, Queensland, Australia
Golden Beach[2]	Golden Beach, Queensland, Australia
Kirra Beach[2]	Kirra Beach, Queensland, Australia
Port Stephens[2]	Salamander Bay, New South Wales, Australia
Coffs Harbour[2]	Coffs Harbour, New South Wales, Australia
Port Macquarie[2]	Port Macquarie, New South Wales, Australia
Pokolbin[2]	Polkolbin, New South Wales, Australia
Flynns Beach[2]	Port Macquarie, New South Wales, Australia
Ballarat Resort[2]	Sebastopol, Victoria, Australia
Lakes Entrance[2]	Lake Entrance, Victoria, Australia
Rotorua[2]	Rotorua, New Zealand

SCHEDULE 3

Environmental Issues

None.

SCHEDULE 4

Lockbox Accounts

Clearing Account established under the agreement listed in Exhibit E.

Bank	Account Name	Account	ABA Number	Account Number	Contact Person
Bank of America	Wyndham Timeshare Conduit Receivables Funding, LLC – Trendwest	Lockbox	111000012	3756240535	Toni Krantz 212-503-8471
Bank of America	Wyndham Timeshare Conduit Receivables Funding, LLC – Trendwest	Deposit	111000012	3756245158	Toni Krantz 212-503-8471
JPMorgan Chase Bank	Wyndham Timeshare Conduit Receivables Funding, LLC - Trendwest	ACH Collections	021000021	304194824	Dorin Ladon 312-954-9288

SCHEDULE 5

Litigation

In September 2002, the Office of the California Attorney General and the San Mateo County District Attorney's office began an investigation of certain Trendwest sales, telemarketing and collection practices. The matter was resolved in October 2003, with Trendwest signing a stipulated judgment enjoining Trendwest from certain business practices, requiring Trendwest to offer restitution to certain consumers, and obligating Trendwest to pay costs and fines.

In October 2003, as a result of an investigation by the California Department of Real Estate ("DRE"), Trendwest entered into an agreement with the DRE whereby Trendwest deposited $1.8 million into an escrow account to be paid to WorldMark in the event the DRE determines, following an audit, that Trendwest owes money to WorldMark as a result of certain Trendwest sales and marketing programs. Trendwest responded to the DRE's audit request. In January 2006, DRE informed Trendwest that, although the DRE was not closing the audit, it could not find that Trendwest owed any monies to WorldMark and released the $1.8 million to Trendwest.

EXHIBIT A

Forms of Custodial Agreement

[See Tab #1.]

EXHIBIT B

FORM OF ASSIGNMENT OF ADDITIONAL LOANS

ASSIGNMENT NO. __ OF ADDITIONAL LOANS dated as of _____, by and between TRENDWEST RESORTS, INC., an Oregon corporation (the 'Seller") and SIERRA DEPOSIT COMPANY LLC, a Delaware limited liability company (the "Purchaser"), pursuant to the Agreement referred to below.

WITNESSETH:

WHEREAS, the Seller and the Purchaser are parties to the Master Loan Purchase Agreement dated as of August 29, 2002, as amended and restated as of July 7, 2006, and the Purchase Agreement Supplement dated as of August 29, 2002, as amended and restated as of July 7, 2006 (the "PA Supplement") (as so supplemented, and as such agreement may have been, or may from time to time be, further amended, supplemented or otherwise modified, the "Agreement");

WHEREAS, pursuant to the Agreement, the Seller wishes to designate Additional Loans (including Additional Upgrade Balances) to be included as Loans, and the Seller wishes to sell its right, title and interest in and to the Additional Loans to the Purchaser pursuant to this Assignment and the Agreement; and

WHEREAS, the Purchaser wishes to purchase such Additional Loans subject to the terms and conditions hereof.

NOW, THEREFORE, the Seller and the Purchaser hereby agree as follows:

1. Defined Terms. All capitalized terms used herein shall have the meanings ascribed to them in the Agreement unless otherwise defined herein.

"Addition Cut-Off Date" shall mean, with respect to the Additional Loans, _____.

"Addition Date" shall mean, with respect to the Additional Loans, _____.

"Additional Loans" shall mean the Additional Loans, as defined in the Agreement, that are sold hereby and listed on Schedule 1.

"Additional Transferred Assets" shall have the meaning set forth in Section 3.

2. Designation of Additional Loans. The Seller delivers herewith a Loan Schedule containing a true and complete list of the Additional Loans. Such Loan Schedule is incorporated into and made part of this Assignment, shall be Schedule 1 to this Assignment and shall supplement Schedule 1 to the Agreement.

3. Sale of Additional Loans.

The Seller does hereby sell, transfer, assign, set over and otherwise convey to the Purchaser, without recourse except as provided in the Agreement, all of the Seller's right, title and interest in, to and under (i) the Additional Loans as of the close of business on the Addition Cut-Off Date and all Scheduled Payments, other Collections and other funds received in respect of such Additional Loans on or after the Addition Cut-Off Date and any other monies due or to become due on or after the Addition Cut-Off Date in respect of any such Additional Loans, and any security therefor; (ii) the Timeshare Properties relating to the Timeshare Property Loans to the extent that they relate to such Timeshare Properties; (iii) any Mortgages relating to the Additional Loans; (iv) any Insurance Policies relating to the Additional Loans; (v) the Loan Files and other Records relating to the Additional Loans; (vi) the Loan Conveyance Documents relating to the Additional Loans; (vii) all interest, dividends, cash, instruments, financial assets and other investment property and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for, or on account of, the sale or other disposition of the Additional Transferred Assets, and including all payments under Insurance Policies (whether or not any of the Seller, the Purchaser, the Master Servicer, the Issuer or the Trustee is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any Additional Transferred Assets, and any security granted or purported to be granted in respect of any Additional Transferred Assets; and (viii) all proceeds of any of the foregoing property described in clauses (i) through (vii) (collectively, the "Additional Transferred Assets").

In connection with the foregoing sale and if necessary, the Seller agrees to record and file one or more financing statements (and continuation statements or other amendments with respect to such financing statements when applicable) with respect to the Additional Transferred Assets meeting the requirements of applicable State law in such manner and in such jurisdictions as are necessary to perfect the sale of the Additional Transferred Assets to the Purchaser, and to deliver a file-stamped copy of such financing statements and continuation statements (or other amendments) or other evidence of such filing to the Purchaser.

In connection with the foregoing sale, the Seller further agrees, on or prior to the date of this Assignment, to cause the portions of its computer files relating to the Additional Loans sold on such date to the Purchaser to be clearly and unambiguously marked to indicate that each such Additional Loan has been sold on such date to the Purchaser pursuant to the Agreement and this Assignment.

It is the express and specific intent of the parties that the transfer of the Additional Loans and the other Transferred Assets relating thereto from the Seller to the Purchaser as provided is and shall be construed for all purposes as a true and absolute sale of such Additional Loans and Transferred Assets, shall be absolute and irrevocable and provide the Purchaser with the full benefits of ownership of the Additional Loans and related Transferred Assets and will be treated as such for all federal income tax reporting and all other purposes. Without prejudice to preceding sentence providing for the absolute transfer of the Seller's interest in the Additional Loans and other Transferred Assets to the Purchaser, in order to secure the prompt payment and performance of all obligations of the Seller to the Purchaser under the Agreement, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, the Seller hereby assigns and grants to the Purchaser a first priority security interest in all of the Seller's right, title and interest, whether now owned or hereafter acquired, if any, in, to and under all of the Additional Loans and the other related Transferred Assets and the proceeds thereof. The Seller

acknowledges that the Additional Loans and other related Transferred Assets are subject to the Lien of the Indenture and Servicing Agreement for the benefit of the Collateral Agent on behalf of the Trustee and the Noteholders.

4. Acceptance by the Purchaser. The Purchaser hereby acknowledges that, prior to or simultaneously with the execution and delivery of this Assignment, the Seller delivered to the Purchaser the Loan Schedule described in Section 2 of this Assignment with respect to all Additional Loans.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser on the Addition Date that each representation and warranty to be made by it on such Addition Date pursuant to the Agreement is true and correct, and that each such representation and warranty is hereby incorporated herein by reference as though fully set out in this Assignment.

6. Ratification of the Agreement. The Agreement is hereby ratified, and all references to the Agreement shall be deemed from and after the Addition Date to be references to the Agreement as supplemented and amended by this Assignment. Except as expressly amended hereby, all the representations, warranties, terms, covenants and conditions of the Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or consent to non-compliance with any term or provision of the Agreement.

7. Counterparts. This Assignment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

8. GOVERNING LAW. THIS ASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING § 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICT OF LAW PRINCIPLES.

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

IN WITNESS WHEREOF, each of the parties hereto has caused this Assignment to be duly executed by their respective officers as of the day and year first written above.

TRENDWEST RESORTS, INC.,
as Seller

By: _____
Name:
Title:

SIERRA DEPOSIT COMPANY, LLC,
as Purchaser

By: _____
Name:
Title:

EXHIBIT C

Credit Standard and Collection Policies

EXHIBIT D

Forms of Loans

EXHIBIT E

Forms of
Lockbox Agreements

[On file at Orrick, Herrington & Sutcliffe LLP.]

Exhibit 10.14

EXECUTION COPY

SERIES 2002-1 SUPPLEMENT
Dated as of August 29, 2002

to

MASTER LOAN PURCHASE AGREEMENT
Dated as of August 29, 2002

Amended and Restated as of July 7, 2006

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC
LOAN-BACKED
VARIABLE FUNDING NOTES,
SERIES 2002-1

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by and between

TRENDWEST RESORTS, INC.,
as Seller

and

SIERRA DEPOSIT COMPANY, LLC,
as Purchaser

TABLE OF CONTENTS

THIS PURCHASE AGREEMENT SUPPLEMENT (this "PA Supplement"), dated as of August 29, 2002, as amended and restated as of July 7, 2006, is by and between TRENDWEST RESORTS, INC., an Oregon corporation, as seller (the "Seller") and SIERRA DEPOSIT COMPANY, LLC, a Delaware limited liability company, as purchaser (hereinafter referred to as the "Purchaser" or the "Company").

Section 2 of the Agreement provides that the Seller may from time to time sell and assign to the Company, and the Company may from time to time Purchase from the Seller, all the Seller's right, title and interest in, to and under Loans listed on the Loan Schedule of the related PA Supplement on the Closing Date for the related Series. The principal terms of the Purchase and sale of Loans for each Series shall be set forth in a PA Supplement to the Agreement.

Pursuant to this PA Supplement and in accordance with Section 2 of the Agreement, the Seller hereby sells to the Company, and the Company hereby Purchases from the Seller, the Series 2002-1 Loans and the Seller and the Company hereby specify the principal terms of such sales and Purchases.

The Company has determined with the agreement of the Seller that Loans purchased from the Seller may be sold to Sierra Timeshare Conduit Receivables Funding, LLC, (the "Initial Issuer") and pledged to secure notes issued by the Initial Issuer or may be sold by the Company to an Additional Issuer and pledged to secure Notes issued by the Additional Issuer. The Company may also, from time to time, purchase Loans from the Initial Issuer and transfer such Loans to an Additional Issuer to be pledged to secure an Additional Series.

The Seller and the Company agree that Loans sold to the Company under the Agreement and the PA Supplement retain their character as Series 2002-1 Loans whether sold to and retained by the Initial Issuer or reacquired by the Company and transferred to an Additional Issuer.

The PA Supplement supplements the Master Loan Purchase Agreement dated as of August 29, 2002, as amended and restated as of July 7, 2006 and as amended from time to time. The Master Loan Purchase Agreement, as so amended, is the "Agreement." Terms used in this Amendment and not defined herein have the meaning assigned in the Agreement.

Section 1. Definitions.

All capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in the Agreement. Each capitalized term defined herein shall relate only to the Series 2002-1 Loans and to no other Loans purchased by the Company from the Seller.

In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Agreement, the terms and provisions of this PA Supplement shall be controlling.

The words "hereof," "herein" and "hereunder" and words of similar import when used in this PA Supplement shall refer to this PA Supplement as a whole and not to any particular provision of this PA Supplement; and Article, Section, subsection, Schedule and Exhibit references contained in this PA Supplement are references to Articles, Sections, subsections, Schedules and Exhibits in or to this PA Supplement unless otherwise specified.

"Addition Date" shall mean the date from and after which Additional Loans are sold pursuant to Section 2(d).

"Agreement" shall mean the Master Loan Purchase Agreement dated as of August 29, 2002, as amended and restated as of July 7, 2006, by and between the Seller and the Purchaser, as the same may be amended, supplemented or otherwise modified from time to time thereafter in accordance with its terms.

"Assignment" shall have the meaning set forth in Section 2(d)(iii)(E).

"Closing Date" shall mean August 29, 2002.

"Company" shall have the meaning set forth in the preamble.

"Cut-Off Date" shall mean August 27, 2002.

"Eligible Loan" shall mean a Series 2002-1 Loan:

(a) with respect to which (i) the related Timeshare Property is not a Lot, (ii) the related Timeshare Property has been purchased by an Obligor, (iii) except in the case of a Green Loan, a certificate of occupancy for the related Timeshare Property has been issued, (iv) except in the case of a Green Loan, the unit for the related Timeshare Property is complete and ready for occupancy, is not in need of material maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural defects materially affecting its value, (v) the related Timeshare Property Regime is not in need of maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural defects materially affecting its value, (vi) there is no legal, judicial or administrative proceeding pending, or to the Seller's knowledge threatened, for the total condemnation of the related Timeshare Property or partial condemnation of any portion of the related Timeshare Property Regime that would have a material adverse effect on the value of the related Timeshare Property and (vii) the related Timeshare Property, if not Vacation Credits, is not related to a Resort located outside of the United States, Canada, Mexico or the United States Virgin Islands;

(b) with respect to which the rights of the Obligor thereunder are subject to declarations, covenants and restrictions of record affecting the Resort;

(c) in the case of a Series 2002-1 Loan that is an Installment Contract, with respect to which the Seller has a valid ownership or security interest in an underlying Timeshare Property, subject only to Permitted Encumbrances, unless the criteria in paragraph (d) are satisfied;

(d) with respect to which (i) if the related Timeshare Property has been deeded to the Obligor of the related Series 2002-1 Loan, (A) the Seller has a valid and enforceable first lien Mortgage on such Timeshare Property, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, (B) such Mortgage and related mortgage note have been assigned to the Collateral Agent, (C) such Mortgage and the related note for such Mortgage have been transferred or will be transferred to the custody of the Custodian in accordance with the provisions of Section 6(c)(i) of the Agreement and (D) if any Mortgage relating to such Series 2002-1 Loan is a deed of trust, a trustee duly qualified under applicable law to serve as such has been properly designated in accordance with applicable law and currently so serves or (ii) if the related Timeshare Property has not been deeded to the Obligor of the related Series 2002-1 Loan, the Seller has legal title to such Timeshare Property underlying the related Series 2002-1 Loan;

(e) that was issued in a transaction that complied, and is in compliance, in all material respects with all material requirements of applicable federal, state and local law, except, with respect only to California Business and Professions Code Section 11018.10, as in effect prior to its repeal as of July 1, 2005, and California Business and Professions Code Section 11226, which became effective as of July 1, 2005 where such failure to comply would not have a Material Adverse Effect on the Seller or a material adverse effect on such Series 2002-1 Loan;

(f) that requires the Obligor to pay the unpaid principal balance over an original term of not greater than 120 months and (ii) the original term of which does not exceed 84 months unless (A) the Series 2002-1 Loan relates to a Timeshare Upgrade or (B) the weighted average FICO score of all such Series 2002-1 Loans with original terms longer than 84 months is at least 640 and (x) with respect to Series 2002-1 Loans sold prior to November 14, 2005 has a FICO score not less than 600 or (xi) with respect to Series 2002-1 Loans sold on or after November 14, 2005 has a FICO score not less than 550;

(g) the Scheduled Payments on which are denominated and payable in United States dollars;

(h) that is not a Defective Loan or a Defaulted Loan;

(i) *that, with respect to Loans sold prior to July 28, 2004*, is not a Delinquent Loan and has never been a Defaulted Loan, as of the Cut-Off Date or related Addition Cut Off Date, as applicable; or

that, with respect to Loans sold on or after July 28, 2004, is not a Delinquent Loan and, unless it is a Permitted Deferred Loan, it has never been a Defaulted Loan, as of the Addition Cut-Off Date;

(j) that does not (i) finance the purchase of credit life insurance and (ii) finance, and was not originated in connection with, the "Explorer" program, unless such Loan has been converted to be in connection with the WorldMark program;

(k) *with respect to any Loan sold prior to July 28, 2004*, no Due Date thereunder occurring after the Cut-Off Date or the related Addition Cut-Off Date, as applicable, has been deferred; (*this provision (k) shall not be applicable to Loans sold on or after July 28, 2004*);

(l) with respect to which the related Timeshare Property consists of Vacation Credits or a UDI;

(m) that was originated by the Seller and has been consistently serviced by the Seller or by Wyndham, in each case in the ordinary course of their business and in accordance with the Seller's Customary Practices and Credit Standards and Collection Policies;

(n) that has not been specifically reserved against by the Seller or classified by the Seller as uncollectible or charged off;

(o) that arises from transactions in a jurisdiction in which the Seller is duly qualified to do business, except where the failure to so qualify will not adversely affect or impair the legality, validity, binding effect and enforceability of such Series 2002-1 Loan;

(p) that has not been cancelled or terminated by the related Obligor (regardless of whether such Obligor is legally entitled to do so) and constitutes a legal, valid, binding and enforceable obligation of the related Obligor, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(q) that is fully amortizing pursuant to a required schedule of substantially equal monthly payments of principal and interest;

(r) with respect to which (i) the downpayment has been made; and (ii) neither statutory nor regulatory rescission rights exist with respect to the related Obligor;

(s) that had an Equity Percentage of 10% or more at the time of the sale of the related Timeshare Property to the related Obligor (or, in the case of a Loan relating to a Timeshare Upgrade, an Equity Percentage of 10% or more of the value of all vacation credits owned by the related Obligor);

(t) with respect to which the related Obligor has not at any time made a written request for rescission of such Series 2002-1 Loan or otherwise stated in writing that it does not intend to consummate such Loan or to fully perform under such Series 2002-1 Loan;

(u) with respect to which at least one Scheduled Payment has been made by the Obligor;

(v) as of the Cut-Off Date or related Addition Cut-Off Date, as applicable, has an outstanding loan balance not greater than $100,000; and

(w) that, in the case of a Green Loan, (i) satisfies each of the eligibility criteria set forth in paragraphs (a) through (v) above other than any such criteria that cannot be satisfied due solely to (A) the related Green Timeshare Property being located in a Resort that is not yet complete and ready for occupancy; (B) the Seller not having a valid ownership interest in the related Green Timeshare Property; or (C) the related Green Timeshare Property not having been deeded to the Obligor or legal title not being held by the Nominee; and (ii) the related Green Timeshare Property has a scheduled completion date no more than six months following the Cut-Off Date or related Addition Cut-Off Date, as applicable.

"Excess Concentration Amount" shall have the meaning set forth in the Series 2002-1 Supplement.

"Noteholder" shall mean any Series 2002-1 Noteholder and any holder of a note of any Additional Series.

"PA Supplement" shall have the meaning set forth in the preamble.

"Permitted Deferred Loan" shall mean a Loan with respect to which the Obligor has been granted an extension of the time required to pay the amounts due thereon, provided that (i) any such extension was made in accordance with the Credit Standards and Collection Policies and Customary Practices and (ii) such Loan is not a Delinquent Loan as of the Addition Cut-Off Date.

"Pool Purchase Price" shall have the meaning set forth in Section 3.

"Purchase" shall have the meaning set forth in Section 2(e).

"Purchaser" shall have the meaning set forth in the preamble.

"Repurchase Date" shall have the meaning set forth in Section 7.

"Repurchase Price" shall have the meaning set forth in Section 7.

"Series Termination Date" shall mean, with respect to Series 2002-1, the date on which all obligations with respect to the Series 2002-1 Notes issued under the Series 2002-1 Supplement have been paid in full and the Series 2002-1 Supplement is discharged and, with respect to any Additional Series, the date set forth in the related Indenture and Servicing Agreement.

"Series 2002-1 Additional Loan" shall mean each Additional Loan constituting one of the Series 2002-1 Loans Purchased from the Seller on an Addition Cut-Off Date and listed on Schedule 1 to the related Assignment.

"Series 2002-1 Loan" shall mean each Loan listed from time to time on the Series 2002-1 Loan Schedule whether such Loan is at such time a Series 2002-1 Pledged Loan or is pledged to secure an Additional Series.

"Series 2002-1 Loan Schedule" shall mean the Loan Schedule for the Series 2002-1 Loans.

"Series 2002-1 Noteholder" shall mean any Noteholder under the Series 2002-1 Supplement.

"Series 2002-1 Pledged Loan" shall have the meaning set forth in the Series 2002-1 Supplement.

"Series 2002-1 Supplement" shall mean the supplement to the Master Indenture and Servicing Agreement executed and delivered in connection with the original issuance of the Series 2002-1 Notes and all amendments thereof and supplements thereto.

"Substitution Adjustment Amount" shall have the meaning set forth in Section 7.

Section 2. Sale.

(a) Series 2002-1 Loans. Subject to the terms and conditions and in reliance on the representations, warranties, and covenants and agreements set forth in the Agreement and this PA Supplement, the Seller hereby sells and assigns to the Company, and the Company hereby Purchases from the Seller, without recourse except as specifically set forth herein, all of the Seller's right, title and interest in, to and under the Initial Loans, if any, listed on the Series 2002-1 Loan Schedule delivered on the Closing Date, together with all Transferred Assets relating thereto. The Series 2002-1 Additional Loans existing at the close of business on the related Addition Cut-Off Date and all other Transferred Assets relating thereto shall be sold by the Seller and purchased by the Company on the related Addition Date. Notwithstanding the foregoing, and for avoidance of doubt, the Seller does not assign, and the Purchaser does not agree to assume, any obligations specific to the Seller as developer of any Timeshare Property underlying an Installment Contract.

(b) Filing of Financing Statements. In connection with the foregoing sale, the Seller agrees to record and file a financing statement or statements (and continuation statements or other amendments with respect to such financing statements) with respect to the Series 2002-1 Loans and related Transferred Assets described in Section 2(a) sold by the Seller hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the interests of the Purchaser created hereby under the applicable UCC and to deliver a file-stamped copy of such financing statements and continuation statements (or other amendments) or other evidence of such filings to the Purchaser.

(c) Delivery of Series 2002-1 Loan Schedule. In connection with the sale and conveyance hereunder, the Seller agrees on or prior to the Closing Date and on or prior to the applicable Addition Date (in the case of Additional Series 2002-1 Loans) to indicate or cause to be indicated clearly and unambiguously in its accounting, computer and other records that the Series 2002-1 Loans and related Transferred Assets have been sold to the Purchaser pursuant to this PA Supplement. In addition, in connection with the sale and conveyance hereunder, the Seller agrees on or prior to the Closing Date and on or prior to the applicable Addition Date (in the case of Additional Series 2002-1 Loans) to deliver to the Company a Series 2002-1 Loan Schedule for such Series 2002-1 Loans or Additional Series 2002-1 Loans. The Seller and the Company agree that the Series 2002-1 Loan Schedule shall include all Loans sold under the Agreement and this PA Supplement whether such Loans are Series 2002-1 Pledged Loans or are pledged to secure an Additional Series.

(d) Purchase of Additional Series 2002-1 Loans.

(i) [Reserved].

(ii) The Seller may, with the consent of the Purchaser, designate Eligible Loans to be sold as Additional Series 2002-1 Loans.

(iii) On the Addition Date with respect to any Additional Series 2002-1 Loans, such Additional Series 2002-1 Loans shall become Series 2002-1 Loans, and the Purchaser shall Purchase the Seller's right, title and interest in, to and under the Additional Series 2002-1 Loans and the other related Transferred Assets as provided in the Assignment, subject to the satisfaction of the following conditions on such Addition Date:

(A) The Seller shall have delivered to the Purchaser copies of UCC financing statements covering such Additional Series 2002-1 Loans, if necessary to perfect the Purchaser's first priority interest in such Series 2002-1 Additional Loans and the other related Transferred Assets;

(B) On each of the Addition Cut-Off Date and the Addition Date, the sale of such Additional Series 2002-1 Loans and the other related Transferred Assets to the Purchaser shall not have caused the Seller's insolvency or have been made in contemplation of the Seller's insolvency;

(C) No selection procedure shall have been utilized by the Seller that would result in a selection of such Additional Series 2002-1 Loans (from the Eligible Loans available to the Seller) that would be materially adverse to the interests of the Purchaser as of the Addition Date;

(D) The Seller shall have indicated in its accounting, computer and other records that the Additional Series 2002-1 Loans and the other related Transferred Assets have been sold to the Purchaser and shall have delivered to the Purchaser the required Series 2002-1 Loan Schedule;

(E) The Seller and the Purchaser shall have entered into a duly executed, written assignment substantially in the form of Exhibit B to the Agreement (an "Assignment");

(F) The Seller shall have delivered to the Purchaser an Officer's Certificate of the Seller dated the Addition Date, confirming, to the extent applicable, the items set forth in Section 2(d)(iii) (A) through (E);

(G) The Seller shall have executed the letter agreement relating to the amendment of documents and the letter agreement relating to inspections and audits which agreements were entered into by Wyndham, formerly known as Cendant Timeshare Resort Group – Consumer Finance, Inc., the Purchaser and the Initial Issuer on the date of this PA Supplement; and

(H) The Purchaser shall have paid the Additional Pool Purchase Price as provided in Section 3 of the Agreement.

(iv) The Seller shall have no obligation to sell the Additional Series 2002-1 Loans if it has not been paid the Additional Pool Purchase Price therefor.

(e) Treatment as Sale. It is the express and specific intent of the parties that the sale of the Series 2002-1 Loans and related Transferred Assets from the Seller to the Company as provided in this Section 2 (the "**Purchase**") is and shall be construed for all purposes as a true and absolute sale of such Series 2002-1 Loans and related Transferred Assets, shall be absolute and irrevocable and provide the Company with the full benefits of ownership of the Series 2002-1 Loans and related Transferred Assets and will be treated as such for all federal income tax reporting and all other purposes.

(f) Recharacterization. Without prejudice to the provisions of Section 2(e) providing for the absolute transfer of the Seller's interest in the Series 2002-1 Loans and related Transferred Assets to the Company in order to secure the prompt payment and performance of all of the obligations of the Seller to the Company and the Company's assignees arising in connection with the Agreement, this PA Supplement and the other Facility Documents, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, the Seller hereby assigns and grants to the Company a first priority security interest in all of the Seller's right, title and interest, whether now owned or hereafter acquired, if any, in, to and under all of the Series 2002-1 Loans and related Transferred Assets and the proceeds thereof.

(g) Security Interest in Transferred Assets. The Seller acknowledges that the Series 2002-1 Loans and related Transferred Assets are subject to the Lien of the Series 2002-1 Supplement for the benefit of the Trustee and the Series 2002-1 Noteholders (or to the Collateral Agent on behalf of the Trustee and the Series 2002-1 Noteholders). With respect to Series 2002-1 Loans and related Transferred Assets which have been released from the Lien of the Series 2002-1 Supplement, conveyed to the Company and transferred by the Company to an Additional Issuer, the Seller acknowledges that such Series 2002-1 Loans and related Transferred Assets are subject to the Lien of the applicable Indenture and Servicing Agreement for the benefit of the applicable Trustee and Noteholders.

(h) Transfer of Loans. All Series 2002-1 Loans conveyed to the Company hereunder shall be held by the Custodian pursuant to the terms of the Custodial Agreement for the benefit of the Company, the respective Issuers, the respective Trustees and the Collateral Agent. Upon each Purchase hereunder, the Custodian shall execute and deliver to the Company a certificate acknowledging receipt of the applicable Series 2002-1 Loans pursuant to the Custodial Agreement; provided that, with respect to a Series 2002-1 Loan purchased on a Purchase Date, receipt shall be timely delivered if it is delivered to the Company no later than 30 days after the Purchase Date for that Loan.

The Seller acknowledges that the Company will convey the Series 2002-1 Loans and the other related Transferred Assets to the Initial Issuer or an Additional Issuer and that the Initial Issuer or Additional Issuer will grant a security interest in the Series 2002-1 Loans and other related Transferred Assets to the Collateral Agent pursuant to the applicable Indenture and Servicing Agreement. The Seller agrees that, upon such grant, the Initial Issuer or the Additional Issuer and the Collateral Agent may enforce all of the Seller's obligations hereunder and under the Agreement directly, including without limitation the repurchase obligations of the Seller set forth in Section 7.

Section 3. Purchase Price.

No Series 2002-1 Loans shall be sold on the Closing Date. The purchase price for Additional Loans sold on an Addition Date shall be the Additional Pool Purchase Price.

Section 4. Payment of Purchase Price.

Sections 4(a) through (c) are set forth in the Agreement.

(d) The closing shall take place at the offices of Orrick, Herrington & Sutcliffe LLP, Washington Harbour, 3050 K Street, NW, Washington, D.C. 20007, at 10:00 a.m. local time on the Closing Date, or such other time and place as shall be mutually agreed upon among the parties hereto.

Section 5. Conditions Precedent to Sale of Series 2002-1 Loans and Additional Loans.

(a) Conditions Precedent to Sale of Series 2002-1 Loans. The Purchaser's obligations hereunder to Purchase and pay for the Series 2002-1 Loans and related Transferred Assets are subject to the fulfillment of the following conditions on or before the Closing Date:

(i) (A) The Purchaser shall have received the Series 2002-1 Pool Purchase Agreement relating to each Series 2002-1 Loan executed by all the parties thereto and (B) all conditions precedent to the sale of the Series 2002-1 Pool Loans thereunder shall have been fulfilled to the extent they are capable of being fulfilled prior to the performance by the Purchaser of its obligations under this PA Supplement.

(ii) The representations and warranties of the Seller made in the Agreement and herein shall be true and correct in all material respects on the Closing Date.

(b) Conditions Precedent to Sale of Additional Loans. No Purchase of Additional Loans and related Transferred Assets may be made hereunder until the Purchaser shall have received each of the following in form and substance acceptable to the Purchaser:

(i) Copies of search reports certified by parties acceptable to the Purchaser dated a date reasonably prior to the initial Addition Date (A) listing all effective financing statements which name the Seller (under its present name and any previous names) as debtor or seller and which are filed with respect to the Seller in each relevant jurisdiction, together with copies of such financing statements (none of which shall cover any portion of the Series 2002-1 Loans being purchased from the Seller and related Transferred Assets except as contemplated by the Facility Documents);

(ii) Copies of proper UCC Financing Statement Amendments (Form UCC3), if any, necessary to terminate all security interests and other rights of any Person in the Series 2002-1 Loans being purchased from the Seller and related Transferred Assets previously granted by the Seller (except as contemplated by the Facility Documents);

(iii) Copies of proper UCC Financing Statements (Form UCC1) naming the Seller as debtor or seller of the Series 2002-1 Loans being purchased from the Seller and related Transferred Assets, the Issuer as total assignee and the Purchaser as assignor secured party, and such other similar instruments or documents with respect to the Seller as may be necessary or in the opinion of the Purchaser desirable under the UCC of all appropriate jurisdictions or any comparable law to evidence the perfection of the Purchaser's interest in the Series 2002-1 Loans and related Transferred Assets;

(iv) An opinion or opinions of counsel to the Seller, in the form required by the Purchaser, with respect to the following: (A) certain security interest matters, and (B) "true sale" and substantive consolidation matters; and

(v) Evidence that one or more Lockbox Accounts have been established.

Section 6. Representations and Warranties of the Seller.

(a) [Reserved].

(b) Representations and Warranties Regarding the Series 2002-1 Loans. The Seller represents and warrants to the Company as of the Cut-Off Date and Addition Cut-Off Date as to each Series 2002-1 Loan conveyed on and as of the Closing Date or the related Addition Date, as applicable (except as otherwise expressly stated) as follows:

(xxiii) Loan Schedule. The information set forth in the Series 2002-1 Loan Schedule is true and correct with respect to such Series 2002-1 Loan.

(xxiv) Good Title to Series 2002-1 Loans. The Seller has good and marketable title to such Series 2002-1 Loan free and clear of any Lien other than Permitted Encumbrances. (A) With respect to the related Timeshare Property that consists of a Vacation Credit and the related Loan Documents, the Seller has not sold, assigned or pledged such related Series 2002-1 Loan or any interest therein to any Person other than the Company and (B) with respect to the related Timeshare Property that consists of an UDI, the Assignment of Mortgage of such related Mortgage from the Seller to the Company and each related endorsement of the related Mortgage note constitutes a duly executed, legal, valid, binding and enforceable sale, assignment or endorsement of such related Mortgage and related Mortgage note, and all monies due or to become due thereunder and all proceeds thereof.

(xxv) No Defaults. As of the Cut-Off Date or related Addition Cut-Off Date, as applicable, such Series 2002-1 Loan is not a Defaulted Loan and no event has occurred which, with the taking of any action or the expiration of any grace or cure period or both, would cause such Series 2002-1 Loan to be a Defaulted Loan. The Seller has not waived any such default, breach, violation or event permitting acceleration with respect to such Series 2002-1 Loan.

(xxvi) Equal Installments. Such Series 2002-1 Loan has a fixed Loan Rate and provides for substantially equal monthly payments that fully amortize the Series 2002-1 Loan over its term.

(xxvii) Excess Concentration Amount. The Purchase of such Series 2002-1 Loan occurring on such Closing Date or Addition Date, as applicable, and the inclusion of such Series 2002-1 Loan as a Series 2002-1 Pledged Loan pursuant to the Series 2002-1 Supplement to the Indenture and Servicing Agreement, does not cause an increase in the Excess Concentration Amount.

Sections 6(b)(i) through (xxii) are set forth in the Agreement.

Section 7. Repurchases or Substitution of Series 2002-1 Loans.

The parties understand and agree that references in this Section 7 to the Issuer, Trustee or Master Servicer, shall in each case refer to the Issuer, Trustee or Master Servicer for the Series to which the Loan to be repurchased is then pledged.

(a) Repurchase or Substitution Obligation. Subject to Section 7(b), upon discovery by the Seller or upon written notice from the Company, the Issuer or the Trustee that any Series 2002-1 Loan is a Defective Loan, the Seller shall, within 90 days after the earlier of its discovery or receipt of notice thereof, cure such Defective Loan in all material respects or either (i) repurchase such Defective Loan from the Company or its assignee at the Repurchase Price or (ii) substitute one or more Qualified Substitute Loans for such Defective Loan. For purposes of this Agreement, the term "Repurchase Price" shall mean an amount equal to the outstanding Principal Balance of such Defective Loan as of the close of business on the Due Date immediately preceding the Payment Date on which the repurchase is to be made, plus accrued but unpaid interest thereon to the date of the repurchase. The Company hereby directs

the Seller, for so long as the Indenture and Servicing Agreement is in effect, to make such payment on its behalf to the Collection Account pursuant to Section 7(b). The following defects with respect to documents in any Loan File, solely to the extent they do not impair the validity or enforceability of the subject document under applicable law, shall not be deemed to constitute a breach of the representations and warranties contained in Section 6(b): misspellings of or omissions of initials in names; name changes from divorce or marriage; discrepancies as to payment dates in a Series 2002-1 Loan of no more than 30 days; discrepancies as to Scheduled Payments of no more than $5.00; discrepancies as to origination dates of not more than 30 days; inclusion of additional parties other than the primary Obligor not listed in the Master Servicer's records or in the Series 2002-1 Loan Schedule and non-substantive typographical errors and other non-substantive minor errors of a clerical or administrative nature.

(b) Repurchases and Substitutions. The Seller shall provide written notice to the Company of any repurchase pursuant to Section 7(a) not less than two Business Days prior to the date on which such repurchase is to be effected, specifying the Defective Loan and the Repurchase Price therefor. Upon the repurchase of a Defective Loan pursuant to Section 7(a), the Seller shall deposit the Repurchase Price in the Collection Account on behalf of the Company no later than 12:00 noon, New York time, on the Payment Date on which such repurchase is made (the "**Repurchase Date**").

If the Seller elects to substitute a Qualified Substitute Loan or Loans for a Defective Loan pursuant to this Section 7(b), the Seller shall deliver such Qualified Substitute Loan in the same manner as the other Series 2002-1 Loans sold hereunder, including delivery of the applicable Loan Documents as required pursuant to the Custodial Agreement and satisfaction of the same conditions with respect to such Qualified Substitute Loan as to the Purchase of Additional Loans set forth in Section 2(d)(iii). Payments due with respect to Qualified Substitute Loans prior to the last day of the Due Period next preceding the date of substitution shall not be property of the Company, but will be retained by the Master Servicer and remitted by the Master Servicer to the Seller on the next succeeding Payment Date. Scheduled Payments due on a Defective Loan prior to the last day of the Due Period next preceding the date of substitution shall be property of the Company, and after such last day of the Due Period next preceding the date of substitution the Seller shall be entitled to retain all Scheduled Payments due thereafter and other amounts received in respect of such Defective Loan. The Seller shall cause the Master Servicer to deliver a schedule of any Defective Loans so removed and Qualified Substitute Loans so substituted to the Company and such schedule shall be an amendment to the Series 2002-1 Loan Schedule. Upon such substitution, the Qualified Substitute Loan or Loans shall be subject to the terms of this PA Supplement in all respects, the Seller shall be deemed to have made the representations and warranties with respect to each Qualified Substitute Loan set forth in Section 6(b) of the Agreement and this PA Supplement and Section 6(c) of the Agreement, in each case as of the date of substitution, and the Seller shall be deemed to have made a representation and warranty that each Loan so substituted is an Qualified Substitute Loan as of the date of substitution. The Seller shall be obligated to repurchase or substitute for any Eligible Substitute Loan as to which the Seller has breached the Seller's representations and warranties in Section 6(b) to the same extent as for any other Series 2002-1 Loan, as provided herein. In connection with the substitution of one or more Qualified Substitute Loans for one or more Defective Loans, the Master Servicer shall determine the amount (such amount, a "Substitution Adjustment Amount"), if any, by which the aggregate principal balance of all such Qualified Substitute

Loans as of the date of substitution is less than the aggregate principal balance of all such Defective Loans (after application of the principal portion of the Scheduled Payments due in the month of substitution that are to be distributed to the Company in the month of substitution). The Seller shall deposit the amount of such shortfall into the Collection Account in immediately available funds on the date of substitution, without any reimbursement therefor.

Upon each repurchase or substitution, the Company shall automatically and without further action sell, transfer, assign, set over and otherwise convey to the Seller, without recourse, representation or warranty, all of the Company's right, title and interest in and to the related Defective Loan, the related Timeshare Property, the Loan File relating thereto and any other related Transferred Assets, all monies due or to become due with respect thereto and all Collections with respect thereto (including payments received from Obligors from and including the last day of the Due Period next preceding the date of transfer, subject to the payment of any Substitution Adjustment Amount). The Company shall execute such documents, releases and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Seller to effect the conveyance of such Defective Loan, the related Timeshare Property and related Loan File pursuant to this Section 7(b).

Promptly after the occurrence of a Repurchase Date and after the repurchase of Defective Loans in respect of which the Repurchase Price has been paid on such date, the Seller shall direct the Master Servicer to delete such Defective Loans from the Series 2002-1 Loan Schedule.

The obligation of the Seller to repurchase or substitute for any Defective Loan shall constitute the sole remedy against the Seller with respect to any breach of the representations and warranties set forth in Section 6(b) available hereunder to the Company or its successors or assigns.

(c) Repurchases of Series 2002-1 Loans that Become Defaulted Loans. If any Series 2002-1 Loan becomes a Defaulted Loan during any Due Period, the Seller may repurchase such Defaulted Loan from the Company or its assignees at the Repurchase Price therefor and in accordance with the additional provisions applicable to repurchases of Defective Loans under Section 7(b).

(d) Maximum Repurchases. Notwithstanding anything to the contrary in the Agreement or this PA Supplement, no Defaulted Loans shall be repurchased by the Seller to the extent that the aggregate principal balance of all Defaulted Loans so repurchased is greater than the Defaulted Loan Repurchase Cap.

Section 8. Covenants of the Seller.

Section 8 is set forth in the Agreement.

Section 9. Representations and Warranties of the Company.

Section 9 is set forth in the Agreement.

Section 10. Covenants of the Company.

Section 10 is set forth in the Agreement.

Section 11. Miscellaneous Provisions.

Sections 11(a) through (j) are set forth in the Agreement.

(k) Ratification of Agreement. As supplemented by this PA Supplement, the Agreement is in all respects ratified and confirmed and the Agreement as so supplemented by this PA Supplement shall be read, taken and construed as one and the same instrument.

(l) Amendment. This PA Supplement may be amended from time to time or the provisions hereof may be waived or otherwise modified by the parties hereto by written agreement signed by the parties hereto.

(m) Counterparts. This PA Supplement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

(n) GOVERNING LAW. THIS PA SUPPLEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING §5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

(o) Successors and Assigns. This PA Supplement shall be binding upon each of the Seller and the Company and their respective permitted successors and assigns, and shall inure to the benefit of, and be enforceable by, each of the Seller and the Company and each of the Issuer, the Trustee, the Collateral Agent and the Noteholders.

IN WITNESS WHEREOF, the parties have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

TRENDWEST RESORTS, INC.

By: /s/ Michael A. Hug
Name: Michael A. Hug
Title: Senior Vice President and Chief Financial Officer

SIERRA DEPOSIT COMPANY, LLC

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

SCHEDULE 1

SERIES 2002-1 LOAN SCHEDULE

[Previously delivered and delivered at each Addition Date.]

Exhibit 10.15

EXECUTION COPY

MASTER POOL PURCHASE AGREEMENT

dated as of August 29, 2002

Amended and Restated as of July 7, 2006

by and between

SIERRA DEPOSIT COMPANY, LLC
as Depositor

and

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC
as Issuer

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MASTER POOL PURCHASE AGREEMENT

THIS MASTER POOL PURCHASE AGREEMENT (the "Agreement") dated as of August 29, 2002 as amended and restated as of July 7, 2006 is made by and between SIERRA DEPOSIT COMPANY, LLC, a Delaware limited liability company, as depositor (the "Depositor") and SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC, a Delaware limited liability company, as issuer (the "Issuer"). This Agreement contains provisions previously contained in the Series 2002-1 Supplement dated as of August 29, 2002 relating to the Issuer's Loan-Backed Variable Funding Notes, Series 2002-1. The Series 2002-1 Supplement is incorporated into this Agreement and the Series 2002-1 PPA Supplement has ceased to exist.

RECITALS

WHEREAS, the Depositor has purchased certain Pool Loans and related Pool Assets (including an interest in the Timeshare Properties underlying such Pool Loans) from Wyndham and Trendwest (collectively with other sellers of Pool Loans that may be named in the future, the "Sellers") pursuant to the applicable Purchase Agreements and related PA Supplements and from time to time hereafter will purchase from the Sellers additional Pool Loans and related Pool Assets; and

WHEREAS, the Depositor wishes to sell to the Issuer the Pool Loans and related Pool Assets that the Depositor now owns and the Pool Loans and related Pool Assets that the Depositor from time to time hereafter will own, and the Issuer is willing to purchase such Pool Loans and related Pool Assets from the Depositor from time to time on the terms and subject to the conditions contained in this Agreement;

WHEREAS, the Issuer intends to grant security interests in the Pool Loans and related Pool Assets that it purchases from the Depositor to the Collateral Agent on behalf of the Trustee and the holders of Notes issued pursuant to a Master Indenture and Servicing Agreement of even date herewith, together with the Indenture Supplement thereto (collectively, the "Indenture and Servicing Agreement"), each by and between the Issuer, Wyndham, as Master Servicer, the Trustee and the Collateral Agent.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

Section 1. Definitions.

All terms used but not otherwise specifically defined herein shall have the meanings ascribed to them in the Purchase Agreements. Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Addition Cut-Off Date" shall mean any Addition Cut-Off Date under the applicable Purchase Agreement.

"Addition Date" shall mean any Addition Date under the applicable Purchase Agreement.

"Additional Issuer" shall mean an entity which is a subsidiary of the Depositor, other than the Issuer, which purchases Loans from the Depositor with the proceeds of a Series of Notes issued by such entity and pledges such Loans to secure such Series of Notes.

"Additional Pool Loan" shall mean a Loan (including Trendwest Timeshare Upgrades purchased by the Depositor from an Additional Issuer) constituting one of the Pool Loans purchased from the Depositor on an Addition Date and listed on Schedule 1 to the related Assignment.

"Additional Pool Loan Purchase Price" shall have the meaning set forth in Section 3.

"Agreement" shall have the meaning set forth in the preamble.

"Assignment" shall have the meaning set forth in Section 2(b).

"Cendant" shall mean Cendant Corporation or any successor thereof.

"Cendant Guaranty" means that Performance Guaranty dated as of August 29, 2002 given by Cendant in favor of the Issuer, the Depositor and the Trustee.

"Closing Date" shall mean August 30, 2002.

"Cut-Off Date" shall mean August 27, 2002.

"Cut-Off Date Pool Principal Balance" shall have the meaning set forth in Section 3.

"Deal Agent" shall mean Bank of America, N.A. as Deal Agent under the note purchase agreement, dated as of August 29, 2002 and amended and restated as of July 7, 2006 relating to the Series 2002-1 Notes, among the Issuer, Wyndham, the Purchaser, the Conduits and Alternate Investors named therein and the Class Agents named therein.

"Defective Loan" shall mean any Defective Loan under the applicable Purchase Agreement.

"Depositor" shall have the meaning set forth in the preamble.

"Depositor Indemnified Amounts" shall have the meaning set forth in Section 14.

"Depositor Indemnified Party" shall have the meaning set forth in Section 14.

"Due Date" shall mean, with respect to any Pool Loan, the date on which an Obligor is required to make a Scheduled Payment thereon.

"Effective Date" shall mean the date on which Wyndham Worldwide and its subsidiaries cease to be subsidiaries of Cendant.

"Eligible Pool Loan" shall mean any Pool Loan that is an Eligible Loan as defined in the applicable PA Supplement.

"Facility Documents" shall mean, collectively, this Agreement, the Purchase Agreements, the Series 2002-1 PA Supplement, the Indenture and Servicing Agreement, each Indenture Supplement, the Custodial Agreement, the Lockbox Agreements, the Collateral Agency Agreement, the Title Clearing Agreements, the Loan Conveyance Documents, the Depositor Administrative Services Agreement, the Issuer Administrative Services Agreement, the Financing Statements, each Subordinated Note and all other agreements, documents and instruments delivered pursuant thereto or in connection therewith.

"FRI" shall mean Fairfield Resorts, Inc., a Delaware corporation.

"Indenture and Servicing Agreement" shall have the meaning set forth in the recitals.

"Indenture Supplement" shall mean the supplement to the Indenture and Servicing Agreement setting forth the terms of the Series 2002-1 Notes, and all amendments thereof and supplements thereto.

"Independent Director" shall mean an individual who is an Independent Director as defined in the Limited Liability Company Agreement of the Depositor or the Issuer, as applicable, as in effect on the date of this Agreement.

"Initial Pool Loans" shall mean the Pool Loans listed on the Pool Loan Schedule on the Closing Date.

"Installment Contract" shall mean any Installment Contract under the applicable Purchase Agreement.

"Issuer" shall have the meaning set forth in the preamble.

"Issuer Administrative Services Agreement" shall mean the Administrative Services Agreement dated as of August 29, 2002 by and between Wyndham as administrator and the Issuer, as amended from time to time.

"Loan" shall have the meaning assigned to that term in the applicable Purchase Agreement.

"Mortgage" shall have the meaning assigned to that term in the applicable Purchase Agreement.

"Notes" shall mean the Series 2002-1 Notes issued by the Issuer pursuant to the Indenture and Servicing Agreement and the Indenture Supplement.

"Obligor" shall have the meaning assigned to that term in the applicable Purchase Agreement.

"Originator" shall have the meaning assigned to that term in the applicable Purchase Agreement.

"PA Supplement" shall mean any supplement to a Purchase Agreement relating to Loans constituting collateral for a particular Series of Notes.

"Performance Guarantor" (i) prior to the Effective Date shall mean Cendant and (ii) on and after the Effective Date shall mean Wyndham Worldwide.

"Performance Guaranty" (i) prior to the Effective Date shall mean the Cendant Guaranty and (ii) on and after the Effective Date shall mean the Wyndham Worldwide Guaranty.

"Permitted Encumbrance" shall have the meaning assigned to that term in the applicable Purchase Agreement.

"Pool Assets" shall mean any and all right, title, and interest of the Depositor in, to and under (a) the Pool Loans from time to time and the related Transferred Assets and all of the Depositor's rights under the Purchase Agreements and the Performance Guaranty, (b) the Pool Collections and (c) the proceeds of any of the foregoing.

"Pool Collections" shall mean all funds that are received on account of or otherwise in connection with the Pool Loans, including without limitation (a) all Collections in respect of any Pool Loans, (b) all amounts received from any Seller in respect of amounts relating to Repurchase Prices and Substitution Adjustment Amounts under the applicable PA Supplement or from the Performance Guarantor in respect of any payments made by the Performance Guarantor as guarantor of the obligations of the Seller or the Master Servicer under the Performance Guaranty.

"Pool Loan" shall mean each Loan that is listed on the Pool Loan Schedule on the Closing Date and Additional Pool Loans that are listed from time to time on such Pool Loan Schedule.

"Pool Loan Conveyance Documents" shall mean, with respect to any Pool Loan, (a) the Assignment of Additional Pool Loans in the form of Exhibit A, if applicable, and (b) any such other releases, documents, instruments or agreements as may be required by the Depositor, the Issuer or the Trustee in order to more fully effect the sale (including any prior assignments) of such Pool Loan and any other related Pool Assets.

"Pool Loan Purchase Price," for the Pool Assets shall have the meaning set forth in Section 3.

"Pool Loan Schedule" shall mean the list of Loans attached as Schedule 1, as amended from time to time on each Addition Date and Repurchase Date as provided in Section 8(b) of this Agreement, which list shall set forth the same information with respect to each Pool Loan as required in the Loan Schedules for the applicable Purchase Agreement.

"Purchase" shall mean the sale of Loans and related Transferred Assets from the Depositor to the Issuer.

"Purchase Agreement" shall mean each of the Master Loan Purchase Agreement dated as of August 29, 2002 by and between Wyndham as seller, the Depositor as purchaser and the other parties named in such agreement; or the Master Loan Purchase Agreement dated as of

August 29, 2002 by and between Trendwest as Seller and the Depositor as purchaser, in each case as such agreements may be amended, modified or supplemented from time to time in accordance with the terms thereof, and any other purchase agreement relating to the purchase of Loans from a Seller by the Depositor.

"Repurchase Date," shall have the meaning set forth in Section 9(b).

"Repurchase Price," for each Series, shall have the meaning set forth in Section 9(a)

"Schedule 1-A Pool Loan" shall have the meaning set forth in Section 12.

"Schedule 1-B Pool Loan" shall have the meaning set forth in Section 12.

"Seller" shall have the meaning set forth in the recitals to this Agreement.

"Seller Subsidiary" shall mean any Subsidiary of a Seller, other than the Depositor or the Issuer.

"Series 2002-1 Additional Pool Loan" shall mean each Loan constituting one of the Series 2002-1 Pool Loans Purchased from the Depositor on an Addition Date and listed on Schedule 1 to the related Assignment.

"Series 2002-1 Indenture Supplement" shall mean the supplement to the Master Indenture and Servicing Agreement executed and delivered in connection with the original issuance of the Series 2002-1 Notes and all amendments thereof and supplements thereto.

"Series 2002-1 Notes" shall mean the Sierra Timeshare Conduit Receivables Funding, LLC Loan-Backed Variable Funding Notes, Series 2002-1 issued under the Indenture and Servicing Agreement and the Series 2002-1 Indenture Supplement.

"Series 2002-1 Pool Loan" means each Loan listed from time to time on the Series 2002-1 Pool Loan Schedule.

"Series 2002-1 Pool Loan Schedule" shall mean the Pool Loan Schedule for the Series 2002-1 Pool Loans.

"Series 2002-1 PA Supplement" shall mean each PA Supplement relating to the Series 2002-1 Loans.

"Series 2002-1 Purchase Agreement" shall mean each Purchase Agreement relating to the Series 2002-1 Loans, in each case as amended by the Series 2002-1 PA Supplement thereto.

"Series 2002-1 Supplement" shall mean the PPA Supplement dated as of August 29, 2002 entered into in connection with the issuance of the Series 2002-1 Notes and subsequently incorporated into this Agreement. On and after November 14, 2005, references to the Series 2002-1 Supplement to this Agreement shall refer to this Agreement.

"Subordinated Note" shall mean the Wyndham Subordinated Note, the Trendwest Subordinated Note and any other subordinated note delivered by a Seller to the Issuer pursuant to a Series 2002-1 PA Supplement.

"Substitution Adjustment Amount" shall have the meaning set forth in Section 9(c).

"Term Purchase Agreement" shall mean a purchase agreement between the Depositor and an Additional Issuer pursuant to which the Depositor sells Loans to the Additional Issuer and the Additional Issuer purchases such Loans for the purpose of pledging the Loans to secure a Series of Notes.

"Timeshare Property" shall have the meaning set forth in the applicable Purchase Agreement.

"Trendwest" shall mean Trendwest Resorts, Inc., an Oregon corporation.

"Trendwest Timeshare Upgrade" shall mean a Loan which was sold to the Depositor by Trendwest and with respect to which the Obligor purchases a Timeshare Upgrade.

"Trustee" shall mean the entity serving as trustee under the Indenture and Servicing Agreement.

"WorldMark" shall mean WorldMark, The Club, a California not-for-profit mutual benefit corporation.

"Wyndham" shall mean Wyndham Consumer Finance, Inc., a Delaware corporation formerly known as Cendant Timeshare Resort Group – Consumer Finance, Inc. and prior to that known as Fairfield Acceptance Corporation—Nevada, domiciled in Nevada and a wholly-owned indirect Subsidiary of FRI.

"Wyndham Worldwide" shall mean Wyndham Worldwide Corporation and its successors and assigns.

"Wyndham Worldwide Guaranty" means that Performance Guaranty dated as of July 7, 2006 given by Wyndham Worldwide in favor of the Issuer, the Depositor and the Trustee.

Section 2. Purchase and Sale.

(a) Agreement. Upon the terms and subject to the conditions hereof, the Issuer hereby Purchases from the Depositor, and the Depositor hereby sells and assigns to the Issuer without recourse except as specifically set forth herein, all of the Depositor's right, title and interest in, to and under the Initial Pool Loans listed on the Series 2002-1 Pool Loan Schedule delivered on the Closing Date, together with all other Pool Assets relating thereto.

The Series 2002-1 Pool Loan Schedule sets forth a list of all Series 2002-1 Pool Loans as of the Closing Date and indicates whether each such Loan shall be designated a Schedule 1-A Pool Loan or a Schedule 1-B Pool Loan. The Series 2002-1 Additional Pool Loans existing at the close of business on each Addition Cut-Off Date and all other Pool Assets relating thereto

shall be sold by the Depositor and purchased by the Issuer on the related Addition Date. In connection with the sale and conveyance hereunder, the Depositor agrees on or prior to the Closing Date and on or prior to each Addition Date (in the case of Series 2002-1 Additional Pool Loans) to indicate or cause to be indicated clearly and unambiguously in its accounting, computer and other records that the Series 2002-1 Pool Loans and the related Pool Assets have been sold to the Issuer pursuant to this PPA Supplement. In addition, in connection with the sale and conveyance hereunder, the Depositor agrees on or prior to the Closing Date and on or prior to each Addition Date (in the case of Series 2002-1 Additional Pool Loans) to deliver to the Issuer a Series 2002-1 Pool Loan Schedule for such Series 2002-1 Pool Loans and Series 2002-1 Additional Pool Loans.

(b) Purchase of Series 2002-1 Additional Pool Loans.

(i) [Reserved].

(ii) The Depositor may agree with the Issuer that Eligible Loans will be sold by the Depositor to the Issuer as Series 2002-1 Additional Pool Loans.

(iii) On the Addition Date with respect to any Series 2002-1 Additional Pool Loans, such Series 2002-1 Additional Pool Loans shall become Series 2002-1 Loans, and the Issuer shall Purchase the Series 2002-1 Additional Pool Loans and the related Pool Assets as provided in the Assignment, subject to the satisfaction of the following conditions on such Addition Date:

(A) The Depositor shall have delivered to the Issuer copies of UCC financing statements covering such Series 2002-1 Additional Pool Loans, if necessary to perfect the Issuer's first priority interest in such Series 2002-1 Additional Pool Loans and the related Pool Assets;

(B) On each of the Addition Cut-Off Date and the Addition Date, the sale of such Series 2002-1 Additional Pool Loans and the related Pool Assets to the Issuer shall not have caused the Depositor's insolvency or have been made in contemplation of the Depositor's insolvency;

(C) No selection procedure shall have been utilized by the Depositor that would result in a selection of such Series 2002-1 Additional Pool Loans (from the Eligible Loans available to the Depositor) that would be materially adverse to the interests of the Issuer as of the Addition Date;

(D) The Depositor shall have indicated in its accounting, computer and other records that the Series 2002-1 Additional Pool Loans and the related Pool Assets have been sold to the Issuer and shall have delivered to the Issuer the required Series 2002-1 Pool Loan Schedule;

(E) The Depositor and the Issuer shall have entered into a duly executed, written assignment substantially in the form of Exhibit A to this Agreement (an "Assignment");

(F) The Depositor shall have delivered to the Issuer an Officer's Certificate of the Depositor dated the Addition Date, confirming, to the extent applicable, the items set forth in Section 2(b)(iii) (A) through (E); and

(G) The Issuer shall have paid the Additional Pool Loan Purchase Price as provided in Section 3 hereof.

(iv) On the initial Addition Date with respect to any Series 2002-1 Additional Pool Loans acquired by the Depositor from Trendwest, as a Seller under a Purchase Agreement, the Issuer shall Purchase the Series 2002-1 Additional Pool Loans and the related Pool Assets as provided in the Agreement only upon receipt by the Issuer of each of the following on such Addition Date in form and substance acceptable to the Issuer and counsel to the Deal Agent:

(A) Copies of search reports certified by parties acceptable to the Issuer dated a date reasonably prior to such Addition Date (x) listing all effective financing statements which name the applicable Seller and the Depositor (under their present name and any previous names) as debtor or seller and which are filed with respect to the applicable Seller and the Depositor in each relevant jurisdiction, together with copies of such financing statements (none of which shall cover any portion of the Series 2002-1 Additional Pool Loans that are being purchased from Trendwest and related Pool Assets except as contemplated by the Facility Documents) and (y) listing all effective financing statements which name the Issuer (under its present name and any previous names) as debtor or seller and which are filed with respect to the Issuer in each relevant jurisdiction, together with copies of such financing statements (none of which shall cover any portion of Series 2002-1 Additional Pool Loans that are being purchased from Trendwest and related Pool Assets except as contemplated by the Facility Documents);

(B) Copies of proper UCC Financing Statement Amendments (Form UCC3), if any, necessary to terminate all security interests and other rights of any Person in the Series 2002-1 Additional Pool Loans that are being purchased from Trendwest and related Pool Assets previously granted by the applicable Seller, the Depositor or the Issuer (except as contemplated by the Facility Documents);

(C) Copies of (x) proper UCC Financing Statements (Form UCC1) naming the Depositor as debtor or seller of the Series 2002-1 Additional Pool Loans that are being purchased from Trendwest and related Pool Assets, the Trustee as total assignee and the Issuer as assignor secured party, (y) proper UCC Financing Statements (Form UCC1) naming the Issuer as debtor or seller of the Series 2002-1 Additional Pool Loans that are being purchased from Trendwest and related Pool Assets and the Trustee as secured party or purchaser and (z) such other similar

instruments or documents with respect to the applicable Seller as may be necessary or in the opinion of the Purchaser desirable under the UCC of all appropriate jurisdictions or any comparable law to evidence the perfection of the Trustee's interest in the Series 2002-1 Additional Pool Loans that are being purchased from Trendwest and related Pool Assets; and

(D) An opinion or opinions of counsel to the Depositor, in the form required by the Issuer, with respect to the following: (x) certain security interest matters, and (y) "true sale" and substantive consolidation matters.

(c) [Reserved] .

(d) No Assumption. The sales and purchases of Pool Assets do not constitute and are not intended to result in a creation or an assumption by the Issuer or its successors and assigns of any obligation of any Seller, the Depositor or any other Person in connection with the Pool Assets (other than such obligations as may arise from the ownership of the Pool Assets) or under the related Series 2002-1 Pool Loans or any other agreement or instrument relating thereto, including without limitation any obligation to any Obligors. None of the Issuer or the Issuer's assignees shall have any obligation or liability to any Obligor or other customer or client of any Seller (including without limitation any obligation to perform any of the obligations of any Seller under any Loan or related Timeshare Property or any other agreement or any obligation of any Seller), except such obligations as may arise from the ownership of the Pool Assets.

(e) No Recourse. Except as specifically provided in this Agreement, the sale and Purchase of the Pool Assets under this Agreement shall be without recourse to the Depositor; provided, however, that the Depositor shall be liable to the Issuer and its successors and assigns for all representations, warranties, covenants and indemnities made by it pursuant to the terms of this Agreement (it being understood that such obligations of the Depositor will not arise solely on account of the credit related inability of an Obligor to make a required Scheduled Payment).

(f) True Sales. The Depositor and the Issuer intend the transfers of Pool Assets hereunder to be true sales by the Depositor to the Issuer that are absolute and irrevocable and to provide the Issuer with the full benefits of ownership of the Pool Assets, and neither the Depositor nor the Issuer intends the transactions contemplated hereunder to be loans from the Issuer to the Depositor secured by the Pool Assets.

(g) Servicing of Pool Assets. Consistent with the Issuer's ownership of all Pool Assets and subject to the terms of the Series 2002-1 Pool Loans, as between the parties to this Agreement, the Issuer shall have the sole right to service, administer and collect all Pool Assets, to assign such right and to delegate such right to others. In consideration of the Issuer's Purchase of the Pool Assets, the Depositor hereby acknowledges and agrees that the Issuer intends to assign to the Collateral Agent for the benefit of the Trustee for the benefit of the Noteholders the rights and interests conveyed by the Depositor to the Issuer hereunder, and agrees to cooperate fully with the Issuer and its successors and assigns in the exercise of such rights.

(h) Financing Statements. In connection with the foregoing sale, the Depositor agrees to record and file a financing statement or statements (and continuation statements or other amendments with respect to such financing statements) with respect to the Pool Assets sold by the Depositor hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the interests of the Issuer created hereby under the applicable UCC and to deliver a file-stamped copy of each such financing statement and continuation statement (or other amendment) or other evidence of such filings to the Issuer.

(i) Recharacterization. Without prejudice to the provisions of Section 2(f) providing for the absolute transfer of the Depositor's interest in the Pool Assets and the proceeds thereof to the Issuer, in order to secure the prompt payment and performance of all obligations of the Depositor to the Issuer and the Issuer's assignees arising in connection with this Agreement, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, the Depositor hereby assigns and grants to the Issuer a first priority perfected security interest in all of the Depositor's right, title and interest, whether now owned or hereafter acquired, if any, in, to and under all of the Series 2002-1 Pool Loans and the other related Pool Assets and the proceeds thereof.

(j) Transfer of Pool Loans. All Series 2002-1 Pool Loans conveyed to the Issuer hereunder shall be held by the Custodians pursuant to the terms of the applicable Custodial Agreements.

The Depositor acknowledges that the Issuer will grant a security interest in the Series 2002-1 Pool Loans and other related Pool Assets to the Collateral Agent pursuant to the Indenture and Servicing Agreement. The Depositor agrees that, upon such grant, the Collateral Agent or the Trustee may enforce all of Depositor's obligations hereunder and under the Pool Purchase Agreement directly, including without limitation the repurchase obligations of the Depositor set forth in Section 9.

Section 3. Pool Loan Purchase Price.

The Series 2002-1 Pool Loans had an aggregate unpaid principal balance of $280,127,904.13 at the Cut-Off Date (such aggregate unpaid principal balance at the Cut-Off Date being referred to herein as the "Cut-Off Date Pool Principal Balance"). The purchase price (the "Pool Loan Purchase Price") for the Series 2002-1 Pool Loans sold on the Closing Date shall be $280,127,904.13.

The Depositor shall have no obligation to sell any Series 2002-1 Additional Pool Loan to the Issuer if it has not been paid the Additional Pool Loan Purchase Price therefor.

The purchase price for any Additional Pool Loans and the related Pool Assets (the "Additional Pool Loan Purchase Price") conveyed to the Issuer under this Agreement on each Addition Date shall be a dollar amount equal to the aggregate outstanding principal balance of such Additional Pool Loans sold on such Addition Date, adjusted to reflect the fair market value thereof.

Section 4. Payment of Purchase Price.

(a) Closing Dates. On the terms and subject to the conditions of this Agreement, payment of the Pool Loan Purchase Price for the Pool Loans and the related Pool Assets transferred on each Closing Date shall be made by the Issuer on such Closing Date in immediately available funds to the Depositor to such accounts at such banks as the Depositor shall designate to the Issuer not less than one Business Day prior to such Closing Date.

(b) Manner of Payment of Additional Pool Loan Purchase Price. On the terms and subject to the conditions of this Agreement, the Issuer shall pay to the Depositor, on each other Business Day on which any Pool Assets are purchased from the Depositor by the Issuer pursuant to this Agreement, the Additional Pool Loan Purchase Price for such Pool Assets by paying such Additional Pool Loan Purchase Price to the Depositor in cash.

(c) Payment of Adjustments. The Depositor shall pay to the Issuer in cash, on the date of receipt by the Depositor, any payment in respect of Repurchase Prices or Substitution Adjustment Amounts relating to the Pool Assets made by any Seller to the Depositor pursuant to any Purchase Agreement. The Depositor shall instruct the Sellers to deposit all payments in respect of such Repurchase Prices and Substitution Adjustment Amounts directly in the Collection Account.

(d) Payment. Payment for and delivery of the Series 2002-1 Pool Loans being purchased by the Issuer on the Closing Date shall take place at a closing at the offices of Orrick, Herrington & Sutcliffe LLP, Washington Harbour, 3050 K Street, NW, Washington, D.C. 20007, at 10:00 A.M. local time on the Closing Date, or such other time and place as shall be mutually agreed upon among the parties hereto.

Section 5. Conditions Precedent to Sale of Pool Loans.

The Issuer's obligations hereunder to purchase and pay for the Pool Assets on the Closing Date are subject to the fulfillment of the following conditions on or before the Closing Date:

(a) (i) The Issuer shall have received the Series 2002-1 Purchase Agreement relating to each Series 2002-1 Pool Loan and the Indenture and Servicing Agreement executed by all parties thereto and (ii) all conditions precedent to the sale of the Series 2002-1 Loans under each Series 2002-1 Purchase Agreement shall have been fulfilled to the extent they are capable of being fulfilled prior to the performance by the Issuer of its obligations under this Agreement.

(b) The representations and warranties of each Seller, each Seller Subsidiary and the Depositor made in the Series 2002-1 Purchase Agreements and the representations and warranties of the Depositor in this Agreement shall be true and correct in all material respects on the Closing Date.

Section 6. Representations and Warranties of the Depositor.

The Depositor represents and warrants as of the Closing Date and as of each Addition Date, or as of such other date specified in such representation and warranty, that:

(a) The Depositor is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and has full limited liability company power, authority and legal right to own its properties and conduct its business as such properties are presently owned and as such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement. The Depositor is duly qualified to do business and is in good standing as a foreign entity, and has obtained all necessary licenses and approvals in each jurisdiction necessary to carry on its business as presently conducted and to perform its obligations under this Agreement.

(b) The execution, delivery and performance by the Depositor of each of the Facility Documents to which it is a party and the consummation by the Depositor of the transactions provided for in this Agreement and each other Facility Document to which it is a party have been duly authorized by the Depositor by all necessary limited liability company action.

(c) This Agreement and each other Facility Document to which it is a party has been duly and validly executed and delivered by the Depositor and constitutes the legal, valid and binding obligation of the Depositor, enforceable against it in accordance with its respective terms, except as such enforceability may be subject to or limited by Debtor Relief Laws or by general principles of equity (whether considered in a suit at law or in equity).

(d) The execution, delivery and performance by the Depositor of this Agreement and each other Facility Document to which it is a party and the consummation by the Depositor of the transactions contemplated hereby and thereby do not contravene (i) the Depositor's limited liability company agreement, (ii) any law, rule or regulation applicable to the Depositor, (iii) any contractual restriction contained in any material indenture, loan or credit agreement, lease, mortgage, deed of trust, security agreement, bond, note, or other material agreement or instrument binding on the Depositor or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting the Depositor or its properties (except where such contravention would not have a Material Adverse Effect with respect to the Depositor or its properties), and do not result in (except as provided in the Facility Documents) or require the creation of any Lien upon or with respect to any of its properties; and no transaction contemplated hereby requires compliance with any bulk sales act or similar law. To the extent that this representation is being made with respect to Title I of ERISA or Section 4975 of the Code, it is made subject to the assumption that none of the assets being used to purchase the Pool Loans and Pool Assets constitute assets of any Benefit Plan or Plan with respect to which the Depositor is a party in interest or disqualified person.

(e) There are no proceedings or investigations pending, or to the best knowledge of the Depositor threatened, against the Depositor before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality (A) asserting the invalidity of this Agreement or any other Facility Document to which it is a party, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Facility Document to which it is a party, (C) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or any other Facility Document to which it is a party or (D) seeking any determination or ruling that would, if adversely determined, be reasonably likely to have a Material Adverse Effect with respect to the Depositor.

(f) All approvals, authorizations, consents or orders of any court or governmental agency or body required in connection with the execution and delivery by the Depositor of this Agreement or any other Facility Document to which it is a party, the consummation by it of the transactions contemplated hereby or thereby and the performance by it of, and the compliance by it with, the terms hereof or thereof, have been obtained, except where the failure to do so would not have a Material Adverse Effect with respect to the Depositor.

(g) The Depositor, both prior to and immediately after giving effect to the sale of Pool Loans to the Issuer on such date, (A) is not insolvent (as such term is defined in the Bankruptcy Code), (B) is able to pay its debts as they become due and (C) does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage.

(h) The Depositor has observed the applicable legal requirements on its part for the recognition of the Depositor as a legal entity separate and apart from each of the Seller, the Seller Subsidiaries and any of their respective Affiliates.

It is understood and agreed that the representations and warranties contained in this Section 6 shall remain operative and in full force and effect, shall survive the transfer and conveyance of the Pool Loans by the Depositor to the Issuer and the grant of a security interest in the Pool Assets by the Issuer to the Collateral Agent and shall inure to the benefit of the Issuer, the Trustee, the Collateral Agent and the Noteholders and their respective designees, successors and assigns.

The Depositor hereby assigns to the Issuer its rights relating to the Series 2002-1 Pool Loans under the related Purchase Agreements, including without limitation any rights the Depositor may have to payments due from the related Seller for repurchases of Defective Loans (as such term is defined in such Purchase Agreement) resulting from the breach of representations and warranties made under such Purchase Agreement.

Section 7. Affirmative Covenants of the Depositor.

From and after the date hereof until the termination of this Agreement, the Depositor shall:

(a) Separate Legal Entity. Take such actions as shall be required on its part in order that the identity of the Depositor as a legal entity separate from each of the Sellers, the Seller Subsidiaries and any of their respective Affiliates will be recognized, including:

(i) The Depositor will conduct its business in office space allocated to it and for which it pays an appropriate rent and overhead allocation;

(ii) The Depositor will maintain corporate records and books of account separate from those of the Sellers, the Seller Subsidiaries, their respective Affiliates and the Issuer and telephone numbers and stationery that are separate and distinct from those of the Seller, the Seller Subsidiaries, their respective Affiliates and the Issuer;

(iii) The Depositor's assets will be maintained in a manner that facilitates their identification and segregation from those of any of the Sellers, the Seller Subsidiaries, their respective Affiliates and the Issuer;

(iv) The Depositor will strictly observe corporate formalities in its dealings with the public and with the Sellers, the Seller Subsidiaries, their respective Affiliates and the Issuer and, except as contemplated by the Facility Documents, funds or other assets of the Depositor will not be commingled with those of any of the Sellers, the Seller Subsidiaries, their respective Affiliates and the Issuer. The Depositor will at all times, in its dealings with the public and with the Sellers, the Seller Subsidiaries, their respective Affiliates and the Issuer, hold itself out and conduct itself as a legal entity separate and distinct from the Sellers, the Seller Subsidiaries, their respective Affiliates and the Issuer. The Depositor will not maintain joint bank accounts or other depository accounts to which any of the Sellers, the Seller Subsidiaries or their respective Affiliates (other than the Master Servicer) has independent access;

(v) The duly elected board of directors of the Depositor and duly appointed officers of the Depositor will at all times have sole authority to control decisions and actions with respect to the daily business affairs of the Depositor;

(vi) Not less than one member of the Depositor's board of directors will be an Independent Director. The Depositor will observe those provisions in its limited liability agreement that provide that the Depositor's board of directors will not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Depositor unless the Independent Director and all other members of the Depositor's board of directors unanimously approve the taking of such action in writing prior to the taking of such action;

(vii) The Depositor will compensate each of its employees, consultants and agents from the Depositor's own funds for services provided to the Depositor; and

(viii) The Depositor will not hold itself out to be responsible for the debts of any of the Sellers, the Seller Subsidiaries or their respective Affiliates.

(b) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations, judgments, decrees and orders (including without limitation those relating to the Loans and related Timeshare Properties), in each case to the extent that any such failure to comply, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect with respect to the Depositor.

(c) Preservation of Corporate Existence. Preserve and maintain its limited liability company existence, rights, franchises and privileges in the jurisdiction of its formation and qualify and remain qualified in good standing as a foreign entity in each jurisdiction in which the failure to preserve and maintain such qualification as a foreign corporation could reasonably be expected to have a Material Adverse Effect with respect to the Depositor.

(d) Keeping of Records and Books of Account. Mark its computer files, books and records to indicate the sale of all Pool Assets to the Issuer hereunder.

(e) Payment of Taxes. To the extent required by applicable law, file (or cause to be filed on its behalf as a member of a consolidated group) all tax returns and reports required by law to be filed by it and pay all taxes, assessments and governmental charges thereby shown to be owing by it, except for any such taxes, assessments or charges (i) that are being diligently contested in good faith by appropriate proceedings, for which adequate reserves in accordance with GAAP have been set aside on its books and that have not given rise to any Liens (other than Permitted Encumbrances) or (ii) the amount of which, either singly or in the aggregate, would not have a Material Adverse Effect with respect to the Depositor.

(f) Turnover of Collections. If the Depositor or any of its agents or representatives at any time receives any cash, checks or other instruments constituting Pool Collections, segregate and hold such payments in trust for, and in a manner acceptable to, the Master Servicer and promptly upon receipt (and in any event within two Business Days following receipt) remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the applicable Collection Account.

Section 8. Negative Covenants of the Depositor.

From and after the date hereof until the final Series Termination Date, the Depositor agrees that it will not:

(a) Sales, Liens, Etc. Sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Lien (other than Permitted Encumbrances) of anyone claiming by or through it on or with respect to, any Pool Asset or any interest therein, other than sales of Pool Assets pursuant to this Agreement.

(b) No Mergers, Etc. Consolidate with or merge with or into any other Person or convey, transfer or sell (other than to the Issuer) all or substantially all of its properties and assets to any Person.

(c) Change in Name. Change its name or its type or jurisdiction of organization unless the Depositor has given the Issuer and its assignees and the rating agencies then rating the Series 2002-1 Notes at least 30 days' prior written notice thereof and taken all action necessary or reasonably requested by the Trustee to amend its existing financing statements and file additional financing statements in all applicable jurisdictions in order to perfect and maintain the perfection of the ownership interest or security interest of the Issuer in the Pool Loans and the related Pool Assets.

(d) Indebtedness. Create, incur or permit to exist, or give any guarantee or indemnity in respect of, any indebtedness except for (A) liabilities created or incurred by the Depositor pursuant to the Facility Documents or contemplated by such Facility Documents and (B) other reasonable and customary operating expenses; provided that the Depositor shall not

incur any indebtedness for borrowed money in excess of $9,500 unless the related creditor shall agree in writing to a non-petition covenant substantially similar to Section 15(h)(ii) hereof for the benefit of the Depositor.

(e) Amendments, Etc. Permit the validity or effectiveness of any Facility Document to which it is a party or the rights and obligations created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any amendment to any Facility Document to which it is a party without the consent of the Issuer and the Deal Agent, or permit any Person whose obligations form part of the Pool Assets to be released from such obligations, except in accordance with the terms of such Facility Document.

(f) Capital Expenditures. Incur or make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty).

(g) Limitation on Business. Engage in any business other than financing, purchasing, owning and selling and managing the Pool Assets in the manner contemplated by the Facility Documents and any Term Purchase Agreement and all activities incidental thereto, or enter into or be a party to any agreement or instrument other than any Facility Document, any Term Purchase Agreement or documents and agreements incidental thereto.

(h) Capital Contributions. Except as contemplated by the Facility Documents or a Term Purchase Agreement, or in connection with the creation of an Additional Issuer, make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person without the consent of the holders of a majority of the outstanding principal amount of the Notes.

Section 9. Repurchases or Substitutions of Pool Loans for Breach of Representations and Warranties.

(a) Repurchase or Substitution Obligation. Subject to Section 9(b), upon discovery by the Depositor or the related Seller or upon written notice from the Issuer or the Trustee that any Series 2002-1 Pool Loan is a Defective Loan, the Depositor shall, or shall cause the applicable Seller to, within 90 days after the earlier of the discovery or receipt of notice thereof, cure such Defective Loan in all material respects or either (i) repurchase such Defective Loan from the Issuer or its assignee at the Repurchase Price or (ii) substitute one or more Qualified Substitute Loans for such Defective Loan. For purposes of this Agreement, the term "Repurchase Price" shall mean an amount equal to the outstanding Principal Balance of such Defective Loan as of the close of business on the Due Date immediately preceding the Payment Date on which the repurchase is to be made, plus accrued but unpaid interest thereon to the date of such repurchase. The Issuer hereby directs the Depositor, for so long as the Indenture and Servicing Agreement is in effect, to make such payment on its behalf to the Collection Account pursuant to Section 9(b). The following defects with respect to documents in any Loan File, solely to the extent they do not impair the validity or enforceability of the subject document

under applicable law, shall not be deemed to constitute a breach of the representations and warranties contained in Section 6(b) of the related Purchase Agreement: misspellings of or omissions of initials in names; name changes from divorce or marriage; discrepancies as to payment dates in a Series 2002-1 Pool Loan of no more than 30 days; discrepancies as to Scheduled Payments of no more than $5.00; discrepancies as to origination dates of not more than 30 days; inclusion of additional parties other than the primary Obligor not listed in the Master Servicer's records or in the Series 2002-1 Pool Loan Schedule and non-substantive typographical errors and other non-substantive minor errors of a clerical or administrative nature.

(b) Repurchases and Substitutions. The Depositor shall provide written notice to the Issuer of any repurchase pursuant to Section 9(a) not less than two Business Days prior to the date on which such repurchase is to be effected, specifying the Defective Loan and the Repurchase Price therefor. Upon the repurchase of a Defective Loan pursuant to Section 9(a), the Depositor shall deposit, or shall cause the applicable Seller to deposit, the Repurchase Price in the Collection Account on behalf of the Issuer no later than 12:00 noon, New York time, on the Payment Date on which such repurchase is made (the "Repurchase Date").

(c) Delivery Requirements. If the applicable Seller elects to substitute a Qualified Substitute Loan or Loans for a Defective Loan pursuant to the applicable PA Supplement, the Depositor shall deliver, or shall cause the applicable Seller to deliver, such Qualified Substitute Loan in the same manner as the other Series 2002-1 Pool Loans sold hereunder, including delivery of the applicable Loan Documents as required pursuant to the applicable Custodial Agreement and satisfaction of the same conditions with respect to such Qualified Substitute Loan as to the Purchase of Additional Pool Loans set forth in Section 2(b)(iii). No Qualified Substitute Loan shall be selected in a manner adverse to the Issuer or its assignees. Payments due with respect to Qualified Substitute Loans prior to the last day of the Due Period next preceding the date of substitution shall not be property of the Issuer, but will be retained by the Master Servicer and remitted by the Master Servicer to the Depositor for payment to the applicable Seller on the next succeeding Payment Date. Scheduled Payments due on a Defective Loan prior to the last day of the Due Period next preceding the date of substitution shall be property of the Issuer, and from and after such last day of the Due Period next preceding the date of substitution all Scheduled Payments due and other amounts received in respect of such Defective Loan shall be the property of the Depositor or the applicable Seller. The Depositor shall cause the Master Servicer to deliver a schedule of any Defective Loans so removed and Qualified Substitute Loans so substituted to the Issuer. Upon each such substitution, the Qualified Substitute Loan or Loans shall be subject to the terms of this PPA Supplement in all respects, and the representations and warranties of the applicable Seller under the related Purchase Agreement and PA Supplement with respect to each Qualified Substitute Loan shall be assigned to the Issuer hereunder. The Depositor shall be obligated to repurchase or substitute, or to cause the applicable Seller to repurchase or substitute, for any Qualified Substitute Loan as to which such Seller has breached such Seller's representations and warranties in Section 6(b) of the related Purchase Agreement or applicable PA Supplement to the same extent as for any other Series 2002-1 Pool Loan, as provided herein or therein. In connection with the substitution of one or more Qualified Substitute Loans for one or more Defective Loans, the Depositor shall deposit, or shall cause the applicable Seller to deposit, an amount equal to the related Substitution Adjustment Amount (as defined in the related Purchase Agreement), if any (the "Substitution Adjustment Amount"), into the applicable Collection Account on the date of substitution, without any reimbursement therefor.

Upon each repurchase or substitution, the Issuer shall automatically and without further action sell, transfer, assign, set over and otherwise convey to the Depositor or to the related Seller, if applicable, without recourse, representation or warranty, all of the Issuer's right, title and interest in and to such Defective Loan, the related Timeshare Property, the Loan File relating thereto and any other related Pool Assets, all monies due or to become due with respect thereto and all Pool Collections with respect thereto (including payments received from Obligors from and including the last day of the Due Period next preceding the date of transfer, subject to the payment of any Substitution Adjustment Amount). The Issuer shall execute such documents, releases and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Depositor or the Seller to effect the conveyance of such Defective Loan, the related Timeshare Property and related Loan File pursuant to this Section 9(c).

Promptly after the occurrence of a Repurchase Date and after the repurchase of or substitution for Defective Loans in respect of which the Repurchase Price has been paid or one or more Qualified Substitute Loans has been substituted therefor on such date, the Depositor shall direct the Master Servicer to delete such Defective Loans from the Series 2002-1 Pool Loan Schedule.

The obligation of the Depositor to repurchase or substitute for any Defective Loan shall constitute the sole remedy against the Depositor, the Sellers or their Affiliates with respect to any breach of the representations and warranties set forth in Section 6(b) of the applicable Purchase Agreement available hereunder to the Issuer or its successors or assigns.

Section 10. Representations and Warranties of the Issuer.

The Issuer represents and warrants as of each Closing Date and as of each Addition Date, or as of such other date specified in such representation and warranty, that:

(a) The Issuer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and has full limited liability company power, authority, and legal right to own its properties and conduct its business as such properties are presently owned and as such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement. The Issuer is duly qualified to do business and is in good standing as a foreign entity, and has obtained all necessary licenses and approvals in each jurisdiction necessary to carry on its business as presently conducted and to perform its obligations under this Agreement.

(b) The execution, delivery and performance by the Issuer of each of the Facility Documents to which it is a party and the consummation by the Issuer of the transactions provided for in this Agreement and each other Facility Document to which it is a party have been duly authorized by the Issuer by all necessary limited liability company action.

(c) This Agreement and each other Facility Document to which it is a party constitutes the legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its respective terms, except as such enforceability may be subject to or limited by Debtor Relief Laws or by general principles of equity (whether considered in a suit at law or in equity).

(d) The execution, delivery and performance by the Issuer of this Agreement and each other Facility Document to which it is a party and the consummation by the Issuer of the transactions contemplated hereby and thereby do not contravene (i) the Issuer's limited liability company agreement, (ii) any law, rule or regulation applicable to the Issuer, (iii) any contractual restriction contained in any material indenture, loan or credit agreement, lease, mortgage, deed of trust, security agreement, bond, note, or other material agreement or instrument binding on the Issuer or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting the Issuer or its properties (except where such contravention would not have a Material Adverse Effect with respect to the Issuer or its properties), and do not result in (except as provided in the Facility Documents) or require the creation of any Lien upon or with respect to any of its properties; and no transaction contemplated hereby requires compliance with any bulk sales act or similar law. To the extent that this representation is being made with respect to Title I of ERISA or Section 4975 of the Code, it is made subject to the assumption that none of the assets being used to purchase the Pool Loans and Pool Assets constitute assets of any Benefit Plan or Plan with respect to which the Issuer is a party in interest or disqualified person.

(e) There are no proceedings or investigations pending, or to the best knowledge of the Issuer threatened, against the Issuer before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality (A) asserting the invalidity of this Agreement or any other Facility Document to which it is a party, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Facility Document to which it is a party, (C) seeking any determination or ruling that would adversely affect the validity or enforceability of this Agreement or any other Facility Document to which it is a party or (D) seeking any determination or ruling that would, if adversely determined, be reasonably likely to have a Material Adverse Effect with respect to the Issuer.

(f) All approvals, authorizations, consents or orders of any court or governmental agency or body required in connection with the execution and delivery by the Issuer of this Agreement or any other Facility Document to which it is a party, the consummation by it of the transactions contemplated hereby or thereby and the performance by it of, and the compliance by it with, the terms hereof or thereof, have been obtained, except where the failure to do so would not have a Material Adverse Effect with respect to the Issuer.

(g) The Issuer (A) is not insolvent (as such term is defined in the Bankruptcy Code), (B) is able to pay its debts as they become due and (C) does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage.

(h) The Issuer has observed the applicable legal requirements on its part for the recognition of the Issuer as a legal entity separate and apart from each of the Seller, the Seller Subsidiaries and any of their respective Affiliates.

Section 11. Affirmative Covenants of the Issuer.

From and after the date hereof until the termination of this Agreement, the Issuer shall take such actions as shall be required on its part in order that the identity of the Issuer as a legal entity separate from the Depositor, the Sellers, the Seller Subsidiaries and any of their respective Affiliates will be recognized, including:

(i) The Issuer will conduct its business in office space allocated to it and for which it pays an appropriate rent and overhead allocation;

(ii) The Issuer will maintain corporate records and books of account separate from those of the Depositor, the Sellers, the Seller Subsidiaries and their respective Affiliates and telephone numbers and stationery that are separate and distinct from those of the Sellers, the Seller Subsidiaries and their respective Affiliates;

(iii) The Issuer's assets will be maintained in a manner that facilitates their identification and segregation from those of any of the Depositor, the Sellers, the Seller Subsidiaries and their respective Affiliates;

(iv) The Issuer will strictly observe corporate formalities in its dealings with the public and with the Depositor, the Sellers, the Seller Subsidiaries and their respective Affiliates and, except as contemplated by the Facility Documents, funds or other assets of the Issuer will not be commingled with those of any the Depositor, the Sellers, the Seller Subsidiaries and their respective Affiliates. The Issuer will at all times, in its dealings with the public and with any of the Depositor, the Sellers, the Seller Subsidiaries and their respective Affiliates, hold itself out and conduct itself as a legal entity separate and distinct from the Depositor, the Sellers and their respective Affiliates. The Issuer will not maintain joint bank accounts or other depository accounts to which any of the Depositor, the Sellers, the Seller Subsidiaries and their respective Affiliates (other than the Master Servicer) has independent access;

(v) The duly elected board of directors of the Issuer and duly appointed officers of the Issuer will at all times have sole authority to control decisions and actions with respect to the daily business affairs of the Issuer;

(vi) Not less than one member of the Issuer's board of directors will be an Independent Director. The Issuer will observe those provisions in its limited liability company agreement that provide that the Issuer's board of directors will not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Issuer unless the Independent Director and all other members of the Issuer's board of directors unanimously approve the taking of such action in writing prior to the taking of such action;

(vii) The Issuer will compensate each of its employees, consultants and agents from the Issuer's own funds for services provided to the Issuer; and

(viii) The Issuer will not hold itself out to be responsible for the debts of any of the Depositor, the Sellers, the Seller Subsidiaries and their respective Affiliates.

Section 12. Depositor Repurchases.

(a) Optional Substitution of Schedule 1-A Pool Loans. On each Closing Date and each Addition Date, the Depositor shall designate the Pool Loans, if any, Purchased on such date that will be subject to optional substitution in whole or in part by the Depositor (such Pool Loans, the "Schedule 1-A Pool Loans"), and such Pool Loans shall be listed as Schedule 1-A Pool Loans in the Pool Loan Schedule. All other Pool Loans Purchased by the Issuer from the Depositor on any Closing Date or Addition Cut-Off Date (the "Schedule 1-B Pool Loans") shall be listed as Schedule 1-B Pool Loans in the Pool Loan Schedule and shall not be subject to optional substitution pursuant to this Section 12. The Depositor may not change the designation of any Pool Loan from a Schedule 1-B Pool Loan to a Schedule 1-A Pool Loan.

(b) [Reserved.]

(c) Substitutions. Schedule 1-A Pool Loans and any other Pool Loans subject to substitution pursuant to this Section 12 shall be removed from the Schedule 1-A Pool Loans and another Pool Loan substituted therefore by the Depositor subject to the notice and re-conveyance provisions applicable to Defective Loans substitution provisions of the related PPA Supplement.

(d) Condition Precedent to Substitution of Pool Loans. No removal and substitution of any Pool Loans shall be made under Section 12 of this Agreement on any date unless the Depositor provides a Pool Loan in substitution for the Pool Loan released in accordance with the provisions applicable to substitution for Defective Loans.

(e) Repurchases of Series 2002-1 Pool Loans that Become Defaulted Loans. The Depositor hereby acknowledges the Sellers' option to repurchase certain Defaulted Loans directly from the Issuer on the terms and subject to the terms and conditions set forth in the applicable Series 2002-1 PA Supplements.

Section 13. [Reserved.]

Section 14. Indemnities by the Depositor.

Without limiting any other rights that any Depositor Indemnified Party may have hereunder or under applicable law, the Depositor agrees to indemnify the Issuer and each of its successors, permitted transferees and assigns (including the Trustee for the benefit of Noteholders), and all officers, directors, shareholders, controlling Persons, employees and agents of any of the foregoing (each of the foregoing Persons, a "Depositor Indemnified Party"), from and against any and all damages, losses, claims (whether on account of settlements or otherwise), actions, suits, demands, judgments, liabilities (including penalties), obligations or disbursements of any kind or nature and related costs and expenses (including reasonable attorneys' fees and disbursements) awarded against or incurred by any of them, arising out of or as a result of any of the following (all of the foregoing, collectively, "Depositor Indemnified Losses"):

(a) any representation or warranty made by the Depositor under any of the Facility Documents having been untrue or incorrect in any respect when made or deemed to have been made; provided, however, that the Depositor's obligation to repurchase Defective Loans pursuant to Section 9 with respect to any representation assigned to the Issuer pursuant to this Agreement having been incorrect when made shall be the only remedy available to the Issuer or its assignees relating to such incorrect representation;

(b) the failure to vest and maintain in the Issuer a first priority perfected ownership or security interest in the Pool Assets, free and clear of any Lien arising through the Depositor or anyone claiming through or under the Depositor; or

(c) any failure of the Depositor to perform its duties or obligations in accordance with the provisions of any Facility Documents to which it is a party.

Notwithstanding the foregoing, no indemnification payments shall be payable by the Depositor pursuant to this Section 14 except to the extent of funds available to the Depositor for such purpose.

Notwithstanding the foregoing (and with respect to clause (ii) below, without prejudice to the rights that the Issuer may have pursuant to the other provisions of this Agreement or the provisions of any of the other Facility Documents), in no event shall any Depositor Indemnified Party be indemnified for any Depositor Indemnified Losses (i) resulting from negligence or willful misconduct on the part of such Depositor Indemnified Party, (ii) to the extent the same includes losses in respect of Pool Assets and reimbursement therefor that would constitute credit recourse to the Depositor for the amount of any Pool Asset not paid by the related Obligor or (iii) resulting from the action or omission of the Master Servicer.

If for any reason the indemnification provided in this Section 14 is unavailable to a Depositor Indemnified Party or is insufficient to hold a Depositor Indemnified Party harmless, then the Depositor shall contribute to the maximum amount payable or paid to such Depositor Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Depositor Indemnified Party on the one hand and the Depositor on the other hand, but also the relative fault of such Depositor Indemnified Party and the Depositor, and any other relevant equitable considerations.

Section 15. Miscellaneous.

(a) Amendment. This Agreement may be amended from time to time or the provisions hereof may be waived or otherwise modified by the parties hereto or thereto by written agreement signed by the parties hereto or thereto.

(b) Assignment. The Issuer has the right to assign its interest under this Agreement as may be required to effect the purposes of the Indenture and Servicing Agreement without the consent of the Depositor, and the assignee shall succeed to the rights hereunder of the Issuer. In addition, but only to the extent allowed by the Indenture and Servicing Agreement, each of the Collateral Agent and the Trustee has the right to assign its interest hereunder without the written consent of the Depositor and the assignee shall succeed to the rights hereunder or thereunder of Collateral Agent or Trustee.

(c) Counterparts. This Agreement may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

(d) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING § 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

(e) Notices. All demands and notices hereunder shall be in writing and shall be deemed to have been duly given, if personally delivered at or mailed by registered mail, postage prepaid, or by express delivery service, to (i) in the case of Depositor, Sierra Deposit Company, LLC, 10750 West Charleston Blvd., Suite 130, Mailstop 2067, Las Vegas, Nevada 89135, Attention: President, or such other address as may hereafter be furnished to the Issuer and (ii) in the case of the Issuer, Sierra Timeshare Conduit Receivables Funding, LLC, 10750 West Charleston Blvd., Suite 130, Mailstop 2046, Las Vegas, Nevada 89135, Attention: President, or such other address an may be furnished to the Depositor.

(f) Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

(g) Successors and Assigns. This Agreement shall be binding upon the Depositor and the Issuer and their respective successors and assigns, as may be permitted hereunder, and shall inure to the benefit of, and be enforceable by, the Depositor and the Issuer and each of the Collateral Agent, the Trustee and the Noteholders.

(h) No Proceedings.

(i) The Depositor hereby agrees that it will not institute against the Issuer or join any other Person in instituting against the Issuer any proceeding under any Debtor Relief Law so long as the Termination Date shall not have occurred or there shall not have elapsed one year plus one day since the Termination Date. The foregoing shall not limit the right of the Depositor to file any claim in or otherwise take any action with respect to any proceeding under any Debtor Relief Law that was instituted against the Issuer by any Person other than the Depositor.

(ii) The Issuer hereby agrees that it will not institute against the Depositor or WorldMark or join any other Person in instituting against the Depositor or WorldMark any proceeding under any Debtor Relief Law so long as the Termination Date shall not have occurred or there shall not have elapsed one year plus one day since the Termination Date. The foregoing shall not limit the right of the Issuer to file any claim in or otherwise take any action with respect to any proceeding under any Debtor Relief Law that was instituted against the Depositor or WorldMark by any Person other than the Issuer.

(i) Recourse to the Depositor. Except to the extent expressly provided otherwise in the Facility Documents, the obligations of the Depositor under the Facility Documents to which it is a party are solely the obligations of the Depositor, and no recourse shall be had for payment of any fee payable by or other obligation of or claim against the Depositor that arises out of any Facility Document to which the Depositor is a party against any director, officer or employee of the Depositor. The provisions of this Section 15(i) shall survive the termination of this Agreement.

(j) Recourse to the Issuer. Except to the extent expressly provided otherwise in the Facility Documents, the obligations of the Issuer under the Facility Documents to which it is a party (i) are solely the obligations of the Issuer, and no recourse shall be had for payment of any fee payable by or other obligation of or claim against the Issuer that arises out of any Facility Document to which the Issuer is a party against any director, officer or employee of the Issuer and (ii) are payable solely from funds available to the Issuer under the Indenture and Servicing Agreement for such purpose. The provisions of this Section 15(j) shall survive the termination of this Agreement.

(k) Confidentiality. The Issuer agrees to maintain the confidentiality of any information regarding the Sellers, the Seller Subsidiaries, the Depositor, Cendant and Wyndham Worldwide obtained in accordance with the terms of this Agreement that is not publicly available; provided, however, that the Issuer may reveal such information (i) as necessary or appropriate in connection with the administration or enforcement of this Agreement or its funding of Purchases under this Agreement, (ii) as required by law, government regulation, court proceeding or subpoena and (iii) as necessary or appropriate in connection with the financing statements filed pursuant to this Agreement.

IN WITNESS WHEREOF, the parties have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

SIERRA DEPOSIT COMPANY, LLC
as Depositor

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC
as Issuer

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

[Signature page for Amended and Restated Pool Purchase Agreement]

Pool Loan Schedule

[Previously delivered and delivered at each Addition Date.]

Schedule 1-A Loans

Schedule 1-B Loans

EXHIBIT A

FORM OF ASSIGNMENT OF ADDITIONAL POOL LOANS

ASSIGNMENT NO. __ OF ADDITIONAL POOL LOANS dated as of _____, by and between SIERRA DEPOSIT COMPANY, LLC, a Delaware limited liability company, as depositor (the "Depositor") and SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING, LLC, a Delaware limited liability company, as issuer (the "Issuer"), pursuant to the Agreement referred to below.

WITNESSETH:

WHEREAS, the Depositor and the Issuer are parties to the Master Pool Purchase Agreement dated as of August 29, 2002 (as such agreement may have been, or may from time to time be, further amended, supplemented or otherwise modified, the "Agreement");

WHEREAS, pursuant to the Agreement, the Depositor wishes to designate Additional Pool Loans to be included as Pool Loans, and the Depositor wishes to sell its right, title and interest in and to the Additional Pool Loans to the Issuer pursuant to this Assignment and the Agreement; and

WHEREAS, the Issuer wishes to purchase such Additional Pool Loans subject to the terms and conditions hereof.

NOW, THEREFORE, the Depositor and the Issuer hereby agree as follows:

1. Defined Terms. All capitalized terms used herein shall have the meanings ascribed to them in the Agreement unless otherwise defined herein.

"Addition Cut-Off Date" shall mean, with respect to the Additional Pool Loans, _____.

"Addition Date" shall mean, with respect to the Additional Pool Loans, _____.

"Additional Pool Assets" shall have the meaning set forth in Section 3(a).

"Additional Pool Loans" shall mean the Additional Pool Loans that are sold hereby and listed on Schedule 1.

2. Designation of Additional Pool Loans. The Depositor delivers herewith a Series 2002-1 Pool Loan Schedule containing a true and complete list of the Additional Pool Loans. Such Series 2002-1 Pool Loan Schedule is incorporated into and made part of this Assignment, shall be Schedule 1 to this Assignment and shall supplement Schedule 1 to the Agreement. All Additional Pool Loans listed as Schedule 1-A Loans or Schedule 1-B Loans on such Pool Loan Schedule shall be Schedule 1-A Loans or Schedule 1-B Loans, respectively, for all purposes under the Agreement.

3. Sale of Additional Pool Loans.

(a) The Depositor does hereby sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse except as provided in the Agreement, all of the Depositor's right, title and interest in, to and under (i) all Additional Pool Loans and related Pool Assets owned by the Depositor on the Addition Date and all rights of the Depositor under the Purchase Agreements and the Performance Guaranty with respect to the Additional Pool Loans, (ii) all Pool Collections with respect thereto and (iii) all proceeds of any of the foregoing (collectively, the "Additional Pool Assets").

In connection with the foregoing sale and if necessary, the Depositor agrees to record and file one or more financing statements (and continuation statements or other amendments with respect to such financing statements when applicable) with respect to the Additional Pool Assets meeting the requirements of applicable law in such manner and in such jurisdictions as are necessary to perfect the sale of the Additional Pool Assets to the Issuer, and to deliver a file-stamped copy of such financing statements and continuation statements (or other amendments) or other evidence of such filing to the Issuer.

In connection with the foregoing sale, the Depositor further agrees, on or prior to the date of this Assignment, to cause the portions of its computer files relating to the Additional Pool Loans sold on such date to the Issuer to be clearly and unambiguously marked to indicate that each such Additional Pool Loan and the other Additional Pool Assets have been sold on such date to the Issuer pursuant to the Agreement and this Assignment.

It is the express and specific intent of the parties that the transfer of the Additional Pool Loans and the other Additional Pool Assets from the Depositor to the Issuer as provided is and shall be construed for all purposes as a true and absolute sale of such Additional Pool Loans and Additional Pool Assets, shall be absolute and irrevocable and provide the Issuer with the full benefits of ownership of the Additional Pool Loans and the other Additional Pool Assets. Without prejudice to the preceding sentence providing for the absolute transfer of the Depositor's interest in the Additional Pool Loans and other Additional Pool Assets to the Issuer, in order to secure the prompt payment and performance of all obligations of the Depositor to the Issuer under the Agreement, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, the Depositor hereby assigns and grants to the Issuer a first priority security interest in all of the Depositor's right, title and interest, whether now owned or hereafter acquired, if any, in, to and under all of the Additional Pool Loans and the other Additional Pool Assets and the proceeds thereof. The Depositor acknowledges that the Additional Pool Loans and other Additional Pool Assets are subject to the Lien of the Indenture and Servicing Agreement for the benefit of the Collateral Agent on behalf of the Trustee and the Noteholders.

4. Acceptance by the Issuer. The Issuer hereby acknowledges that, prior to or simultaneously with the execution and delivery of this Assignment, the Depositor delivered to the Issuer the Pool Loan Schedule described in Section 2 of this Assignment with respect to all Additional Pool Loans.

5. Representations and Warranties of the Depositor. The Depositor hereby represents and warrants to the Issuer on the Addition Date that each representation and warranty to be made

by it on such Addition Date pursuant to the Agreement is true and correct, and that each such representation and warranty is hereby incorporated herein by reference as though fully set out in this Assignment.

6. Ratification of the Agreement. The Agreement is hereby ratified, and all references to the Agreement shall be deemed from and after the Addition Date to be references to the Agreement as supplemented and amended by this Assignment. Except as expressly amended hereby, all the representations, warranties, terms, covenants and conditions of the Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or consent to non-compliance with any term or provision of the Agreement.

7. Counterparts. This Assignment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

8. GOVERNING LAW. THIS ASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING § 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICT OF LAW PRINCIPLES.

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

IN WITNESS WHEREOF, each of the parties hereto has caused this Assignment to be duly executed by their respective officers as of the day and year first written above.

SIERRA DEPOSIT COMPANY, LLC
as Depositor

By: _____
Name:
Title:

SIERRA TIMESHARE CONDUIT
RECEIVABLES FUNDING, LLC
as Issuer

By: _____
Name:
Title:

Exhibit 10.31
EXECUTION COPY

$1,200,000,000

CREDIT AGREEMENT

Dated as of July 7, 2006

among

WYNDHAM WORLDWIDE CORPORATION,
as Borrower

THE LENDERS REFERRED TO HEREIN,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

CITICORP USA, INC.,
as Syndication Agent,

BANK OF AMERICA, N.A.,
THE BANK OF NOVA SCOTIA
and
THE ROYAL BANK OF SCOTLAND PLC,
as Documentation Agents,

and

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,
as Co-Documentation Agent

J.P. MORGAN SECURITIES INC. and
CITIGROUP GLOBAL MARKETS INC.
as Joint Lead Arrangers and Joint Bookrunners

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SCHEDULES

EXHIBITS

CREDIT AGREEMENT (the "Agreement") dated as of July 7, 2006, among WYNDHAM WORLDWIDE CORPORATION, a Delaware corporation (the "Borrower"), the lenders referred to herein (the "Lenders"), CITICORP USA, INC., as syndication agent (the "Syndication Agent"), BANK OF AMERICA, N.A., THE BANK OF NOVA SCOTIA and THE ROYAL BANK OF SCOTLAND PLC, as documentation agents (the "Documentation Agents"), CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as co-documentation agent (the "Co-Documentation Agent"), and JPMORGAN CHASE BANK, N.A., as administrative agent (the "Administrative Agent"; together with the Syndication Agent, the Documentation Agents and the Co-Documentation Agent, the "Agents") for the Lenders.

The parties hereto hereby agree as follows:

1. DEFINITIONS

For the purposes hereof unless the context otherwise requires, the following terms shall have the meanings indicated, all accounting terms not otherwise defined herein shall have the respective meanings accorded to them under GAAP and all terms defined in the New York Uniform Commercial Code and not otherwise defined herein shall have the respective meanings accorded to them therein:

"Act" shall have the meaning assigned to such term in Section 10.16.

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Section 2.

"Affiliate" shall mean as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, a Person shall be deemed to be "controlled by" another if such latter Person possesses, directly or indirectly, power either to (i) vote 10% or more of the securities having ordinary voting power for the election of directors of such controlled Person or (ii) direct or cause the direction of the management and policies of such controlled Person whether by contract or otherwise (it being understood that, upon the consummation of the Spin-Off, Cendant, Avis Budget Holdings, LLC, Realogy Corporation, Travelport Inc., their respective Subsidiaries and any successors to such entities shall not be Affiliates of the Borrower).

"Aggregate Exposure" shall mean, with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender's Commitments at such time and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender's Term Loans and (ii) the amount of such Lender's Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage" shall mean, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards to the nearest 1/16 of 1% if not already an integral multiple of 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect for such day and (b) the Federal Funds Effective Rate in effect for such day plus $^1/_2$ of 1%. For purposes hereof, "Prime Rate" shall mean the rate per annum publicly

announced by the Administrative Agent from time to time as its prime rate in effect at its principal office in New York City. For purposes of this Agreement, any change in the Alternate Base Rate due to a change in the Prime Rate shall be effective on the date such change in the Prime Rate is publicly announced as effective. "Federal Funds Effective Rate" shall mean, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate, for any reason, including, without limitation, the inability or failure of the Administrative Agent to obtain sufficient bids or publications in accordance with the terms hereof, the Alternate Base Rate shall be determined without regard to clause (b) until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Federal Funds Effective Rate shall be effective on the effective date of such change in the Federal Funds Effective Rate.

"Applicable Law" shall mean, with respect to any Person, all provisions of statutes, rules, regulations and orders of governmental bodies or regulatory agencies applicable to such Person, and all binding orders and decrees of all courts and arbitrators in proceedings or actions in which the Person in question is a party or is subject.

"Assignment and Acceptance" shall mean an agreement in the form of Exhibit C hereto, executed by the assignor, assignee and the other parties as contemplated thereby.

"Australian Dollars" or "A$" shall mean lawful money of Australia.

"Basis Point" shall mean 1/100th of 1%.

"Board" shall mean the Board of Governors of the Federal Reserve System.

"Borrowing" shall mean a group of Loans of a single Interest Rate Type made by the Lenders (or in the case of a Competitive Borrowing, by the Lender or Lenders whose Competitive Bids have been accepted pursuant to Section 2.8) on a single date and as to which a single Interest Period is in effect.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in the State of New York are permitted to close;provided, however, that when used in connection with (x) a LIBOR Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollar deposits or deposits in any Optional Currency, as applicable, on the London Interbank market and (y) a Local Competitive Loan, the term "Business Day" shall also exclude any day on which banks are not open for general business in the principal financial center of the relevant jurisdiction.

"Calculation Time" shall have the meaning assigned to such term in Section 2.27(a).

"Canadian Dollars" or "C$" shall mean lawful money of Canada.

"Capital Lease" shall mean as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee which, in accordance with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

"Cash Collateral Account" shall mean a collateral account established with the Administrative Agent, in the name of the Administrative Agent and under its sole dominion and control, into which the Borrower or any Subsidiary Borrower shall from time to time deposit Dollars, or Cash equivalents, in the case of any such deposit made pursuant to Section 2.28(g), pursuant to the express provisions of this Agreement requiring such deposit.

"Cash Equivalents" shall mean any of the following, to the extent acquired for investment and not with a view to achieving trading profits: (i) obligations fully backed by the full faith and credit of the United States of America maturing not in excess of twelve months from the date of acquisition, (ii) commercial paper maturing not in excess of twelve months from the date of acquisition and rated at least "P-1" by Moody's or "A-1" by S&P on the date of such acquisition, (iii) the following obligations of any Lender or any domestic commercial bank having capital and surplus in excess of $500,000,000, which has, or the holding company of which has, a commercial paper rating meeting the requirements specified in clause (ii) above: (a) time deposits, certificates of deposit and acceptances maturing not in excess of twelve months from the date of acquisition, or (b) repurchase obligations with a term of not more than thirty days for underlying securities of the type referred to in clause (i) above, (iv) money market funds that invest exclusively in interest bearing, short-term money market instruments and adhere to the minimum credit standards established by Rule 2a-7 of the Investment Company Act of 1940 (17 C.F.R. §270.2A-7 (April 1, 2004), and (v) municipal securities: (a) for which the pricing period in effect is not more than twelve months long and (b) rated at least "P-1" by Moody's or "A-1" by S&P.

"Cendant" shall mean Cendant Corporation, a Delaware corporation.

"Cendant Guaranty" shall mean the guaranty agreement to be executed and delivered by Cendant, substantially in the form of Exhibit A (it being understood that Cendant's obligations thereunder shall terminate simultaneously with the Spin-Off).

"Change in Control" shall mean (a) prior to the Spin-Off, (i) the acquisition by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the Closing Date), directly or indirectly, beneficially or of record, of ownership or control of in excess of 50% of the voting common stock of Cendant on a fully diluted basis at any time or (ii) if at any time, individuals who at the Closing Date constituted the Board of Directors of Cendant (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of Cendant, as the case may be, was approved by a vote of the majority of the directors then still in office who were either directors at the Closing Date or whose election or a nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of Cendant then in office or (iii) Cendant shall cease to own, directly or through one or more wholly-owned Subsidiaries, all of the capital stock of the Borrower, free and clear of any direct or indirect Liens (other than statutory Liens) and (b) after the Spin-Off, (i) the acquisition by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the Closing Date), directly or indirectly, beneficially or of record, of ownership or control of in excess of 50% of the voting common stock of the Borrower on a fully diluted basis at any time or (ii) if at any time, individuals who at the date of the Spin-Off constituted the Board of Directors of the

Borrower (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Borrower, as the case may be, was approved by a vote of the majority of the directors then still in office who were either directors at the date of the Spin-Off or whose election or a nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Borrower then in office. Notwithstanding anything to the contrary contained in this definition, the consummation of the Spin-Off shall not result in a Change of Control.

"Closing Date" shall mean the date on which the conditions precedent set forth in Section 4.2 have been satisfied or waived, which shall in no event be later than September 30, 2006.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commitment" shall mean, with respect to any Lender, the sum of the Term Commitment and the Revolving Commitment of such Lender.

"Commitment Increase Notice" shall have the meaning assigned to such term in Section 2.16(d).

"Commitment Utilization Percentage" shall mean on any day the percentage equivalent of a fraction (a) the numerator of which is the sum of (i) the aggregate Dollar Equivalent outstanding principal amount of the Revolving Credit Loans and the aggregate Dollar Equivalent outstanding principal amount of the Competitive Loans and (b) the denominator of which is the Total Revolving Commitment (or, on any day after termination of the Commitments, the Total Revolving Commitment in effect immediately preceding such termination).

"Competitive Bid" shall mean an offer by a Revolving Lender to make a Competitive Loan pursuant to Section 2.8 or issue a Competitive Letter of Credit pursuant to Section 2.9, as applicable, in the form of Exhibit E-3.

"Competitive Bid Accept/Reject Letter" shall mean a notification made by the Borrower or any Subsidiary Borrower pursuant to Section 2.8(d) or 2.9(d), as applicable, in the form of Exhibit E-4.

"Competitive Bid Commission" shall mean as to any Competitive Bid for a Competitive Letter of Credit the fixed letter of credit commission (expressed as a percentage rate per annum in the form of a decimal to four places) offered by the Revolving Lender making such Competitive Bid as specified in the Competitive Bid relating to such Competitive Letter of Credit.

"Competitive Bid Rate" shall mean (i) as to any Competitive Bid for a Competitive Loan made by a Revolving Lender pursuant to Section 2.8(b), (a) in the case of a LIBOR Loan, the Margin and (b) in the case of a Fixed Rate Competitive Loan, the fixed rate of interest offered by the Revolving Lender making such Competitive Bid and (ii) as to any Competitive Bid for a Competitive Letter of Credit made by a Revolving Lender pursuant to Section 2.9(b), the Competitive Bid Commission.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.8 or Section 2.9, as applicable, in the form of Exhibit E-1.

"Competitive Borrowing" shall mean a Borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Revolving Lender or Revolving Lenders whose Competitive Bids for such Borrowing have been accepted by the Borrower or any Subsidiary Borrower under the bidding procedure described in Section 2.8.

"Competitive L/C Exposure" shall mean, at any time, L/C Exposure attributable to Competitive Letters of Credit.

"Competitive Letter of Credit" shall mean a letter of credit issued by a Revolving Lender for the account of the Borrower or any Subsidiary Borrower pursuant to the bidding procedure described in Section 2.9.

"Competitive Loan" shall mean a Loan from a Revolving Lender to the Borrower or any Subsidiary Borrower pursuant to the bidding procedure described in Section 2.8. Each Competitive Loan shall be a LIBOR Competitive Loan or a Fixed Rate Competitive Loan.

"Confidential Information" shall mean information concerning the Borrower, its Subsidiaries or its Affiliates which is non-public, confidential or proprietary in nature, or any information that is marked or designated confidential by or on behalf of the Borrower, which is furnished to any Lender by the Borrower or any of its Affiliates directly or through the Administrative Agent in connection with this Agreement or the transactions contemplated hereby (at any time on, before or after the date hereof), together with all analyses, compilations or other materials prepared by such Lender or its respective directors, officers, employees, agents, auditors, attorneys, consultants or advisors which contain or otherwise reflect such information.

"Consolidated Assets" shall mean, at any date of determination, the total assets of the Borrower and its Consolidated Subsidiaries determined in accordance with GAAP.

"Consolidated EBITDA" shall mean, without duplication, for any period for which such amount is being determined, the sum of the amounts for such period of (i) Consolidated Net Income, (ii) provision for taxes based on income, (iii) depreciation expense, (iv) Consolidated Interest Expense, (v) amortization expense, (vi) fees, expenses and charges incurred in connection with the Spin-Off through December 31, 2007 in an aggregate amount not to exceed $250,000,000, (vii) payments made in respect of legacy Cendant expense reimbursement obligations in an aggregate amount not to exceed $35,000,000 during any Rolling Period and (viii) other non-cash items reducing Consolidated Net Income, minus (plus) (ix) any non-recurring gains (losses) on business unit dispositions outside the ordinary course of business if such gains (losses) are included in Consolidated Net Income) minus (x) any cash expenditures during such period in excess of $25,000,000 to the extent such cash expenditures (A) did not reduce Consolidated Net Income for such period and (B) were applied against reserves that constituted non-cash items which reduced Consolidated Net Income during prior periods (including reserves established upon the consummation of the Spin-Off), all as determined on a consolidated basis for the Borrower and its Consolidated Subsidiaries in accordance with GAAP; provided that to the extent the aggregate amount of cash expenditures referred to in clause (x) above exceeds $50,000,000 in any period of measurement, such amounts may be spread ratably over the period being measured and the periods of measurement for the subsequent three fiscal years, provided, however, that in any annual measurement period the maximum amount being spread may not exceed $75,000,000 and any excess over that amount must be reflected fully in the relevant measurement period. Notwithstanding the foregoing, in calculating Consolidated EBITDA pro forma effect shall be given to each (1) acquisition of a Consolidated Subsidiary or any other entity acquired by the Borrower or any of its Consolidated Subsidiaries in a merger, where the purchase price or merger consideration exceeds $25,000,000 during such period and (2) disposition property by the Borrower and its Consolidated Subsidiaries yielding gross profits

in excess of $25,000,000 during such period as if such acquisition or disposition had been made on the first day of such period;provided that for purposes of determining the Consolidated Interest Coverage Ratio and the Consolidated Leverage Ratio, Consolidated EBITDA for the fiscal quarters ending December 31, 2005 and March 31, 2006 shall be $177,000,000 and $182,000,000, respectively.

"Consolidated Financial Statements" shall have the meaning assigned to such term in Section 3.4(b).

"Consolidated Interest Coverage Ratio" shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period; provided that for purposes of determining the Consolidated Interest Coverage Ratio for the fiscal quarters ending September 30, 2006, December 31, 2006 and March 31, 2007, Consolidated Interest Expense for the relevant Rolling Period shall be deemed to equal Consolidated Interest Expense for such fiscal quarter and, each previous fiscal quarter commencing after June 30, 2006, multiplied by 4, 2 and 4/3, respectively.

"Consolidated Interest Expense" shall mean for any period for which such amount is being determined, total interest expense paid or payable in cash (including that properly attributable to Capital Leases in accordance with GAAP but excluding in any event (x) all capitalized interest and amortization of debt discount and debt issuance costs and (y) debt extinguishment costs) of the Borrower and its Consolidated Subsidiaries on a consolidated basis including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net cash costs (or minus net profits) under Interest Rate Protection Agreements minus, without duplication, any interest income of the Borrower and its Consolidated Subsidiaries on a consolidated basis during such period. Notwithstanding the foregoing, interest expense in respect of any Securitization Indebtedness, any Non-Recourse Indebtedness or the Landal Facilities shall not be included in Consolidated Interest Expense.

"Consolidated Leverage Ratio" shall mean, as of the last day of any period, the ratio of (a) Consolidated Total Indebtedness on such day to (b) Consolidated EBITDA for such period.

"Consolidated Net Income" shall mean, for any period for which such amount is being determined, the net income (or loss) of the Borrower and its Consolidated Subsidiaries during such period determined on a consolidated basis for such period taken as a single accounting period in accordance with GAAP, provided that there shall be excluded (i) income (loss) of any Person (other than a Consolidated Subsidiary of the Borrower) in which the Borrower or any of its Consolidated Subsidiaries has any equity investment or comparable interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or its Consolidated Subsidiaries by such Person during such period, (ii) the income of any Consolidated Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by that Consolidated Subsidiary of the income is not at the time permitted by operation of the terms of its charter, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Consolidated Subsidiary, (iii) any extraordinary after-tax gains and (iv) any extraordinary or unusual pretax losses. (including indemnity obligations incurred or liabilities assumed in connection with the Spin-Off).

"Consolidated Net Worth" shall mean, as of any date of determination, all items which in conformity with GAAP would be included under shareholders' equity on a consolidated balance sheet of the Borrower and its Subsidiaries at such date.

"Consolidated Subsidiaries" shall mean all Subsidiaries of the Borrower that are required to be consolidated with the Borrower for financial reporting purposes in accordance with GAAP.

"Consolidated Total Indebtedness" shall mean (i) the total amount of Indebtedness of the Borrower and its Consolidated Subsidiaries determined on a consolidated basis using GAAP principles of consolidation, which is, at the dates as of which Consolidated Total Indebtedness is to be determined, includable as liabilities on a consolidated balance sheet of the Borrower and its Subsidiaries, plus (ii) without duplication of any items included in Indebtedness pursuant to the foregoing clause (i), Indebtedness of others which the Borrower or any of its Consolidated Subsidiaries has directly or indirectly assumed or guaranteed (but only to the extent so assumed or guaranteed) or otherwise provided credit support therefor, including without limitation, Guaranty Obligations; provided that, for purposes of this definition, Indebtedness shall not include (u) Guaranty Obligations and contingent liabilities incurred or assumed in connection with the Spin-Off (including those determined in accordance with FIN 45 and SFAS), (v) Securitization Indebtedness, (w) the aggregate undrawn amount of outstanding Letters of Credit, (x) Non-Recourse Indebtedness, (y) any amounts owed or owing under the Landal Facilities or (z) obligations incurred under any derivatives transaction entered into in the ordinary course of business pursuant to hedging programs. In addition, for purposes of this definition, the amount of Indebtedness at any time shall be reduced (but not to less than zero) by the amount of Excess Cash.

"Currency" shall mean Dollars or any Optional Currency.

"Default" shall mean any event, act or condition, which with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" shall mean any Lender which fails to make any Loan or issue any Letter of Credit required to made or issued by it in accordance with the terms and conditions of this Agreement.

"Disclosed Matters" shall mean public filings with the Securities and Exchange Commission made by the Borrower or any of its Subsidiaries on Form S-4, Form 8-K, Form 10-Q, Form 10-K or Form 10 (as filed at least three days prior to the Effective Date or Closing Date, as applicable).

"Dollar Equivalent" shall mean, on any date of determination, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to an amount denominated in any Optional Currency, the equivalent in Dollars of such amount determined by the Administrative Agent in accordance with normal banking industry practice using the Exchange Rate on the date of determination of such equivalent. In making any determination of the Dollar Equivalent (for purposes of calculating the amount of Loans to be borrowed from the respective Lenders on any date or for any other purpose), the Administrative Agent shall use the relevant Exchange Rate in effect on the date on which the Borrower or any Subsidiary Borrower delivers a Borrowing Request for Loans or on such other date upon which a Dollar Equivalent is required to be determined pursuant to the provisions of this Agreement. As appropriate, amounts specified herein as amounts in Dollars shall be or include any relevant Dollar Equivalent amount.

"Dollars" and "$" shall mean lawful money of the United States of America.

"Domestic LIBOR Competitive Loan" shall mean any LIBOR Competitive Loan made to the Borrower or any Subsidiary Borrower in the United States.

"Domestic Fixed Rate Competitive Loan" shall mean any Fixed Rate Competitive Loan made to the Borrower or any Subsidiary Borrower in the United States.

"Domestic Subsidiary Borrower" shall mean any Subsidiary Borrower organized under the laws of the United States or any political subdivision thereof.

"Effective Date" shall mean July 7, 2006.

"EMU Legislation" shall mean the legislative measures of the European Council (including without limitation the European Council regulations) for the introduction of, changeover to or operation of the Euro in one or more member states.

"Environmental Law" shall mean all laws, rules, orders, regulations, statutes, ordinances, codes, decrees, judgments, injunctions, notices or requirements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters, including without limitation, the Clean Water Act also known as the Federal Water Pollution Control Act ("FWPCA") 33 U.S.C. § 1251 et seq., the Clean Air Act ("CAA"), 42 U.S.C. §§ 7401 et seq., the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), 7 U.S.C. §§ 136 et seq., the Surface Mining Control and Reclamation Act ("SMCRA"), 30 U.S.C. §§ 1201 et seq., the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Superfund Amendment and Reauthorization Act of 1986 ("SARA"), Public Law 99-499, 100 Stat. 1613, the Emergency Planning and Community Right to Know Act ("ECPCRKA"), 42 U.S.C. § 11001 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., the Occupational Safety and Health Act as amended ("OSHA"), 29 U.S.C. § 655 and § 657, together, in each case, with any amendment thereto, and the regulations adopted and binding publications promulgated thereunder and all substitutions thereof.

"Environmental Liabilities" shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as such Act may be amended from time to time, and the regulations promulgated thereunder.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" shall mean (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of

an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Euro" and "€" shall mean the single currency of Participating Member States introduced in accordance with the provisions of Article 123 of the Treaty and, in respect of all payments to be made under this Agreement in Euro, means immediately available, freely transferable funds in such currency.

"Event of Default" shall have the meaning given such term in Section 7 hereof.

"Excess Cash" shall mean all cash and Cash Equivalents of the Borrower and its Consolidated Subsidiaries at such time determined on a consolidated basis in accordance with GAAP in excess of $10,000,000.

"Excess Utilization Day" shall mean each day on which the Commitment Utilization Percentage exceeds 50%.

"Exchange Rate" shall mean, with respect to any Optional Currency on a particular date, the rate at which such Optional Currency may be exchanged into Dollars, as set forth at 11:00 A.M., London time, on such date on the applicable Reuters currency page with respect to such Optional Currency. In the event that such rate does not appear on the applicable Reuters currency page, the Exchange Rate with respect to such Optional Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower or, in the absence of such agreement, such Exchange Rate shall instead be the spot rate of exchange of the Administrative Agent in the London Interbank market or other market where its foreign currency exchange operations in respect of such Optional Currency are then being conducted, at or about 11:00 A.M., London time, at such date for the purchase of Dollars with such Optional Currency, for delivery two Business Days later; provided, however, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Excluded Taxes" shall mean, with respect to any Lender, or any other recipient of payment to be made by or on account of any obligation of the Borrower or any Subsidiary Borrower hereunder, (a) income taxes and franchise taxes based on (or measured by) its net income or net profits (or franchise taxes imposed in lieu of net income taxes) imposed on such Lender or other recipient as a result of a present or former connection between such Lender or such recipient and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment hereunder, or enforced, this Agreement) (b) any branch profits

taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction, (c) any withholding tax that is imposed on amounts payable to such Lender in Dollars, or any other recipient of any payment to be made by or on account of any obligation denominated in Dollars of the Borrower or any Domestic Subsidiary Borrower hereunder, at the time such Lender becomes a party to this Agreement (or designates a new Lending Office), except to the extent that such Lender (or its assignor, if any) was entitled, immediately prior to the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower or any Domestic Subsidiary Borrower with respect to such withholding tax pursuant to Section 2.25(a), (d) Taxes attributable to such Lender's failure to comply with Section 2.25(e), and (e) any Taxes imposed as a result of such Lender's gross negligence or willful misconduct.

"Existing Issuing Lender" shall mean any issuer of an Existing Letter of Credit.

"Existing Letters of Credit" shall mean the letters of credit described on Schedule 2.28 hereto.

"Facility Fee" shall have the meaning given such term in Section 2.11 hereof.

"Fixed Rate Borrowing" shall mean a Borrowing comprised of Fixed Rate Competitive Loans.

"Fixed Rate Competitive Loan" shall mean a Competitive Loan (either a Domestic Fixed Rate Competitive Loan or a Local Fixed Rate Competitive Loan) bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Lender making such Loan in its Competitive Bid.

"Fundamental Documents" shall mean this Agreement, the Cendant Guaranty, any Notes and any Compliance Certificate which is required to be executed by the Borrower or any Subsidiary Borrower pursuant to Section 5.1(c) and delivered to the Administrative Agent in connection with this Agreement.

"Funding Office" shall mean the office of the Administrative Agent specified in Section 10.1 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP" shall mean generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Sections 6.5 and 6.6, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 3.4(b). In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or

opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the Securities and Exchange Commission.

"Governmental Authority" shall mean any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or any court, in each case whether of the United States or foreign.

"Granting Lender" shall have the meaning assigned to such term in Section 10.3(k).

"Guaranty" shall mean the guaranty of the Subsidiary Borrower Obligations provided by the Borrower pursuant to Section 9.

"Guaranty Obligation" shall mean any obligation, contingent or otherwise, of the Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided, however, that the amount of any Guaranty Obligation shall be limited to the extent necessary so that such amount does not exceed the value of the assets of such Person (as reflected on a consolidated balance sheet of such Person prepared in accordance with GAAP) to which any creditor or beneficiary of such Guaranty Obligation would have recourse. Notwithstanding the foregoing definition, the term "Guaranty Obligation" shall not include any direct or indirect obligation of a Person as a general partner of a general partnership or a joint venturer of a joint venture in respect of Indebtedness of such general partnership or joint venture, to the extent such Indebtedness is contractually non-recourse to the assets of such Person as a general partner or joint venturer (other than assets comprising the capital of such general partnership or joint venture). The term "Guaranty Obligation" shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Indebtedness" shall mean (without double counting), at any time and with respect to any Person, (i) indebtedness of such Person for borrowed money (whether by loan or the issuance and sale of debt securities) or for the deferred purchase price of property or services purchased (other than amounts constituting account payables arising in the ordinary course and payable within 180 days); (ii) indebtedness of others of the type described in clause (i), (iii), (iv) or (v) of this definition of Indebtedness, which such Person has directly or indirectly assumed or guaranteed (but only to the extent so assumed or guaranteed) or otherwise provided credit support therefor, including without limitation, Guaranty Obligations; (iii) indebtedness of others secured by a Lien on assets of such Person, whether or not such Person shall have assumed such indebtedness (but only to the extent of the fair market value of such assets); (iv) obligations of such Person in respect of letters of credit, acceptance facilities, or drafts or similar instruments issued or accepted

by banks and other financial institutions for the account of such Person (other than account payables arising in the ordinary course and payable within 180 days); or (v) obligations of such Person under Capital Leases.

"Indemnified Party" shall have the meaning assigned to such term in Section 10.5.

"Indemnified Taxes" shall mean Taxes other than Excluded Taxes and Other Taxes.

"Interest Payment Date" shall mean, with respect to any Borrowing, the last day of the Interest Period applicable thereto and, in the case of a LIBOR Borrowing with an Interest Period of more than three months' duration or a Fixed Rate Borrowing with an Interest Period of more than 90 days' duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months duration or 90 days' duration, as the case may be, been applicable to such Borrowing, and, in addition, the date of any refinancing or conversion of a Borrowing with, or to, a Borrowing of a different Interest Rate Type; provided, that as to any Swingline Loan, "Interest Payment Date" shall mean the day that such Loan is required to be repaid.

"Interest Period" shall mean (a) as to any LIBOR Borrowing, the period commencing on the date of such Borrowing, and ending on the numerically corresponding day (or, if there is no numerically corresponding day or if the date of the LIBOR Borrowing is the last day of any month, on the last day) in the calendar month that is 1, 2, 3, 6 or, subject to each Lender's approval, 9 or 12 months thereafter, as the Borrower or any applicable Subsidiary Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the earliest of (i) the next succeeding March 31, June 30, September 30 or December 31, (ii) the Maturity Date and (iii) the date such Borrowing is refinanced with a Borrowing of a different Interest Rate Type in accordance with Section 2.10 or is prepaid in accordance with Section 2.17 and (c) as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offer to make the Fixed Rate Competitive Loans comprising such Borrowing were extended, which shall not be earlier than one day after the date of such Borrowing or later than 360 days after the date of such Borrowing; provided, however, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of LIBOR Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) no Interest Period may be selected which would extend beyond the Maturity Date. Interest shall accrue from, and including, the first day of an Interest Period to, but excluding, the last day of such Interest Period.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, interest rate cap agreement or other similar financial agreement or arrangement.

"Interest Rate Type" when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, "Rate" shall include LIBOR, the Alternate Base Rate and the Fixed Rate.

"Interim Term Loan Agreement" shall mean the Interim Term Loan Agreement, dated July 7, 2006, among the Borrower, the lenders referred to therein and JPMorgan Chase Bank, N.A., as administrative agent.

"issuance" shall mean with respect to any Letter of Credit, the issuance, amendment, renewal or extension of such Letter of Credit,provided that the reinstatement of any Letter of Credit shall not constitute an issuance of such Letter of Credit.

"Issuing Lender" shall mean (i) in the case of Letters of Credit, JPMorgan Chase Bank or any Affiliate thereof and such other Lenders or Affiliates thereof as may be designated in writing by the Borrower which agree in writing to act as such in accordance with the terms hereof and with the consent of the Administrative Agent (such consent not to be unreasonably withheld) (including any Existing Issuing Lender).

"JPMorgan Chase Bank" shall mean JPMorgan Chase Bank, N.A.

"L/C Exposure" shall mean, at any time, the amount expressed in Dollars of the aggregate face amount of all drafts which may then or thereafter be presented by beneficiaries under all Letters of Credit and Competitive Letters of Credit then outstanding plus (without duplication) the face amount of all drafts which have been presented under Letters of Credit and Competitive Letters of Credit but have not yet been paid or have been paid but not reimbursed.

"Landal" shall mean Landal Greenparks Holding B.V.

"Landal Facilities" shall mean each of (a) the €70,000,000 Senior Mortgage Term Loan and Revolving Credit Facility Agreement (as amended and restated on September 30, 2004 by an Amendment and Restatement Agreement dated September 29, 2004) between Landal, as the borrower, COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. as the facility agent, BAYERISCHE HYPO- UND VEREINSBANK AG, as the security agent, and the banks party thereto and (b) the €117,500,000 capital lease facility as granted through approximately 1,700 sale and lease back arrangements of bungalow units to individual investors, for an average term of 20 years and implied annual interest of 6.5% or 7.5%.

"Lender and "Lenders" shall mean the financial institutions whose names appear at the foot hereof and any assignee of a Lender permitted pursuant to Section 10.3(b).

"Lending Office" shall mean, with respect to any of the Lenders, the branch or branches (or affiliate or affiliates) from which any such Lender's LIBOR Loans, Fixed Rate Competitive Loans or ABR Loans, as the case may be, are made or maintained and for the account of which all payments of principal of, and interest on, such Lender's LIBOR Loans, Fixed Rate Competitive Loans or ABR Loans are made, as notified to the Administrative Agent from time to time.

"Letter of Credit" shall have the meaning ascribed to such term in Section 2.28.

"LIBOR" shall mean, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next Basis Point) equal to the rate at which Dollar deposits or deposits in any Optional Currency, as applicable, approximately equal in principal amount to (a) in the case of a Revolving Credit Borrowing or Term Loan Borrowing, JPMorgan Chase Bank's portion of such LIBOR Borrowing and (b) in the case of a Competitive Borrowing, a principal amount that would have been JPMorgan Chase Bank's portion of such Competitive Borrowing had such Competitive Borrowing been a Revolving Credit Borrowing, and for a maturity comparable to such Interest Period, are offered to the principal London office of JPMorgan Chase Bank in immediately available funds in the London Interbank market at approximately 11:00 A.M., London time, two Business Days prior to the commencement of such Interest Period.

"LIBOR Borrowing" shall mean a Borrowing comprised of LIBOR Loans.

"LIBOR Competitive Loan" shall mean a Competitive Loan (either a Domestic LIBOR Competitive Loan or a Local LIBOR Competitive Loan) bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Section 2.

"LIBOR Loan" shall mean any LIBOR Competitive Loan, LIBOR Revolving Credit Loan or LIBOR Term Loan.

"LIBOR Revolving Credit Loan" shall mean any Revolving Credit Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Section 2.

"LIBOR Term Loan" shall mean any Term Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Section 2.

"LIBOR Spread" shall mean, at any date or any period of determination, the LIBOR Spread that would be in effect on such date or during such period pursuant to the applicable chart set forth in Section 2.26 based on the rating of the Borrower's senior non-credit enhanced unsecured long-term debt.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

"Loan" shall mean any loan made by any Lender pursuant to this Agreement.

"Loan Parties" shall mean the Borrower, the Subsidiary Borrowers and Cendant.

"Local Competitive Loan" shall mean any Competitive Loan which is a Local LIBOR Competitive Loan or a Local Fixed Rate Competitive Loan.

"Local Facility Amendment" shall have the meaning assigned to such term in Section 2.29.

"Local LIBOR Competitive Loan" shall mean any LIBOR Competitive Loan denominated in any Optional Currency made to the Borrower or any Subsidiary Borrower in the jurisdiction in which such Optional Currency is the national currency.

"Local Fixed Rate Competitive Loan" shall mean any Fixed Rate Competitive Loan denominated in any Optional Currency made to the Borrower or any Subsidiary Borrower in the jurisdiction in which such Optional Currency is the national currency.

"Margin" shall mean, as to any LIBOR Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to four decimal places) to be added to, or subtracted from, LIBOR in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Margin Stock" shall be as defined in Regulation U of the Board.

"Material Adverse Effect" shall mean a material adverse effect on the business, assets, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries, taken as a whole; provided that for purposes of Section 3.5 and for all purposes on the Effective Date and the Closing Date, "Material Adverse Effect" shall mean a material adverse effect on the business, assets, operations or condition, financial or otherwise, of the Wyndham Businesses of Cendant, but excluding any event, development or circumstance resulting from (i) the resolution of matters relating to the accounting irregularities and errors referred to in Cendant's report on Form 10-K for the period ending December 31, 2003, filed with the Securities and Exchange Commission and including the class action lawsuits referred to therein and other class action lawsuits arising as a result of the accounting irregularities and errors disclosed therein and (ii) the announcement of the Spin-Off and the consummation of the transactions contemplated thereby.

"Material Subsidiary" shall mean any Subsidiary (other than a Securitization Entity, Landal or Trendwest) of the Borrower which, together with its Subsidiaries (other than Securitization Entities, Landal or Trendwest) at the time of determination hold, or, solely with respect to Sections 7(f) and 7(g), any group of Subsidiaries which, if merged into each other at the time of determination would hold, assets constituting 15% or more of Consolidated Assets or accounts for 15% or more of Consolidated EBITDA for the Rolling Period immediately preceding the date of determination.

"Maturity Date" shall mean July 7, 2011.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"New Local Facility" shall have the meaning assigned to such term in Section 2.29.

"New Local Facility Lender" shall have the meaning assigned to such term in Section 2.29.

"New Zealand Dollars" or "NZ$" shall mean the lawful money of New Zealand.

"Non-Consenting Lender" shall have the meaning assigned to such term in Section 10.17.

"Non-Ratable Assignment" shall have the meaning assigned to such term in Section 10.3(b).

"Non-Recourse Indebtedness" shall mean a transaction or series of transactions pursuant to which the Borrower or any other Person (i) issues Indebtedness secured by, payable from or representing beneficial interests in assets of such Person for which neither the Borrower nor any of its Material Subsidiaries is liable in any way other than pursuant to Standard Securitization Undertakings (unless such liability of the Borrower or such Material Subsidiary is otherwise permitted to be incurred hereunder by the Borrower or such Material Subsidiary) or (ii) transfers or grants a security interest in assets of such Person to any Person that finances the acquisition of such assets through the issuance of securities or the incurrence of Indebtedness or issues obligations secured by such assets.

"Notes" shall mean any promissory notes evidencing Loans.

"Obligations" shall mean the obligation of the Borrower and any Subsidiary Borrower to make due and punctual payment of principal of, and interest on, the Loans, the Facility Fee, the Utilization Fee, reimbursement obligations in respect of Letters of Credit and Competitive Letters of Credit and all other monetary obligations of the Borrower or any Subsidiary Borrower to the Administrative Agent, any Issuing Lender or any Lender under this Agreement or the Fundamental Documents.

"Optional Currency" shall mean, at any time, Australian Dollars, Canadian Dollars, Euros, New Zealand Dollars, Pounds and Yen, so long as such currency is freely traded and convertible into Dollars in the London Interbank market and a Dollar Equivalent thereof can be calculated.

"Offered Increase Amount" shall have the meaning assigned to such term in Section 2.16(d).

"Other Taxes" shall mean any and all present or future stamp or documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or the issuance of any Letters of Credit or Competitive Letters of Credit or any Fundamental Document.

"Participant" shall have the meaning assigned to such term in Section 10.3(g).

"Participating Member State" shall mean a member of the European Communities that adopts or has adopted the Euro as its currency in accordance with EMU Legislation.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

"Permitted Encumbrances" shall mean Liens permitted under Section 6.3 hereof.

"Person" shall mean any natural person, corporation, division of a corporation, partnership, limited liability company, trust, joint venture, company, estate, unincorporated organization or government or any agency or political subdivision thereof.

"Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pounds" or "£" or "Pound Sterling" shall mean the lawful money of the United Kingdom.

"Pro Forma Balance Sheet" shall have the meaning assigned to such term in Section 3.4(a).

"Pro Forma Basis" shall mean in connection with any transaction for which a determination on a Pro Forma Basis is required to be made hereunder, that such determination shall be made (i) after giving effect to any issuance of Indebtedness, any acquisition, any disposition or any other transaction (as applicable) and (ii) assuming that the issuance of

Indebtedness, acquisition, disposition or other transaction and, if applicable, the application of any proceeds therefrom, occurred at the beginning of the most recent Rolling Period ending at least thirty days prior to the date on which such issuance of Indebtedness, acquisition, disposition or other transaction occurred.

"Ratable Assignment" shall have the meaning assigned to such term in Section 10.3(b).

"Refunded Swingline Loan" shall have the meaning assigned to such term in Section 2.7(b).

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Replaced Term Loans" shall have the meaning assigned to such term is Section 10.9(b).

"Replacement Term Loans" shall have the meaning assigned to such term is Section 10.9(b).

"Responsible Officer" shall mean the chief executive officer, president, chief accounting officer, chief financial officer, treasurer or assistant treasurer of the Borrower.

"Required Lenders" shall mean at any time, the holders of more than 50% of (a) until the Closing Date, the Commitments then in effect and (b) thereafter, the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding and (ii) the Total Revolving Commitments then in effect or, if the Total Revolving Commitment has been terminated in its entirety, the Revolving Credit Exposure.

"Revolving Commitment" shall mean with respect to any Lender, the commitment of such Lender, if any, to make Revolving Credit Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth (i) under the heading "Revolving Commitment" opposite such Lender's name on Schedule 2.1 hereto and/or (ii) in any applicable Assignment and Acceptance to which it may be a party, as the case may be, as such Lender's Revolving Commitment may be permanently terminated, reduced or increased from time to time pursuant to Section 2.16 or Section 7. The Revolving Commitments shall automatically and permanently terminate on the earlier of (a) the Maturity Date or (b) the date of termination in whole pursuant to Section 2.16 or Section 7.

"Revolving Credit Borrowing" shall mean a Borrowing consisting of simultaneous Revolving Credit Loans from each of the Revolving Lenders.

"Revolving Credit Borrowing Request" shall mean a request made pursuant to Section 2.4 in the form of Exhibit F-2.

"Revolving Credit Exposure" shall mean, at any time, the sum of (A) the aggregate outstanding principal amount of all Revolving Credit Loans made by all Lenders plus (B) the aggregate Dollar Equivalent outstanding principal amount of all Competitive Loans made by all Lendersplus (C) the then current L/C Exposureplus (D) the aggregate outstanding principal amount of all Swingline Loans.

"Revolving Credit Loans" shall have the meaning given such term is Section 2.1(b). Each Revolving Credit Loan shall be a LIBOR Revolving Credit Loan or an ABR Loan.

"Revolving Extensions of Credit" shall mean, as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Credit Loans held by such Lender then outstanding, (b) such Lender's Revolving Percentage of the Revolving L/C Exposure then outstanding and (c) such Lender's Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

"Revolving Facility" shall mean the Revolving Commitments and the extensions of credit thereunder.

"Revolving L/C Exposure" shall mean, at any time, L/C Exposure attributable to Letters of Credit.

"Revolving Lender" shall mean each Lender that has a Revolving Commitment or that holds Revolving Credit Loans.

"Revolving Percentage" shall mean, as to any Revolving Lender at any time, the percentage which such Lender's Revolving Commitment then constitutes of the Total Revolving Commitment or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Revolving Extensions of Credit then outstanding constitutes of the aggregate Revolving Extensions of Credit of all Revolving Lenders.

"Rolling Period" shall mean with respect to any fiscal quarter, such fiscal quarter and the three immediately preceding fiscal quarters considered as a single accounting period.

"S&P" shall mean Standard & Poor's.

"Securitization Entity" shall mean any Subsidiary or other Person engaged solely in the business of effecting asset securitization transactions and related activities.

"Securitization Indebtedness" shall mean Indebtedness incurred by a Securitization Entity that does not permit or provide for recourse (other than Standard Securitization Undertakings) to the Borrower or any Subsidiary of the Borrower (other than a Securitization Entity) or any property or asset of the Borrower or any Subsidiary of the Borrower (other than the property or assets of, or any equity interests or other securities issued by, a Securitization Entity).

"SPC" shall have the meaning assigned to such term in Section 10.3(k).

"Spin-Off" shall mean the distribution to the shareholders of Cendant of all of the common stock of the Borrower and the transactions related thereto as described on Schedule 1.1.

"Standard Securitization Undertakings" shall mean representations, warranties (and any related repurchase obligations), servicer obligations, guaranties, repurchase obligations, covenants and indemnities entered into by the Borrower or any Subsidiary of the Borrower of a type that are reasonably customary in securitizations.

"Statutory Reserves" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of

the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority to which the Administrative Agent or any Lender is subject, for Eurocurrency Liabilities (as defined in Regulation D). Such reserve percentages shall include those imposed under Regulation D. LIBOR Loans shall be deemed to constitute Eurocurrency Liabilities and as such shall be deemed to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subsidiary" shall mean with respect to any Person, any corporation, association, joint venture, partnership or other business entity (whether now existing or hereafter organized) of which at least a majority of the voting stock or other ownership interests having ordinary voting power for the election of directors (or the equivalent) is, at the time as of which any determination is being made, owned or controlled by such Person or one or more subsidiaries of such Person or by such Person and one or more subsidiaries of such Person.

"Subsidiary Borrower" shall mean any Subsidiary of the Borrower that becomes a party hereto pursuant to Section 10.9(c)(i) until such time as such Subsidiary Borrower is removed as a party hereto pursuant to Section 10.9(c)(ii).

"Subsidiary Borrower Obligations" shall mean the Obligations of any Subsidiary Borrower.

"Swingline Commitment" shall mean the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.6 in an aggregate principal amount at any one time outstanding not to exceed $100,000,000.

"Swingline Lender" shall mean JPMorgan Chase Bank, in its capacity as the lender of Swingline Loans.

"Swingline Loans" shall have the meaning given such term in Section 2.6.

"Swingline Participation Amount" shall have the meaning given such term in Section 2.7.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Commitment" shall mean with respect to each Lender, the commitment of such Lender, if any, to make a Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading "Term Commitment" opposite such Lender's name on Schedule 2.1 hereto. The original aggregate amount of the Term Commitments is $300,000,000.

"Term Lender" shall mean each Lender that has a Term Commitment or that holds a Term Loan.

"Term Loan" shall have the meaning given such term in Section 2.1(a). Each Term Loan shall be a LIBOR Term Loan or an ABR Loan.

"Term Loan Borrowing" shall mean a Borrowing consisting of simultaneous Term Loans from each of the Term Lenders.

"Term Loan Borrowing Request" shall mean a request made pursuant to Section 2.3 in the form of Exhibit F-1.

"Term Percentage" shall mean, as to any Term Lender at any time, the percentage which such Lender's Term Commitment then constitutes of the aggregate Term Commitments or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender's Term Loans then outstanding constitutes of the aggregate principal amount of the Term Loans then outstanding.

"Total Revolving Commitment" shall mean, at any time, the aggregate amount of the Lenders' Revolving Commitments as in effect at such time. The initial Total Revolving Commitment is $900,000,000.

"Treaty" shall mean the Treaty establishing the European Economic Community, being the Treaty of Rome of March 25, 1957, as amended by the Single European Act 1987, the Maastricht Treaty (which was signed at Maastricht on February 7, 1992 and came into force on November 1, 1993), the Amsterdam Treaty (which was signed at Amsterdam on October 2, 1997 and came into force on May 1, 1999) and the Nice Treaty (which was signed on February 26, 2001), each as amended from time to time and as referred to in legislative measures of the European Union for the introduction of, changeover to or operating of the Euro in one or more member states.

"Trendwest" shall mean Trendwest South Pacific Pty. Ltd.

"Trendwest South Pacific Facilities" shall mean each of (a) the A$97,500,000 Facility Agreement between Trendwest and Westpac Banking Corporation, (b) the A$102,500,000 Facility Agreement between Trendwest and The Royal Bank of Scotland and (c) the A$25,000,000 Facility Agreement between the Trendwest and The Royal Bank of Scotland.

"Utilization Fee" shall have the meaning given such term in Section 2.11.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Wyndham Businesses of Cendant" shall mean the collective reference to the businesses of Cendant that comprise its Hospitality Services segment as of the Effective Date.

"Yen" and "¥" shall mean the lawful money of Japan.

2. THE LOANS

SECTION 2.1. Commitments.

(a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Term Lender agrees, severally and not jointly, to make a term loan (a "Term Loan") in Dollars to the Borrower on the Closing Date in an amount not to exceed the amount of the Term Commitment of such Lender. The Term Loans may from time to time be LIBOR Term Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.3 and 2.10.

(b) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Revolving Lender agrees, severally and not jointly, to make revolving credit loans ("Revolving Credit Loans") in Dollars to the Borrower or any Domestic Subsidiary Borrower, at any time and from time to time on and after the Closing Date and until the earlier of the Maturity Date and the termination of the Revolving Commitment of such Lender, in an aggregate principal amount at any time outstanding not to exceed such Lender's Revolving Commitment minus the sum of such Lender's pro rata share of (i) the then current Revolving L/C Exposure and (ii) the aggregate principal amount of the Swingline Loans outstanding at such time plus the amount by which the Competitive Loans and Competitive L/C Exposure outstanding at such time shall be deemed to have used such Lender's Revolving Commitment pursuant to Section 2.22 subject, however, to the conditions that (a) at no time shall (i) the Revolving Credit Exposure exceed (ii) the Total Revolving Commitment and (b) at all times the outstanding aggregate principal amount of all Revolving Credit Loans made by each Revolving Lender shall equal the product of (i) the percentage that its Revolving Commitment represents of the Total Revolving Commitment times (ii) the outstanding aggregate principal amount of all Revolving Credit Loans made pursuant to a notice given by the Borrower or any Subsidiary Borrower under Section 2.4. The Revolving Commitments of the Lenders may be terminated or reduced from time to time pursuant to Section 2.16 or Section 7.

(c) Within the foregoing limits, the Borrower and any Domestic Subsidiary Borrower may borrow, pay or repay and reborrow Revolving Credit Loans hereunder, on and after the Closing Date and prior to the Maturity Date, upon the terms and subject to the conditions and limitations set forth herein (it being understood that Term Loans may not be reborrowed).

SECTION 2.2. Loans.

(a) Each Term Loan and Revolving Credit Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their Commitments; provided, however, that the failure of any Lender to make any Term Loan or Revolving Credit Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.8. The Loans comprising any Borrowing shall be (i) in the case of Competitive Loans and LIBOR Loans, in an aggregate principal amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) in the case of ABR Loans, in an aggregate principal amount that is an integral multiple of $500,000 and not less than $5,000,000 (or, in the case of clause (i) and clause (ii) above with respect to Revolving Credit Loans, if less, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment). ABR Loans shall be denominated only in Dollars.

(b) Each Competitive Borrowing shall be comprised entirely of LIBOR Competitive Loans or Fixed Rate Competitive Loans, and each Revolving Credit Borrowing and Term Loan Borrowing shall be comprised entirely of LIBOR Revolving Credit Loans or ABR Loans, as the Borrower or any Subsidiary Borrower may request pursuant to Section 2.8 or 2.4, as applicable. Each Lender may at its option make any LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that any exercise of such option shall not affect the obligation of the Borrower or such Subsidiary Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Interest Rate Type may be outstanding at the same time; provided, however, that neither the Borrower nor any Subsidiary Borrower shall be entitled to request any Borrowing that, if made, would result in an aggregate of more than nine separate Revolving Credit Loans

of any Lender being outstanding hereunder at any one time. For purposes of the calculation required by the immediately preceding sentence, LIBOR Revolving Credit Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans and all Loans of a single Interest Rate Type made on a single date shall be considered a single Loan if such Loans have a common Interest Period.

(c) Subject to Sections 2.3 and 2.4, each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by making funds available at the Funding Office no later than 1:00 P.M. New York City time (2:00 P.M. New York City time, in the case of an ABR Borrowing) in Federal or other immediately available funds. Upon receipt of the funds to be made available by the Lenders to fund any Borrowing hereunder, the Administrative Agent shall disburse such funds by depositing them into an account of the Borrower or the relevant Subsidiary Borrower maintained with the Administrative Agent. Competitive Loans shall be made by the Lender or Lenders whose Competitive Bids therefor are accepted pursuant to Section 2.8 in the amounts so accepted and Term Loans and Revolving Credit Loans shall be made by the Term Lenders and Revolving Lenders, respectively pro rata in accordance with Section 2.1 and this Section 2.2.

(d) Notwithstanding any other provision of this Agreement, neither the Borrower nor any Subsidiary Borrower shall be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.3. Term Loan Borrowing Procedure.

In order to effect a Term Loan Borrowing, the Borrower shall hand deliver or telecopy to the Administrative Agent a Borrowing notice in the form of Exhibit F-1 (a) in the case of a LIBOR Borrowing, not later than 12:00 Noon, New York City time, three Business Days before a proposed Term Loan Borrowing, and (b) in the case of an ABR Borrowing, not later than 12:00 Noon, New York City time, on the day of a proposed Term Loan Borrowing. Such notice shall be irrevocable and shall in each case specify (a) whether the Term Loan Borrowing then being requested is to be a LIBOR Borrowing or an ABR Borrowing, (b) the date of such Borrowing (which shall be a Business Day) and the amount thereof and (c) if such Borrowing is to be a LIBOR Borrowing, the Interest Period with respect thereto. If no election as to the Interest Rate Type of a Term Loan Borrowing is specified in any such Term Loan Borrowing Request, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any LIBOR Borrowing is specified in any such Term Loan Borrowing Request, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given a Term Loan Borrowing Request in accordance with this Section 2.3 of its election to refinance a Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with a LIBOR Borrowing of one month's duration (or at any time after the occurrence, and during the continuation, of a Default or an Event of Default, an ABR Borrowing). The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.3 and of each Lender's portion of the requested Borrowing.

SECTION 2.4. Revolving Credit Borrowing Procedure.

In order to effect a Revolving Credit Borrowing, the Borrower or any Domestic Subsidiary Borrower shall hand deliver or telecopy to the Administrative Agent a Borrowing notice in the form of Exhibit F-2 (a) in the case of a LIBOR Borrowing, not later than 12:00 Noon, New York City time, three Business Days before a proposed Revolving Credit Borrowing, and (b) in the case of an ABR Borrowing, not later than 12:00 Noon, New York City time, on the day of a proposed Revolving Credit Borrowing. No Fixed Rate Competitive Loan shall be requested or made pursuant to a Revolving Credit

Borrowing Request. Such notice shall be irrevocable and shall in each case specify (a) whether the Revolving Credit Borrowing then being requested is to be a LIBOR Borrowing or an ABR Borrowing, (b) the date of such Revolving Credit Borrowing (which shall be a Business Day) and the amount thereof and (c) if such Borrowing is to be a LIBOR Borrowing, the Interest Period with respect thereto. If no election as to the Interest Rate Type of a Revolving Credit Borrowing is specified in any such notice, then the requested Revolving Credit Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any LIBOR Borrowing is specified in any such notice, then the Borrower or the relevant Subsidiary Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower or the relevant Subsidiary Borrower shall not have given notice in accordance with this Section 2.4 of its election to refinance a Revolving Credit Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower or the relevant Subsidiary Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with a LIBOR Borrowing of one month's duration (or at any time after the occurrence, and during the continuation, of a Default or an Event of Default, an ABR Borrowing). The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.4 and of each Lender's portion of the requested Revolving Credit Borrowing.

SECTION 2.5. Use of Proceeds.

The proceeds of the Loans shall be used (i) to fund a portion of a dividend to Cendant to finance, in part, the repayment, redemption, pre-funding or repurchase of existing Cendant indebtedness and to pay fees and expenses related thereto and to the Spin-Off and (ii) for working capital and general corporate purposes of the Borrower and its Subsidiaries. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X of the Board.

SECTION 2.6. Swingline Commitment.

(a) Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time on and after the Closing Date and until the earlier of the Maturity Date and the termination of the Revolving Commitments by making swing line loans ("Swingline Loans") in Dollars to the Borrower; provided that (i) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (notwithstanding that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lender's other outstanding Revolving Credit Loans, may exceed the Swingline Commitment then in effect) and (ii) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the Revolving Credit Exposure exceed the Total Revolving Commitment. On and after the Closing Date and until the earlier of the Maturity Date and the termination of the Revolving Commitments, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only.

(b) The Borrower shall repay to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two Business Days after such Swingline Loan is made; provided that on each date that a Revolving Credit Loan is borrowed, the Borrower shall repay all Swingline Loans then outstanding.

SECTION 2.7. Procedure for Swingline Borrowing; Refunding of Swingline Loans.

(a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by the Swingline Lender not later than 2:00 P.M., New York City time, on the day of the proposed Borrowing), specifying (i) the amount to be borrowed and (ii) the date of such notice which shall be the requested borrowing date (which shall be a Business Day). Each borrowing under the Swingline Commitment shall be in an amount equal to $500,000 or a whole multiple of $100,000 in excess thereof. Not later than 3:00 P.M., New York City time, on the date of the Borrowing specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender. The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such borrowing date by depositing such proceeds in the account of the Borrower with the Administrative Agent or such other account as the Borrower may specify to the Administrative Agent in writing on such borrowing date in immediately available funds.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one Business Day's notice given by the Swingline Lender no later than 12:00 Noon, New York City time, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Credit Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Credit Loan available to the Administrative Agent at the Funding Office in immediately available funds, not later than 10:00 A.M., New York City time, one Business Day after the date of such notice. The proceeds of such Revolving Credit Loans shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

(c) If prior to the time a Revolving Credit Loan would have otherwise been made pursuant to Section 2.7(b), one of the events described in Section 7(f) or (g) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Credit Loans may not be made as contemplated by Section 2.7(b), each Revolving Lender shall, on the date such Revolving Credit Loan was to have been made pursuant to the notice referred to in Section 2.7(b), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentagetimes (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Credit Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided,

however, that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.7(b) and to purchase participating interests pursuant to Section 2.7(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 4, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Fundamental Document by the Borrower, any other Loan Party or any other Revolving Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

SECTION 2.8. Competitive Bid Procedure – Competitive Loans.

(a) In order to request Competitive Bids for Competitive Loans, the Borrower or any Subsidiary Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit E-1, to be received by the Administrative Agent (i) in the case of a LIBOR Competitive Loan, not later than 10:00 A.M., New York City time, four Business Days before a proposed Competitive Borrowing, (ii) in the case of a Local Fixed Rate Competitive Loan, not later than 10:00 A.M., New York City time, two Business Day before a proposed Competitive Borrowing and (iii) in the case of a Domestic Fixed Rate Competitive Loan, not later than 10:00 A.M., New York City time, one Business Day before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A Competitive Bid Request that does not conform substantially to the format of Exhibit E-1 may be rejected in the Administrative Agent's sole discretion, and the Administrative Agent shall promptly notify the Borrower or the relevant Subsidiary Borrower of such rejection by telecopier. Such request for Competitive Bids shall in each case refer to this Agreement and specify (i) whether the Borrowing then being requested is to be a LIBOR Borrowing or a Fixed Rate Borrowing, (ii) the date of such Borrowing (which shall be a Business Day) and the aggregate principal amount thereof, which shall be in a minimum principal amount of $10,000,000 (or the Dollar Equivalent thereof) and in an integral multiple of $5,000,000 (or the Dollar Equivalent thereof) (or if less, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment), (iii) the Interest Period with respect thereto (which may not end after the Maturity Date), (iv) the Currency with respect thereto and (v) if such requested Borrowing is to consist of Local Competitive Loans, the jurisdiction in which such requested Borrowing is to be made. Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by telecopier (in the form set forth in Exhibit E-2) the Revolving Lenders to bid, on the terms and subject to the conditions of this Agreement, to make Competitive Loans pursuant to the Competitive Bid Request.

(b) Each Revolving Lender may, in its sole discretion, make one or more Competitive Bids for Competitive Loans to the Borrower or any Subsidiary Borrower responsive to a Competitive Bid Request. Each Competitive Bid for a Competitive Loan by a Revolving Lender must be received by the Administrative Agent via telecopier, in the form of Exhibit E-3, (i) in the case of a LIBOR Competitive Loan, not later than 9:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing, (ii) in the case of a Local Fixed Rate Competitive Loan, not later than 9:30 A.M., New York City time, one Business Day before a proposed Competitive Borrowing, (iii) in the case of a Domestic Fixed Rate Competitive Loan, not later than 9:30 A.M., New York City time, on the day of a proposed Competitive Borrowing. Multiple bids will be accepted by the Administrative Agent. Competitive Bids

for Competitive Loans that do not conform substantially to the format of Exhibit E-3 may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the Borrower or the relevant Subsidiary Borrower, and the Administrative Agent shall notify the Lender making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid for a Competitive Loan shall refer to this Agreement and specify (i) the principal amount (which shall be in a minimum principal amount of $10,000,000 (or the Dollar Equivalent thereof) and in an integral multiple of $5,000,000 (or the Dollar Equivalent thereof) and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower or the relevant Subsidiary Borrower) of the Competitive Loan or Loans that the Lender is willing to make to the Borrower or the relevant Subsidiary Borrower, (ii) the Competitive Bid Rate or Rates at which the Lender is prepared to make the Competitive Loan or Loans, (iii) the Interest Period or Interest Periods with respect thereto and (iv) in the case of a Local Competitive Loan, the location of and contact information for the lending office. If any Revolving Lender shall elect not to make a Competitive Bid, such Lender shall so notify the Administrative Agent via telecopier (i) in the case of LIBOR Competitive Loans, not later than 9:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing, (ii) in the case of Local Fixed Rate Competitive Loans, not later than 9:30 A.M., New York City time, one Business Day before the proposed Competitive Borrowing and (iii) in the case of Domestic Fixed Rate Competitive Loans, not later than 9:30 A.M., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that failure by any Revolving Lender to give such notice shall not cause such Lender to be obligated to make any Competitive Loan as part of such proposed Competitive Borrowing. A Competitive Bid for a Competitive Loan submitted by a Lender pursuant to this paragraph (b) shall be irrevocable.

(c) The Administrative Agent shall promptly notify the Borrower or the relevant Subsidiary Borrower by telecopier of all the Competitive Bids made, the Competitive Bid Rate or Rates and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Lender that made each bid. The Administrative Agent shall send a copy of all Competitive Bids to the Borrower or the relevant Subsidiary Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.8.

(d) The Borrower or the relevant Subsidiary Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. The Borrower or the relevant Subsidiary Borrower shall notify the Administrative Agent by telephone, promptly confirmed by telecopier in the form of a Competitive Bid Accept/Reject Letter whether and to what extent it has decided to accept or reject any or all of the bids referred to in paragraph (c) above, (i) in the case of a LIBOR Competitive Loan, not later than 10:30 A.M., New York City time, three Business Days before a proposed Competitive Borrowing, (ii) in the case of a Local Fixed Rate Borrowing, not later than 10:30 A.M., New York City time, one Business Day before a proposed Competitive Borrowing and (iii) in the case of a Domestic Fixed Rate Borrowing, not later than 10:30 A.M., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that (A) the failure by the Borrower or the relevant Subsidiary Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (c) above, (B) the Borrower or the relevant Subsidiary Borrower shall not accept a bid made at a particular Competitive Bid Rate if the Borrower or the relevant Subsidiary Borrower has decided to reject a bid made at a lower Competitive Bid Rate, (C) the aggregate amount of the Competitive Bids accepted by the Borrower or the relevant Subsidiary Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (D) if the Borrower or the relevant Subsidiary Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted by the Borrower or the relevant Subsidiary Borrower to exceed the amount specified in the Competitive Bid Request, then the Borrower or such Subsidiary Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted at lower Competitive Bid Rates with respect to such Competitive Bid

Request (it being understood that acceptance in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate) and (E) except pursuant to clause (D) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of $10,000,000 (or the Dollar Equivalent thereof) and an integral multiple of $5,000,000 (or the Dollar Equivalent thereof) (or if less, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment); provided further, however, that if a Competitive Loan must be in an amount less than $10,000,000 because of the provisions of clause (D) above, such Competitive Loan shall be in a minimum principal amount of $1,000,000 (or the Dollar Equivalent thereof) or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (D), the amounts shall be rounded to integral multiples of $1,000,000 (or the Dollar Equivalent thereof) in a manner that shall be in the discretion of the Borrower or the relevant Subsidiary Borrower. A notice given by the Borrower or the relevant Subsidiary Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Lender whether its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy sent by the Administrative Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted.

(f) A Competitive Bid Request shall not be made within four Business Days after the date of any previous Competitive Bid Request, or such shorter period as may be agreed upon by the Borrower and the Administrative Agent.

(g) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Revolving Lender, it shall submit such bid directly to the Borrower or the relevant Subsidiary Borrower one quarter of an hour earlier than the latest time at which the other Revolving Lenders are required to submit their bids to the Administrative Agent pursuant to paragraph (b) above.

(h) All notices required by this Section 2.8 shall be given in accordance with Section 10.1.

SECTION 2.9. Competitive Bid Procedure – Competitive Letters of Credit.

(a) In order to request Competitive Bids for Competitive Letters of Credit, the Borrower or any Subsidiary Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Competitive Bid Request for a Competitive Letter of Credit in the form of Exhibit E-1, to be received by the Administrative Agent not later than 10:00 A.M., New York City time, four Business Days before the proposed issuance date for such Competitive Letter of Credit. A Competitive Bid Request for a Competitive Letter of Credit that does not conform substantially to the format of Exhibit E-1 may be rejected in the Administrative Agent's sole discretion, and the Administrative Agent shall promptly notify the Borrower or the relevant Subsidiary Borrower of such rejection by telecopier. Such request for a Competitive Letter of Credit shall in each case refer to this Agreement and specify (i) the proposed date of issuance of such Competitive Letter of Credit (which shall be a Business Day); (ii) the face amount thereof, which shall be in a minimum principal amount of $5,000,000 (or if less, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment); (iii) a brief description of the purpose of such Competitive Letter of Credit and the underlying transaction requiring the issuance of such Competitive Letter of Credit; (iv) the expiration date of such Competitive Letter of Credit (which shall not be longer than the tenor set forth for Letters of Credit in Section 2.28(a)(i)); (v) the name and address of the beneficiary; and (vi) such other information as shall be necessary to prepare,

amend, renew or extend such Competitive Letter of Credit. Promptly after its receipt of a Competitive Bid Request for a Competitive Letter of Credit that is not rejected as aforesaid, the Administrative Agent shall invite by telecopier (in the form set forth in Exhibit E-2) the Lenders to bid, on the terms and subject to the conditions of this Agreement, to issue a Competitive Letter of Credit pursuant to the Competitive Bid Request for such Competitive Letter of Credit.

(b) Each Revolving Lender may, in its sole discretion, make one Competitive Bid for a Competitive Letter of Credit to the Borrower or the relevant Subsidiary Borrower responsive to a Competitive Bid Request. Each Competitive Bid for a Competitive Letter of Credit by a Revolving Lender must be received by the Administrative Agent via telecopier, in the form of Exhibit E-3, not later than 9:30 A.M., New York City time, three Business Days before a proposed issuance of a Competitive Letter of Credit. Competitive Bids for Competitive Letters of Credit that do not conform substantially to the format of Exhibit E-3 may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the Borrower or the relevant Subsidiary Borrower, and the Administrative Agent shall notify the Lender making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify: (i) that such Lender is willing to issue such Letter of Credit substantially in the form requested in such Competitive Bid Request and (ii) the Competitive Bid Commission at which the Lender is prepared to issue such Competitive Letter of Credit. If any Revolving Lender shall elect not to make a Competitive Bid, such Lender shall so notify the Administrative Agent via telecopier not later than 9:30 A.M., New York City time, three Business Days before the proposed issuance date for such Competitive Letter of Credit; provided, however, that failure by any Revolving Lender to give such notice shall not cause such Lender to be obligated to issue any Competitive Letter of Credit. A Competitive Bid submitted by a Lender pursuant to this paragraph (b) shall be irrevocable.

(c) The Administrative Agent shall promptly notify the Borrower or the relevant Subsidiary Borrower by telecopier of all the Competitive Bids made and the Competitive Bid Commission in respect of which a Competitive Bid was made and the identity of the Revolving Lender that made each bid. The Administrative Agent shall send a copy of all Competitive Bids to the Borrower or the relevant Subsidiary Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.9.

(d) The Borrower or the relevant Subsidiary Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. The Borrower or the relevant Subsidiary Borrower shall notify the Administrative Agent by telephone, promptly confirmed by telecopier in the form of a Competitive Bid Accept/Reject Letter whether and to what extent it has decided to accept or reject any or all of the bids referred to in paragraph (c) above, not later than 10:30 A.M., New York City time, three Business Days before a proposed issuance of a Competitive Letter of Credit; provided, however, that (A) the failure by the Borrower or the relevant Subsidiary Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (c) above, (B) the Borrower or the relevant Subsidiary Borrower shall not accept a bid made at a particular Competitive Bid Commission if the Borrower or the relevant Subsidiary Borrower has decided to reject a bid made at a lower Competitive Bid Commission, (C) the Borrower or the relevant Subsidiary Borrower may accept only one bid for each Competitive Bid Request for a Competitive Letter of Credit and (D) if there are multiple bids at a particular Competitive Bid Commission, the Borrower or the relevant Subsidiary Borrower may select any one such bid in its discretion. A notice given by the Borrower or the relevant Subsidiary Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify the bidding Revolving Lender whose Competitive Bid has been accepted by telecopy sent by the Administrative Agent, and such

successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to issue the Competitive Letter of Credit in respect of which its bid has been accepted. If requested by such successful bidding Lender, the Borrower or the relevant Subsidiary Borrower also shall submit a letter of credit application on such bidding Lender's standard form in connection with any request for a Competitive Letter of Credit, which form shall be furnished in accordance with Section 10.1. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower or the relevant Subsidiary Borrower to, or entered into by the Borrower or the relevant Subsidiary Borrower with, any Lender relating to any Competitive Letter of Credit, the terms and conditions of this Agreement shall control. Concurrently with the giving of notice by the Administrative Agent to such bidding Lender pursuant to this paragraph (e), the Borrower or the relevant Subsidiary Borrower shall deliver to such bidding Lender a precise description of the documents and the verbatim text of any certificate to be presented by the beneficiary of such Competitive Letter of Credit which, if presented by such beneficiary prior to the expiration date of the Competitive Letter of Credit, would require the applicable issuing Lender to make payment under the Competitive Letter of Credit; provided that the applicable Issuing Lender, in its reasonable discretion, may require customary changes in any such documents and certificates. Upon issuance of any Competitive Letter of Credit, the applicable Issuing Lender shall notify the Administrative Agent of the issuance of such Competitive Letter of Credit. Promptly after receipt of such notice, the Administrative Agent shall notify each Revolving Lender of the issuance and the amount of such Competitive Letter of Credit.

(f) Sections 2.8(f), (g) and (h) are incorporated in this Section 2.9 by reference,mutatis mutandis.

(h) Notwithstanding any other provision of this Agreement to the contrary:

(i) each Competitive Letter of Credit shall be issued solely for the risk of the Lender which has issued such Competitive Letter of Credit, and no other Lender shall have a participating interest in such Letter of Credit;

(ii) each Competitive Letter of Credit shall be subject to the terms of clauses (A) and (B) of Section 2.28(a)(i), Sections 2.28(a)(iii) and 2.28(a)(iv), Section 2.28(c), Section 2.28(f)(i)(A) (excluding the proviso thereto) and (B), Section 2.28(f)(iv), Section 2.28(g), Section 2.28(h), Section 2.28(i), and Section 2.28(j), which are hereby made applicable to such Competitive Letter of Credit, mutatis mutandis, except that references in such clauses and sections to the Issuing Lender, the Required Lenders and the Lenders shall be deemed to be references to the Issuing Lender which issued such Competitive Letter of Credit;

(iii) if any drawing is made under a Competitive Letter of Credit, the Borrower or the relevant Subsidiary Borrower will, upon demand of the Administrative Agent or the applicable Issuing Lender, pay to the applicable Issuing Lender, in immediately available funds, the full amount of such drawing; provided that the Borrower or the relevant Subsidiary Borrower may make a Borrowing to pay such amount, and provided that the conditions specified in Section 4.2 are then satisfied, then notwithstanding the limitations as to the aggregate principal amount of ABR Loans set forth in Section 2.2(a), as to the time of funding of a Borrowing set forth in Section 2.2(c) and as to the time of notice of a proposed Borrowing set forth in Section 2.9, payment by the applicable Issuing Lender of such draft shall constitute an ABR Loan hereunder, and interest shall accrue from the date the applicable Issuing Lender makes such payment. If any draft is presented under a Competitive Letter of Credit and (i) the conditions specified in Section 4.2 are not satisfied or (ii) if the Commitments have been terminated, then the Borrower or the relevant Subsidiary Borrower will, upon demand by the Administrative Agent or the applicable

Issuing Lender, pay to the applicable Issuing Lender, in immediately available funds, the full amount of such draft;

(iv) the Borrower or the relevant Subsidiary Borrower shall pay to the Administrative Agent for distribution to the applicable Issuing Lender in respect of each Competitive Letter of Credit outstanding, a commission on the maximum amount available from time to time to be drawn under such outstanding Competitive Letter of Credit calculated at a rate per annum equal to the applicable Competitive Bid Commission from time to time in effect hereunder. Such commission shall be payable in arrears on and through the last day of each fiscal quarter of the Borrower or the relevant Subsidiary Borrower and on the later of the Maturity Date and the expiration of such Competitive Letter of Credit;

(v) neither Borrower nor any Subsidiary Borrower shall be entitled to request a Competitive Letter of Credit if the aggregate L/C Exposure after giving effect to the issuance of such Competitive Letter of Credit would exceed the Total Revolving Commitment;

(vi) each Competitive Letter of Credit shall be issued in Dollars;

(vii) each Issuing Lender in respect of a Competitive Letter of Credit shall notify the Administrative Agent (A) of the drawable amount of such Competitive Letter of Credit, (B) of any drawing made on such Competitive Letter of Credit and (C) of any amendment or extension of such Competitive Letter of Credit, upon request by the Administrative Agent and, in the case of events described in clauses (B) and (C), promptly following the occurrence thereof; and

(viii) any Revolving Lender shall be prohibited from issuing Competitive Letters of Credit hereunder upon the occurrence and during the continuance of an Event of Default (provided that such Lender shall have received notice of such Event of Default pursuant to Section 8.4 hereof andprovided further that such notice shall be received at least 24 hours prior to the date on which any Competitive Letter of Credit is to be issued).

(i) The Borrower or the relevant Subsidiary Borrower shall pay to the Administrative Agent a fee in the amount of $1,500 in connection with each Competitive Bid Request made pursuant to Sections 2.8 and 2.9.

The Administrative Agent will, upon request of any Lender that has issued or is making a Competitive Bid for a Competitive Letter of Credit, confirm the total amount of L/C Exposure and the aggregate outstanding Loans to such Lender.

SECTION 2.10. Refinancings.

The Borrower or any Subsidiary Borrower may refinance all or any part of any Borrowing with a Borrowing of the same Currency and of the same Interest Rate Type (or of the same or different Interest Rate Type, in the case of Loans denominated in Dollars) made pursuant to Section 2.8 or pursuant to a notice under Sections 2.3 or 2.4, as applicable, subject to the conditions and limitations set forth herein and elsewhere in this Agreement, including refinancings of Competitive Borrowings with Revolving Credit Borrowings and Revolving Credit Borrowings with Competitive Borrowings; provided, however, that at any time after the occurrence, and during the continuation, of a Default or an Event of Default, a Borrowing (other than a Competitive Borrowing) or portion thereof may only be refinanced with an ABR Borrowing. Any Borrowing or part thereof so refinanced shall be deemed to be repaid in accordance with Section 2.12 with the proceeds of a new Borrowing hereunder and the proceeds of the new Borrowing, to the extent they do not exceed the principal amount of the Borrowing being refinanced,

shall not be paid by the Lenders to the Administrative Agent or by the Administrative Agent to the Borrower or the relevant Subsidiary Borrower pursuant to Section 2.2(c); provided, however, that (a) if the principal amount extended by a Lender in a refinancing is greater than the principal amount extended by such Lender in the Borrowing being refinanced, then such Lender shall pay such difference to the Administrative Agent for distribution to the Borrower or the relevant Subsidiary Borrower or any Lenders described in clause (b) below, as applicable, (b) if the principal amount extended by a Lender in the Borrowing being refinanced is greater than the principal amount being extended by such Lender in the refinancing, the Administrative Agent shall return the difference to such Lender out of amounts received pursuant to clause (a) above, and (c) to the extent any Lender fails to pay the Administrative Agent amounts due from it pursuant to clause (a) above, any Loan or portion thereof being refinanced with such amounts shall not be deemed repaid in accordance with this Section 2.10 and, to the extent of such failure, the Borrower or the relevant Subsidiary Borrower shall pay such amount to the Administrative Agent as required by Section 2.14; and (d) to the extent the Borrower or the relevant Subsidiary Borrower fails to pay to the Administrative Agent any amounts due in accordance with Section 2.14 as a result of the failure of a Lender to pay the Administrative Agent any amounts due as described in clause (c) above, the portion of any refinanced Loan deemed not repaid shall be deemed to be outstanding solely to the Lender which has failed to pay the Administrative Agent amounts due from it pursuant to clause (a) above to the full extent of such Lender's portion of such Loan.

SECTION 2.11. Fees.

(a) The Borrower agrees to pay to each Revolving Lender, through the Administrative Agent, on the 15th day (or, on the next Business Day, if the 15th day is not a Business Day) of the calendar month immediately following the end of each fiscal quarter, commencing with the fiscal quarter ending September 30, 2006, and on the date on which the Revolving Commitment of such Lender shall be terminated as provided herein, a facility fee (a "Facility Fee"), at the rate per annum from time to time in effect in accordance with Section 2.26, on the average daily amount of the Revolving Commitment of such Lender, whether used or unused, during the preceding quarter (or shorter period commencing with the Closing Date, or ending with (i) the Maturity Date or (ii) any date on which the Revolving Commitment of such Lender shall be terminated). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Revolving Lender shall commence to accrue on the Effective Date, shall be payable in arrears and shall cease to accrue on the earlier of the Maturity Date and the termination of the Commitment of such Lender as provided herein.

(b) The Borrower agrees to pay to each Revolving Lender, through the Administrative Agent, on the 15th day (or, on the next Business Day, if the 15th day is not a Business Day) of the calendar month immediately following the end of each fiscal quarter, commencing with the fiscal quarter ending September 30, 2006, and on the date on which the Commitment of such Lender shall be terminated as provided herein, a utilization fee (a "Utilization Fee") at a rate per annum from time to time in effect in accordance with Section 2.26 for each Excess Utilization Day, which fee shall accrue on the daily amount of the sum of (A) the outstanding aggregate principal amount of all Revolving Credit Loans made by such Lender plus (B) such Lender's then current L/C Exposureplus (C) the outstanding aggregate principal amount of all Competitive Loans made by such Lender for each Excess Utilization Day during the period from and including the Closing Date to but excluding the date on which such Lender no longer has any outstanding Loans or L/C Exposure. All Utilization Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable in arrears.

(c) The Borrower agrees to pay the Administrative Agent the fees in the amounts and on the dates as set forth in any written and executed fee agreements with the Administrative Agent.

(d) All fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders. Once paid, none of the fees shall be refundable under any circumstances.

SECTION 2.12. Repayment of Loans; Evidence of Debt

(a) The Term Loans shall be payable in a single installment on the Maturity Date.

(b) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Term Lender the then unpaid principal amount of each Term Loan of such Lender made to the Borrower on the Maturity Date, (ii) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Credit Loan of such Lender made to the Borrower on the Maturity Date and (iii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan in accordance with Section 2.6(b), or in each case, on such earlier date on which the Loans become due and payable pursuant to Section 7. The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans made to the Borrower from time to time outstanding from the Closing Date until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.13. Each Subsidiary Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Credit Loan of such Lender made to such Subsidiary Borrower on the Maturity Date or on such earlier date on which Loans become due and payable pursuant to Section 7. Each Subsidiary Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans made to such Subsidiary Borrower from time to time outstanding from the Closing Date until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.13.

(c) The Borrower unconditionally promises to pay to the Administrative Agent, for the account of each Lender that makes a Competitive Loan to the Borrower, on the last day of the Interest Period applicable to such Competitive Loan, the principal amount of such Competitive Loan. The Borrower further unconditionally promises to pay interest on each such Competitive Loan for the period from and including the date of Borrowing of such Competitive Loan on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and payable as specified in, Section 2.13. Each Subsidiary Borrower unconditionally promises to pay to the Administrative Agent, for the account of each Lender that makes a Competitive Loan to such Subsidiary Borrower, on the last day of the Interest Period applicable to such Competitive Loan, the principal amount of such Competitive Loan made to such Subsidiary Borrower. Each Subsidiary Borrower further unconditionally promises to pay interest on each such Competitive Loan made to such Subsidiary Borrower for the period from and including the date of Borrowing of such Competitive Loan on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and payable as specified in, Section 2.13.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower and any Subsidiary Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 10.3(e), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder, the Interest Rate Type thereof and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower and any Subsidiary Borrower to each Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Borrower or any Subsidiary Borrower and each Lender's share thereof.

(f) The entries made in the Register and the accounts of each Lender maintained pursuant to this Section 2.12 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower and any Subsidiary Borrower therein recorded;provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower or any Subsidiary Borrower to repay (with applicable interest) the Loans made to the Borrower or the relevant Subsidiary Borrower by such Lender in accordance with the terms of this Agreement.

SECTION 2.13. Interest on Loans.

(a) Subject to the provisions of Section 2.14, the Loans comprising each LIBOR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i) in the case of each LIBOR Revolving Credit Loan and LIBOR Term Loan, LIBOR for the Interest Period in effect for such Borrowing plus the applicable LIBOR Spread from time to time in effect and (ii) in the case of each LIBOR Competitive Loan, LIBOR for the Interest Period in effect for such Borrowing plus the Margin offered by the Lender making such Loan and accepted by the Borrower or the relevant Subsidiary Borrower pursuant to Section 2.8. Interest on each LIBOR Borrowing shall be payable on each applicable Interest Payment Date.

(b) Subject to the provisions of Section 2.14, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate plus the applicable margin, if any, for ABR Loans from time to time in effect pursuant to Section 2.26.

(c) Subject to the provisions of Section 2.14, each Fixed Rate Competitive Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Lender making such Loan and accepted by the Borrower or the relevant Subsidiary Borrower pursuant to Section 2.8.

(d) Interest on each Loan shall be payable in arrears on each Interest Payment Date applicable to such Loan. The LIBOR or the Alternate Base Rate for each Interest Period or day within an Interest Period shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Interest on Overdue Amounts.

If the Borrower or any Subsidiary Borrower shall default in the payment of the principal of, or interest on, any Loan or any other amount becoming due hereunder, the Borrower or such Subsidiary Borrower shall, at the request of the Required Lenders, from time to time pay interest, to the extent permitted by Applicable Law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as applicable, in the case of amounts bearing interest determined by reference to the Prime Rate and a year of 360 days in all other cases, equal to (a) in the case of the remainder of the then current Interest Period for any LIBOR Loan or Fixed Rate Competitive Loan, the rate applicable to such Loan under Section 2.13 plus 2% per annum and (b) in the case of any other Loan or amount, the rate that would at the time be applicable to an ABR Loan under Section 2.13 plus 2% per annum.

SECTION 2.15. Alternate Rate of Interest.

In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a LIBOR Loan, the Administrative Agent shall have determined that Dollar deposits or deposits in the applicable Optional Currency in the amount of the requested principal amount of such LIBOR Loan are not generally available in the London Interbank market, or that the rate at which such Dollar deposits or deposits in the applicable Optional Currency are being offered will not adequately and fairly reflect the cost to any Lender of making or maintaining its portion of such LIBOR Loans during such Interest Period, or that reasonable means do not exist for ascertaining LIBOR, the Administrative Agent shall, as soon as practicable thereafter, give written or telecopier notice of such determination to the Borrower or the relevant Subsidiary Borrower and the Lenders. In the event of any such determination, until the Administrative Agent shall have determined that circumstances giving rise to such notice no longer exist, (a) any request by the Borrower or any Subsidiary Borrower for a LIBOR Competitive Loan pursuant to Section 2.8 shall be of no force and effect and shall be denied by the Administrative Agent and (b) any request by the Borrower or any Subsidiary Borrower for a LIBOR Borrowing pursuant to Section 2.4 shall be deemed to be a request for an ABR Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error.

SECTION 2.16. Termination and Reduction of Revolving Commitments; Increase of Revolving Commitments

(a) The Revolving Commitments of all of the Revolving Lenders shall be automatically terminated on the Maturity Date.

(b) Subject to Section 2.17(b), upon at least one Business Day of prior written or telecopy notice to the Administrative Agent (which notice shall have been received not later than 12:00 Noon, New York City time), the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Revolving Commitment; provided, however, that (i) each partial reduction of the Total Revolving Commitment shall be in an integral multiple of $1,000,000 and in a minimum principal amount of $5,000,000 and (ii) the Borrower shall not be entitled to make any such termination or reduction that would reduce the Total Revolving Commitment to an amount less than the sum of the aggregate outstanding principal amount of the Revolving Credit Loans plus the aggregate outstanding principal amount of the Swingline Loans plus the then current L/C Exposure. Each notice delivered by the Borrower pursuant to this Section 2.16(b) shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case, such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(c) Each reduction in the Total Revolving Commitment hereunder shall be made ratably among the Lenders in accordance with their respective Revolving Commitments. The Borrower shall pay to the Administrative Agent for the account of the Revolving Lenders on the date of each termination or reduction in the Total Revolving Commitment, the Facility Fees on the amount of the Total Revolving Commitment so terminated or reduced accrued to the date of such termination or reduction.

(d) In the event that the Borrower wishes to increase the aggregate Revolving Commitments at any time when no Default or Event of Default has occurred and is continuing, it shall notify the Administrative Agent in writing of the amount (the "Offered Increase Amount") of such proposed increase (such notice, a "Commitment Increase Notice"), and the Administrative Agent shall notify each Lender of such proposed increase and provide such additional information regarding such

proposed increase as any Lender may reasonably request. The Borrower may, at its election, (i) offer one or more of the Lenders the opportunity to participate in all or a portion of the Offered Increase Amount pursuant to paragraph (f) below and/or (ii) with the consent of the Administrative Agent (which consent shall not be unreasonably withheld), offer one or more additional banks, financial institutions or other entities the opportunity to participate in all or a portion of the Offered Increase Amount pursuant to paragraph (e) below. Each Commitment Increase Notice shall specify which Lenders and/or banks, financial institutions or other entities the Borrower desires to participate in such Commitment increase. The Borrower or, if requested by the Borrower, the Administrative Agent, will notify such Lenders and/or banks, financial institutions or other entities of such offer.

(e) Any additional bank, financial institution or other entity which the Borrower selects to offer participation in the increased Revolving Commitments and which elects to become a party to this Agreement and provide a Revolving Commitment in an amount so offered and accepted by it pursuant to Section 2.16(d)(ii) shall execute a New Lender Supplement with the Borrower and the Administrative Agent, substantially in the form of Exhibit H, whereupon such bank, financial institution or other entity (herein called a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement, and Schedule 2.1 shall be deemed to be amended to add the name and Revolving Commitment of such New Lender, provided that the Revolving Commitment of any such new Lender shall be in an amount not less than $5,000,000.

(f) Any Revolving Lender which accepts an offer to it by the Borrower to increase its Revolving Commitment pursuant to Section 2.16(d)(i) shall, in each case, execute a Commitment Increase Supplement with the Borrower and the Administrative Agent, substantially in the form of Exhibit I, whereupon such Lender shall be bound by and entitled to the benefits of this Agreement with respect to the full amount of its Revolving Commitment as so increased, and Schedule 2.1 shall be deemed to be amended to so increase the Revolving Commitment of such Lender.

(g) Notwithstanding anything to the contrary in this Section 2.16, (i) in no event shall any transaction effected pursuant to this Section 2.16 cause the Total Revolving Commitment to exceed $1,200,000,000 and (ii) no Lender shall have any obligation to increase its Revolving Commitment unless it agrees to do so in its sole discretion.

SECTION 2.17. Prepayment of Loans.

(a) Prior to the Maturity Date, the Borrower and any Subsidiary Borrower shall have the right at any time to prepay any Borrowing (other than a Competitive Borrowing), in whole or in part, subject to the requirements of Section 2.21 but otherwise without premium or penalty, upon prior written or telecopy notice to the Administrative Agent before 12:00 Noon, New York City, time at least one Business Day in the case of an ABR Loan and at least three Business Days in the case of a LIBOR Loan; provided, however, that each such partial prepayment shall be in an integral multiple of $1,000,000 and in a minimum aggregate principal amount of $5,000,000. Neither the Borrower nor any Subsidiary Borrower shall have the right to prepay any Competitive Borrowing without the consent of the relevant Lender.

(b) On any date when the sum of the Revolving Credit Exposure (after giving effect to any Borrowings effected on such date) exceeds the Total Revolving Commitment, the Borrower shall make a mandatory prepayment of the Revolving Credit Loans (or cause any Subsidiary Borrower to make such a prepayment) in such amount as may be necessary so that the Revolving Credit Exposure after giving effect to such prepayment does not exceed the Total Revolving Commitment then in effect. Any prepayments required by this paragraph shall be applied to outstanding ABR Loans up to the full amount thereof before they are applied to outstanding LIBOR Revolving Credit Loans.

(c) Each notice of prepayment pursuant to Section 2.17(a) shall specify the specific Borrowing(s), the prepayment date and the aggregate principal amount of each Borrowing to be prepaid, shall be irrevocable and shall commit the Borrower or the relevant Subsidiary Borrower to prepay such Borrowing(s) by the amount stated therein. All prepayments under this Section 2.17 shall be accompanied by accrued interest on the principal amount being prepaid, to the date of prepayment.

SECTION 2.18. Eurocurrency Reserve Costs.

The Borrower and any Subsidiary Borrower shall pay to the Administrative Agent for the account of each Lender, so long as such Lender shall be required under regulations of the Board to maintain reserves with respect to liabilities or assets consisting of, or including, Eurocurrency Liabilities (as defined in Regulation D of the Board), additional interest on the unpaid principal amount of each LIBOR Loan made to the Borrower or such Subsidiary Borrower by such Lender, from the date of such Loan until such Loan is paid in full, at an interest rate per annum equal at all times during the Interest Period for such Loan to the remainder obtained by subtracting (i) LIBOR for such Interest Period from (ii) the rate obtained by multiplying LIBOR as referred to in clause (i) above by the Statutory Reserves of such Lender for such Interest Period. Such additional interest shall be determined by such Lender and notified to the Borrower or the relevant Subsidiary Borrower (with a copy to the Administrative Agent) not later than five Business Days before the next Interest Payment Date for such Loan, and such additional interest so notified to the Borrower or the relevant Subsidiary Borrower by any Lender shall be payable to the Administrative Agent for the account of such Lender on each Interest Payment Date for such Loan.

SECTION 2.19. Reserve Requirements; Change in Circumstances.

(a) Except with respect to Indemnified Taxes and Other Taxes, which shall be governed solely and exclusively by Section 2.25, if after the Effective Date any change in Applicable Law or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof (whether or not having the force of law) (i) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender, or (ii) shall impose on any Lender or the London Interbank market any other condition affecting this Agreement or any LIBOR Loan or Fixed Rate Competitive Loan made by such Lender, and the result of any of the foregoing shall be to increase the cost (other than the amount of Taxes, if any) to such Lender of making or maintaining any LIBOR Loan or Fixed Rate Competitive Loan or to reduce the amount (other than a reduction resulting from an increase in Taxes, if any) of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise) in respect thereof by an amount deemed in good faith by such Lender to be material, then the Borrower or the relevant Subsidiary Borrower shall pay such additional amount or amounts as will compensate such Lender for such increase or reduction to such Lender.

(b) Except with respect to Indemnified Taxes and Other Taxes, which shall be governed solely and exclusively by Section 2.25, if, after the Effective Date, any Lender shall have determined in good faith that the adoption after the Effective Date of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any Lending Office of such Lender) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of

reducing the rate of return on such Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of its obligations hereunder to a level below that which such Lender (or its holding company) could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Lender's policies or the policies of its holding company, as the case may be, with respect to capital adequacy) by an amount deemed by such Lender to be material, then, from time to time, the Borrower shall pay to the Administrative Agent for the account of such Lender such additional amount or amounts as will compensate such Lender for such reduction upon demand by such Lender.

(c) A certificate of a Lender setting forth in reasonable detail (i) such amount or amounts as shall be necessary to compensate such Lender as specified in paragraph (a) or (b) above, as the case may be, and (ii) the calculation of such amount or amounts referred to in the preceding clause (i), shall be delivered to the Borrower or the relevant Subsidiary Borrower and shall be conclusive absent manifest error. The Borrower or the relevant Subsidiary Borrower shall pay the Administrative Agent for the account of such Lender the amount shown as due on any such certificate within 10 Business Days after its receipt of the same.

(d) Failure on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any Interest Period shall not constitute a waiver of such Lender's rights to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to such Interest Period or any other Interest Period. The protection of this Section 2.19 shall be available to each Lender regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which shall have been imposed.

(e) Each Lender agrees that, as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that (i) would cause it to incur any increased cost under this Section 2.19, Section 2.20, Section 2.25 or Section 2.28 or (ii) would require the Borrower or any Subsidiary Borrower to pay an increased amount under this Section 2.19, Section 2.20, Section 2.25 or Section 2.28, it will notify the Borrower and such Subsidiary Borrower of such event or condition and, to the extent not inconsistent with such Lender's internal policies, will use its reasonable efforts to make, fund or maintain the affected Loans of such Lender, or, if applicable to participate in Letters of Credit or maintain Competitive Letters of Credit, through another Lending Office of such Lender if as a result thereof the additional monies which would otherwise be required to be paid or the reduction of amounts receivable by such Lender thereunder in respect of such Loans, Letters of Credit or Competitive Letters of Credit would be materially reduced, or any inability to perform would cease to exist, or the increased costs which would otherwise be required to be paid in respect of such Loans or Letters of Credit pursuant to this Section 2.19, Section 2.20, Section 2.25 or Section 2.28 would be materially reduced or the Taxes payable under Section 2.25, or other amounts otherwise payable under this Section 2.19, Section 2.20 or Section 2.28 would be materially reduced, and if, as determined by such Lender, in its sole discretion, the making, funding or maintaining of such Loans, Letters of Credit or Competitive Letters of Credit through such other Lending Office would not otherwise materially adversely affect such Loans, Letters of Credit or Competitive Letters of Credit or such Lender.

(f) In the event any Lender shall have delivered to the Borrower or any Subsidiary Borrower a notice that LIBOR Loans are no longer available from such Lender pursuant to Section 2.20, or if the Borrower or such Subsidiary Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18 or Section 2.25, the Borrower may (but subject in any such case to the payments required by Section 2.20), upon at least five Business Days' prior written or telecopier notice to such Lender and the Administrative Agent, identify to the Administrative Agent a lending institution reasonably acceptable to the Administrative Agent which will purchase the Commitment, the amount of outstanding Loans, any participations in Letters of Credit

and any Competitive Letters of Credit from the Lender providing such notice and such Lender shall thereupon assign its Commitment, any Loans owing to such Lender, any participations in Letters of Credit, and any Competitive Letters of Credit to such replacement lending institution pursuant to Section 10.3. Such notice shall specify an effective date for such assignment and at the time thereof, the Borrower and any relevant Subsidiary Borrower shall pay all accrued interest, accrued Facility Fees, Utilization Fees and all other amounts (including without limitation all amounts payable under this Section) owing hereunder to such Lender as at such effective date for such assignment.

SECTION 2.20. Change in Legality.

(a) Notwithstanding anything to the contrary herein contained, if, after the Effective Date, any change in any law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof shall make it unlawful for any Lender to make or maintain any LIBOR Loan or to give effect to its obligations as contemplated hereby, then, by written notice to the Borrower and to the Administrative Agent, such Lender may:

(i) declare that LIBOR Loans will not thereafter be made by such Lender hereunder, whereupon such Lender shall not submit a Competitive Bid in response to a request for LIBOR Competitive Loans and the Borrower and any Subsidiary Borrower shall be prohibited from requesting LIBOR Revolving Credit Loans from such Lender hereunder unless such declaration is subsequently withdrawn; and

(ii) require that all outstanding LIBOR Loans made by it be converted to ABR Loans, in which event (A) all such LIBOR Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in Section 2.20(b) and (B) all payments and prepayments of principal which would otherwise have been applied to repay the converted LIBOR Loans shall instead be applied to repay the ABR Loans resulting from the conversion of such LIBOR Loans; provided that the principal amount of any such LIBOR Loan denominated in any Optional Currency shall be converted to the Dollar Equivalent there of concurrently with its conversion to an ABR Loan.

(b) For purposes of this Section 2.20, a notice to the Borrower by any Lender pursuant to Section 2.20(a) shall be effective on the date of receipt thereof by the Borrower.

SECTION 2.21. Reimbursement of Lenders.

(a) The Borrower or the relevant Subsidiary Borrower shall reimburse each Lender on demand for any loss incurred or to be incurred by it in the reemployment of the funds released (i) by any prepayment (for any reason) of any LIBOR or Fixed Rate Competitive Loan if such Loan is repaid other than on the last day of the applicable Interest Period for such Loan or (ii) in the event that after the Borrower or the relevant Subsidiary Borrower delivers a notice of borrowing under Section 2.4 in respect of LIBOR Revolving Credit Loans or a Competitive Bid Accept/Reject Letter under Section 2.8(d), pursuant to which it has accepted bids of one or more of the Lenders, the applicable Loan is not made on the first day of the Interest Period specified by the Borrower or the relevant Subsidiary Borrower for any reason other than (I) a suspension or limitation under Section 2.20 of the right of the Borrower or the relevant Subsidiary Borrower to select a LIBOR Loan or (II) a breach by a Lender of its obligations hereunder. In the case of such failure to borrow, such loss shall be the amount as reasonably determined by such Lender as the excess, if any of (A) the amount of interest which would have accrued to such Lender on the amount not borrowed, at a rate of interest equal to the interest rate applicable to such Loan pursuant to Section 2.13, for the period from the date of such failure to borrow, to the last day of the Interest Period for such Loan which would have commenced on the date of such failure to borrow, over

(B) the amount realized by such Lender in reemploying the funds not advanced during the period referred to above. In the case of a payment other than on the last day of the Interest Period for a Loan, such loss shall be the amount as reasonably determined by the Administrative Agent as the excess, if any, of (A) the amount of interest which would have accrued on the amount so paid at a rate of interest equal to the interest rate applicable to such Loan pursuant to Section 2.13, for the period from the date of such payment to the last day of the then current daily Interest Period for such Loan, over (B) the amount equal to the product of (x) the amount of the Loan so paid times (y) the current daily yield on U.S. Treasury Securities (at such date of determination) with maturities approximately equal to the remaining Interest Period for such Loan times (z) the number of days remaining in the Interest Period for such Loan. Each Lender shall deliver to the Borrower or the relevant Subsidiary Borrower from time to time one or more certificates setting forth the amount of such loss (and in reasonable detail the manner of computation thereof) as determined by such Lender, which certificates shall be conclusive absent manifest error. The Borrower or the relevant Subsidiary Borrower shall pay to the Administrative Agent for the account of each Lender the amount shown as due on any certificate within thirty days after its receipt of the same.

(b) In the event the Borrower or the relevant Subsidiary Borrower fails to prepay any Loan on the date specified in any prepayment notice delivered pursuant to Section 2.17(a), the Borrower or the relevant Subsidiary Borrower on demand by any Lender shall pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any loss incurred by such Lender as a result of such failure to prepay, including, without limitation, any loss, cost or expenses incurred by reason of the acquisition of deposits or other funds by such Lender to fulfill deposit obligations incurred in anticipation of such prepayment. Each Lender shall deliver to the Borrower or the relevant Subsidiary Borrower and the Administrative Agent from time to time one or more certificates setting forth the amount of such loss (and in reasonable detail the manner of computation thereof) as determined by such Lender, which certificates shall be conclusive absent manifest error.

SECTION 2.22. Pro Rata Treatment.

(a) Except as permitted under Sections 2.18, 2.19(c), 2.20 and 2.21,

(i) each Term Loan Borrowing, each payment or prepayment of principal of any Term Loan Borrowing, each payment of interest on the Term Loans and each reduction of the Term Commitment shall be allocated pro rata among the Term Lenders in accordance with their respective Term Percentages;

(ii) each Revolving Credit Borrowing, each payment or prepayment of principal of any Revolving Credit Borrowing, each payment of interest on the Revolving Credit Loans, each payment of the Facility Fees and Utilization Fees, each reduction of the Total Revolving Commitment and each refinancing of any Borrowing with, or conversion of any Borrowing to, a Revolving Credit Borrowing, or continuation of any Borrowing as a Revolving Credit Borrowing, shall be allocated pro rata among the Revolving Lenders in accordance with their respective Revolving Percentages;

(iii) Each payment of principal of any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. Each payment of reimbursement obligations, commission, interest or other amounts in respect of a Competitive Letter of Credit shall be allocated to the Issuing Lender of such Competitive Letter of Credit.

(b) For purposes of determining the available Revolving Commitments of the Lenders at any time, each outstanding Competitive Borrowing and the Competitive L/C Exposure shall be deemed to have utilized the Revolving Commitments of the Lenders (including those Lenders that shall not have made Loans as part of such Competitive Borrowing and Lenders that shall not have issued Competitive Letters of Credit) pro rata in accordance with such respective Revolving Commitments.

(c) Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing computed in accordance with Section 2.1, to the next higher or lower whole dollar amount.

SECTION 2.23. Right of Setoff.

If any Event of Default shall have occurred and be continuing and any Lender shall have directed the Administrative Agent to declare the Loans immediately due and payable pursuant to Section 7, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by such Lender and any other indebtedness at any time owing by such Lender to, or for the credit or the account of, (i) the Borrower, against any of and all the obligations of the Borrower now or hereafter existing under this Agreement and the Loans to the Borrower held by such Lender, or (ii) any Subsidiary Borrower, against any of and all the obligations of such Subsidiary Borrower now or hereafter existing under this Agreement and the Loans to such Subsidiary Borrower held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such Loans and although such Obligations may be unmatured. Each Lender agrees promptly to notify the Borrower or such Subsidiary Borrower, as applicable, after any such setoff and application made by such Lender, but the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Lender under this Section 2.23 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 2.24. Manner of Payments.

All payments by the Borrower and any Subsidiary Borrower hereunder shall be made in Dollars, except that prepayments or repayments in respect of Loans shall be made in the Currency in which such Loan is denominated, in Federal or other immediately available funds without deduction, setoff or counterclaim at the Funding Office no later than 1:00 P.M., New York City time, on the date on which such payment shall be due. Interest in respect of any Loan hereunder shall accrue from and including the date of such Loan to, but excluding, the date on which such Loan is paid or refinanced with a Loan of a different Interest Rate Type.

SECTION 2.25. Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower or any Subsidiary Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower or any Subsidiary Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.25) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower or the relevant Subsidiary Borrower shall make such deductions and (iii) the Borrower or the relevant Subsidiary Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) In addition, the Borrower or any relevant Subsidiary Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) If the United States Internal Revenue Service or other Governmental Authority of the United States of America or other jurisdiction asserts a claim against the Administrative Agent or a Lender that the full amount of Indemnified Taxes or Other Taxes has not been paid, the Borrower and each Subsidiary Borrower shall indemnify the Administrative Agent and each Lender within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower or such Subsidiary Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.25) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority (other that those resulting from the Administrative Agent or Lender's gross negligence or willful misconduct). A certificate (along with a copy of the applicable documents from the United States Internal Revenue Service or other Governmental Authority of the United States of America or other jurisdiction that asserts such claim) as to the amount of such payment or liability and setting forth in reasonable detail the calculation and basis for such payment or liability delivered to the Borrower or the relevant Subsidiary Borrower by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower or any Subsidiary Borrower to a Governmental Authority, the Borrower or such Subsidiary Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time such Lender becomes a party to this Agreement and at any other time or times reasonably requested by the Borrower, such properly completed and executed documentation prescribed by Applicable Law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate. Each Lender and Administrative Agent that is a United States Person, as defined in Section 7701(a)(30) of the Code (other than Persons that are corporations or otherwise exempt from United States backup withholding Tax), shall deliver at the time(s) and in the manner(s) prescribed by Applicable Law, to the Borrower and the Administrative Agent (as applicable), a properly completed and duly executed United States Internal Revenue Form W-9, or any successor form, certifying that such Person is exempt from United States backup withholding Tax on payments made hereunder.

(f) If the Administrative Agent or a Lender determines, in its sole good-faith discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or any Subsidiary Borrower or with respect to which the Borrower or any Subsidiary Borrower has paid additional amounts pursuant to this Section 2.25, it shall pay over such refund to the Borrower or such Subsidiary Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or such Subsidiary Borrower under this Section 2.25 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority

with respect to such refund); provided that the Borrower or such Subsidiary Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or such Subsidiary Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section 2.25 shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower, any Subsidiary Borrower or any other Person.

(g) Each Lender agrees (i) that as between it and the Borrower, any Subsidiary Borrower or the Administrative Agent, it shall be the Person to deduct and withhold Taxes, and to the extent required by law it shall deduct and withhold Taxes, on amounts that such Lender may remit to any other Person(s) by reason of any undisclosed transfer or assignment of an interest in this Agreement to such other Person(s) pursuant to paragraph (g) of Section 10.3 and (ii) to indemnify the Borrower, any Subsidiary Borrower and the Administrative Agent and any officers, directors, agents, or employees of the Borrower, any Subsidiary Borrower or the Administrative Agent against, and to hold them harmless from, any Tax, interest, additions to Tax, penalties, reasonable counsel and accountants' fees, disbursements or payments arising from the assertion by any appropriate Governmental Authority of any claim against them relating to a failure to withhold Taxes as required by Applicable Law with respect to amounts described in clause (i) of this paragraph (g).

(h) Each assignee of a Lender's interest in this Agreement in conformity with Section 10.3 shall be bound by this Section 2.25, so that such assignee will have all of the obligations and provide all of the forms and statements and all indemnities, representations and warranties required to be given under this Section 2.25.

SECTION 2.26. Certain Pricing Adjustments.

The Facility Fee, Utilization Fee and applicable LIBOR Spread for Revolving Credit Loans in effect from time to time shall be determined in accordance with the following table:

Moody's/S&P Rating Equivalent	Facility Fee (in Basis Points)	Applicable LIBOR Spread (in Basis Points)	Utilization Fee (in Basis Points)
³ A2/A	7.0	13.0	10.0
³ A3/A-	8.0	17.0	10.0
³ Baa1/BBB+	9.0	26.0	10.0
³ Baa2/BBB	10.0	35.0	10.0
³ Baa3/BBB-	12.5	50.0	12.5
> Baa3/BBB-	17.5	70.0	12.5

The applicable LIBOR Spread for Term Loans in effect from time to time shall be determined in accordance with the following table:

Moody's/S&P Rating Equivalent	Applicable LIBOR Spread (in Basis Points)
³ A2/A	30.0
³ A3/A-	35.0
³ Baa1/BBB+	45.0
³ Baa2/BBB	55.0
³ Baa3/BBB-	75.0
< Baa3/BBB-	100.0

In the event that S&P and Moody's ratings on the Borrower's senior non-credit enhanced unsecured long-term debt are not equivalent to each other, the higher rating of S&P or Moody's will determine the Facility Fee, Utilization Fee and applicable LIBOR Spread, unless the ratings are more than one level apart, in which case the rating one level below the higher rating of S&P or Moody's will be determinative. In the event that (a) the Borrower's senior non-credit enhanced unsecured long-term debt is not rated by both of S&P or Moody's (for any reason, including if S&P or Moody's shall cease to be in the business of rating corporate debt obligations) or (b) if the rating system of any of S&P or Moody's shall change, then an amendment shall be negotiated in good faith to the references to specific ratings in the table above to reflect such changed rating system or the unavailability of ratings from such rating agency (including an amendment to provide for the substitution of an equivalent or successor ratings agency). In the event that the Borrower's senior unsecured long-term debt is not rated by either of S&P or Moody's, then the Facility Fee, Utilization Fee and applicable LIBOR Spread shall be deemed to be calculated as if the lowest rating category set forth above applied until such time as an amendment to the table above shall be agreed to. Any increase in the Facility Fee, Utilization Fee or applicable LIBOR Spread determined in accordance with the foregoing table shall become effective on the date of announcement or publication by the Borrower or the applicable rating agency of a reduction in such rating or, in the absence of such announcement or publication, on the effective date of such decreased rating, or on the date of any request by the Borrower to the applicable rating agency not to rate its senior unsecured long-term debt or on the date any of such rating agencies announces it shall no longer rate the Borrower's senior unsecured long-term debt. Any decrease in the Facility Fee, Utilization Fee or applicable LIBOR Spread shall be effective on the date of announcement or publication by any of such rating agencies of an increase in rating or in the absence of announcement or publication on the effective date of such increase in rating.

The applicable margin for ABR Loans shall be the applicable LIBOR Spreadminus 100 Basis Points (but not less than 0%).

SECTION 2.27. Prepayments Required Due to Currency Fluctuation. (a) Not later than 1:00 P.M., New York City time, on the last Business Day of each fiscal quarter or at such other time as is reasonably determined by the Administrative Agent (the "Calculation Time"), the Administrative Agent shall determine the Dollar Equivalent of the Revolving Credit Exposure as of such date.

(b) If at the Calculation Time, the Dollar Equivalent of the Revolving Credit Exposure exceeds the Total Revolving Commitment by 5% or more, then within five Business Days after notice thereof to the Borrower from the Administrative Agent, the Borrower shall prepay Revolving Credit Loans or Swingline Loans (or cause any Subsidiary Borrower to make such prepayment) in an aggregate principal amount at least equal to such excess. Nothing set forth in this Section 2.27(b) shall be construed to require the Administrative Agent to calculate compliance under this Section 2.27(b) other than at the times set forth in Section 2.27(a).

SECTION 2.28. Letters of Credit.

(a) (i) Prior to the Closing Date, the Existing Issuing Lender(s) have issued the Existing Letters of Credit which, from and after the Closing Date, shall constitute Letters of Credit hereunder. Upon the terms and subject to the conditions hereof, each Issuing Lender agrees to issue standby letters of credit (the letters of credit issued on and after the Closing Date pursuant to this Section 2.28, together with the Existing Letters of Credit, collectively, the "Letters of Credit") payable in Dollars from time to time after the Closing Date and prior to the earlier of the Maturity Date and the termination of the Revolving Commitments, upon the request of the Borrower or any Subsidiary Borrower, provided that (A) neither the Borrower nor any Subsidiary Borrower shall request that any Letter of Credit be issued or reinstated if, after giving effect thereto, the Revolving Exposure would exceed the Total Revolving Commitment, (B) in no event shall any Issuing Lender issue (x) any Letter of Credit having an expiration date later than five Business Days before the Maturity Date or (y) any Letter of Credit having an expiration date more than one year after its date of issuance, provided that any Letter of Credit with a one-year tenor may provide for the renewal (automatic or otherwise) thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (x) above), (C) neither Borrower nor any Subsidiary Borrower shall request that an Issuing Lender issue or reinstate any Letter of Credit if, after giving effect to such issuance or reinstatement, the L/C Exposure would exceed the Total Revolving Commitment and (D) an Issuing Lender shall be prohibited from issuing Letters of Credit hereunder upon the occurrence and during the continuance of an Event of Default (provided that such Issuing Lender shall have received notice of such Event of Default pursuant to Section 8.4 hereof and provided further that such notice shall be received at least 24 hours prior to the date on which any Letter of Credit is to be issued). The Administrative Agent will, upon request of any Issuing Lender, confirm the total amount of L/C Exposure and the aggregate outstanding Loans to such Issuing Lender.

(ii) Immediately upon the issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby agrees to, have irrevocably purchased from the applicable Issuing Lender, a participation in such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Lender, such Lender's Revolving Percentage of the Total Revolving Commitment, multiplied by the amount paid by such Issuing Lender in respect of a Letter of Credit, issued by such Issuing Lender and not reimbursed by the Borrower or the relevant Subsidiary Borrower on the date due as provided in this Section 2.28, or of any reimbursement payment required to be refunded to the Borrower or the relevant Subsidiary Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(iii) Neither the Administrative Agent, the Lenders, any Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder, or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Lender; provided that the foregoing shall not be construed to excuse any Issuing Lender from liability to the

Borrower or the relevant Subsidiary Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower and any Subsidiary Borrower to the extent permitted by applicable law) suffered by the Borrower or the relevant Subsidiary Borrower that are caused by such Issuing Lender's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof.

(iv) Each Letter of Credit may, at the option of the applicable Issuing Lender, provide that such Issuing Lender may (but shall not be required to) pay all or any part of the maximum amount which may at any time be available for drawing thereunder to the beneficiary thereof upon the occurrence of an Event of Default and the acceleration of the maturity of the Loans, provided that, if payment is not then due to the beneficiary, such Issuing Lender shall deposit the funds in question in an account with such Issuing Lender to secure payment to the beneficiary and any funds so deposited shall be paid to the beneficiary of the Letter of Credit if conditions to such payment are satisfied or returned to the Administrative Agent for distribution to the Lenders (or, if all Obligations shall have been paid in full in cash, to the Borrower or the relevant Subsidiary Borrower) if no payment to the beneficiary has been made and the final date available for drawings under the Letter of Credit has passed. Each payment or deposit of funds by an Issuing Lender as provided in this paragraph shall be treated for all purposes of this Agreement as a drawing duly honored by such Issuing Lender under the related Letter of Credit.

(b) Whenever the Borrower or any Subsidiary Borrower desires the issuance of a Letter of Credit, it shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Lender) to the Administrative Agent and the applicable Issuing Lender a written notice no later than 1:00 P.M. (New York time) at least five Business Days prior to the proposed date of issuance provided, however, the Borrower or the relevant Subsidiary Borrower and the Administrative Agent and such Issuing Lender may agree to a shorter time period. That notice shall specify (i) the Issuing Lender for such Letter of Credit, (ii) the proposed date of issuance (which shall be a Business Day under the laws of the jurisdiction of the applicable Issuing Lender), (iii) the face amount of the Letter of Credit, (iv) the expiration date of the Letter of Credit and (v) the name and address of the beneficiary and (vi) such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. Such notice shall be accompanied by a brief description of the underlying transaction and upon the request of the applicable Issuing Lender, the Borrower or the relevant Subsidiary Borrower shall provide additional details regarding the underlying transaction. If requested by an Issuing Lender, the Borrower or the relevant Subsidiary Borrower also shall submit a letter of credit application on the Issuing Lender's standard form in connection with any request for a Letter of Credit, which form shall be furnished in accordance with Section 10.1. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower or the relevant Subsidiary Borrower to, or entered into by the Borrower or the relevant Subsidiary Borrower with, any Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Concurrently with the giving of written notice of a request for the issuance of a Letter of Credit, the Borrower or the relevant Subsidiary Borrower shall specify a precise description of the documents and the verbatim text of any certificate to be presented by the beneficiary of such Letter of Credit which, if presented by such beneficiary prior to the expiration date of the Letter of Credit, would require the applicable Issuing Lender to make payment under the Letter of Credit; provided that the applicable Issuing Lender, in its reasonable discretion, may require customary changes in any such documents and certificates. Upon issuance of any Letter of Credit, the applicable Issuing Lender shall notify the Administrative Agent of the issuance of such Letter of Credit. Promptly after receipt of such notice, the Administrative Agent shall notify each Lender of the issuance and the amount of each such Lender's respective participation therein.

(c) The payment of drafts under any Letter of Credit shall be made in accordance with the terms of such Letter of Credit and, in that connection, any Issuing Lender shall be entitled to honor any drafts and accept any documents presented to it by the beneficiary of such Letter of Credit in accordance with the terms of such Letter of Credit and believed by such Issuing Lender in good faith to be genuine. No Issuing Lender shall have any duty to inquire as to the accuracy or authenticity of any draft or other drawing documents which may be presented to it, but shall be responsible only to determine in accordance with customary commercial practices that the documents which are required to be presented before payment or acceptance of a draft under any Letter of Credit have been delivered and that they comply on their face with the requirements of that Letter of Credit.

(d) If any Issuing Lender shall be requested to make payment on any draft presented under a Letter of Credit, such Issuing Lender shall give notice of such request for payment to the Administrative Agent and the Administrative Agent shall give notice to each Revolving Lender no later than 3:00 P.M. New York City time of its respective participation therein on behalf of such Issuing Lender. Each Revolving Lender hereby authorizes and requests such Issuing Lender to advance for its account pursuant to the terms hereof its share of such payment based upon its participation in the Letter of Credit and agrees to reimburse such Issuing Lender in immediately available funds for the amount so advanced on its behalf no later than 4:00 P.M. New York City time on the date such Issuing Lender makes such request. If such reimbursement is not made by any Revolving Lender in immediately available funds on the same day on which such Issuing Lender shall have made payment on any such draft presented under a Letter of Credit, such Lender shall pay interest thereon to such Issuing Lender at a rate per annum equal to the Issuing Lender's cost of obtaining overnight funds in the New York Federal Funds Market.

(e) In the case of any draft presented under a Letter of Credit (provided that the conditions specified in Section 4.2 are then satisfied, and notwithstanding the limitations as to the aggregate principal amount of ABR Loans set forth in Section 2.2(a), as to the time of funding of a Borrowing set forth in Section 2.2(c) and as to the time of notice of a proposed Borrowing set forth in Section 2.4), payment by the applicable Issuing Lender of such draft shall constitute an ABR Loan hereunder, and interest shall accrue from the date the applicable Issuing Lender makes such payment, which ABR Loan, upon and to the extent that a Revolving Lender shall have made reimbursement to the applicable Issuing Lender pursuant to Section 2.28(d), shall constitute such Lender's ABR Loan hereunder. If any draft is presented under a Letter of Credit and (i) the conditions specified in Section 4.2 are not satisfied or (ii) if the Revolving Commitments have been terminated, then the Borrower or the relevant Subsidiary Borrower will, upon demand by the Administrative Agent or the applicable Issuing Lender, on the same Business Day of such draft (or on the next Business Day if notice of such draft is received after 10:00 A.M. New York City time), pay to the applicable Issuing Lender, in immediately available funds, the full amount of such draft.

(f) (i) The Borrower and each Subsidiary Borrower agree to pay the following amount to each Issuing Lender with respect to Letters of Credit issued by it hereunder:

(A) with respect to drawings made under any Letter of Credit issued for the account of the Borrower or such Subsidiary Borrower, interest, payable on demand, on the amount paid by such Issuing Lender in respect of each such drawing from the date of the drawing to, but excluding, the date such amount is reimbursed by the Borrower or such Subsidiary Borrower at a rate which is at all times equal to 2% per annum (without duplication of any amounts payable under Section 2.14) in excess of the Alternate Base Rate plus the applicable margin therefore calculated pursuant to Section 2.26; provided that no such default interest shall be payable if such reimbursement is made (a) from the proceeds of Revolving Credit Loans or (b) otherwise in compliance with Section 2.28(e);

(B) with respect to the issuance, amendment or transfer of each Letter of Credit issued for the account of the Borrower or such Subsidiary Borrower and each drawing made thereunder, documentation and processing charges in accordance with such Issuing Lender's standard schedule for such charges in effect at the time of such issuance, amendment, transfer or drawing, as the case may be; and

(C) a fronting fee computed at the rate agreed to by the Borrower and the applicable Issuing Lender (but, in any event, not greater than 0.125% per annum), on the daily average face amount of each outstanding Letter of Credit issued by such Issuing Lender for the account of the Borrower or such Subsidiary Borrower, such fee to be due and payable in arrears on and through the last day of each fiscal quarter of the Borrower, on the Maturity Date and on the expiration of the last outstanding Letter of Credit.

(ii) The Borrower and each Subsidiary Borrower agree to pay to the Administrative Agent for distribution to each Revolving Lender in respect of all outstanding Letters of Credit issued for the account of the Borrower or such Subsidiary Borrower, such Lender's pro rata share of a commission on the maximum amount available from time to time to be drawn under such outstanding Letters of Credit calculated at a rate per annum equal to the LIBOR Spread applicable to Revolving Credit Loans from time to time in effect hereunder. Such commission shall be payable in arrears on and through the last day of each fiscal quarter of the Borrower and on the later of the Maturity Date and the expiration of the last outstanding Letter of Credit.

(iii) Promptly upon receipt by any Issuing Lender or the Administrative Agent (as applicable) of any amount described in clause (i)(A) or (ii) of this Section 2.28(f), or any amount described in Section 2.28(e) previously reimbursed to the applicable Issuing Lender by the Revolving Lenders, such Issuing Lender shall distribute such amount to the Administrative Agent and the Administrative Agent shall distribute to each Revolving Lender (other than to any Revolving Lender which has failed to reimburse the Issuing Lender for the applicable drawing) its pro rata share of such amount. Amounts payable under clauses (i)(B) and (i)(C) of this Section 2.28(f) shall be paid directly to the Issuing Lender and shall be for its exclusive use.

(iv) The obligation of the Borrower and each Subsidiary Borrower to reimburse payments made with respect to any Letter of Credit as provided in this Section 2.28 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of any event or circumstance whatsoever that might constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's or such Subsidiary Borrower's Obligations, as the case may be, hereunder.

(g) If at any time when an Event of Default shall have occurred and be continuing, any Letters of Credit shall remain outstanding, then either the applicable Issuing Lender(s), the Administrative Agent or the Required Lenders may, at its or their option, require the Borrower or the relevant Subsidiary Borrower to deposit Cash Equivalents in a Cash Collateral Account in an amount equal to the full amount of the L/C Exposure or to furnish other security acceptable to the Administrative Agent and the applicable Issuing Lender(s), provided that the obligation to deposit such cash collateral shall become effective within one Business Day after the Borrower and/or such Subsidiary Borrower receives notice from the

applicable Issuing Lender, the Administrative Agent or the Required Lenders, and provided, further that such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (f) or (g) of Section 7. Such deposit shall be held by the Administrative Agent as collateral for the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made in Cash Equivalents and at the option and sole discretion of the Administrative Agent and at the Borrower's and/or the relevant Subsidiary Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Any amounts so delivered pursuant to the preceding sentence shall be applied to reimburse the applicable Issuing Lender(s) for the amount of any drawings honored under Letters of Credit issued by it. If the Borrower or any Subsidiary Borrower is required to deposit Cash Equivalents (or other security) pursuant to the provisions of this Section 2.28(g) as a result of the occurrence of an Event or Default, such amount (to the extent not applied as set forth in the preceding provisions of this paragraph) shall be returned by the Administrative Agent to the Borrower or such Subsidiary Borrower within three Business Days after such Event of Default has been cured or waived.

(h) If at any time, the sum of the Revolving Credit Exposure exceeds the aggregate Revolving Commitments, then the Administrative Agent or the Required Lenders may, at its or their option, require the Borrower and/or any Subsidiary Borrower to deposit Cash Equivalents in a Cash Collateral Account in an amount sufficient to eliminate such excess or to furnish other security for such excess acceptable to the Administrative Agent. Any amounts so delivered pursuant to the preceding sentence shall be applied to reimburse the applicable Issuing Lender(s) for the amount of any drawings honored under Letters of Credit issued for the account of the Borrower or such Subsidiary Borrower and held as cash collateral for the Obligations. If the Borrower or any Subsidiary Borrower is required to deposit Cash Equivalents (or other security) pursuant to the provisions of this Section 2.28(h), such amount (to the extent not applied as set forth in the preceding sentence) shall be returned by the Administrative Agent to the Borrower or such Subsidiary Borrower within three Business Days after such excess is reduced to $0.

(i) Upon the request of the Administrative Agent, each Issuing Lender shall furnish to the Administrative Agent copies of any Letter of Credit issued by such Issuing Lender and such related documentation as may be reasonably requested by the Administrative Agent.

(j) Notwithstanding the termination of the Commitments and the payment of the Loans, the obligations of the Borrower, any Subsidiary Borrower and the Lenders under this Section 2.28 shall remain in full force and effect until the Administrative Agent, each Issuing Lender and the Lenders shall have been irrevocably released from their obligations with regard to any and all Letters of Credit.

SECTION 2.29. New Local Facilities. (a) The Borrower may at any time or from time to time after the Closing Date, by notice to the Administrative Agent and the Revolving Lenders, request the Revolving Lenders to designate a portion of their respective Revolving Commitments to make Revolving Extensions of Credit denominated in Dollars and any Optional Currency in a jurisdiction outside of the United States pursuant to a newly established sub-facility under the Revolving Facility (each, a "New Local Facility"); provided that (i) both at the time of any such request and upon the effectiveness of any Local Facility Amendment referred to below, no Default or Event of Default shall have occurred and be continuing and (ii) the Borrower and its Subsidiaries shall be in compliance with the covenants set forth in Sections 6.5 and 6.6 as of the last day of the most recently ended fiscal quarter; provided further that (i) the Revolving L/C Exposure outstanding as of the date of the establishment of a New Local Facility shall be deemed to be outstanding under such New Local Facility on a pro rata basis in accordance with the aggregate Revolving Commitments (it being understood that thereafter, new

Revolving L/C Exposure shall not reduce the availability under such New Local Facility, except to the extent Letters of Credit are issued thereunder) and (ii) no Lender shall be required to make Revolving Extensions of Credit in excess of its Revolving Commitment. Each New Local Facility shall be in a minimum Dollar Equivalent amount of $10,000,000. Each notice from the Borrower pursuant to this Section 2.29 shall set forth the requested amount and proposed terms of the relevant New Local Facility. Revolving Lenders wishing to designate a portion of their Revolving Commitments to a New Local Facility (each, a "New Local Facility Lender") shall have such portion of their Revolving Commitment designated to such New Local Facility on a pro rata basis in accordance with the aggregate Revolving Commitments of the other New Local Facility Lenders. The designation of Revolving Commitments to any New Local Facility shall be made pursuant to an amendment (each, a "Local Facility Amendment") to this Agreement and, as appropriate, the other Fundamental Documents, executed by the Loan Parties, the Administrative Agent and each New Local Facility Lender. Any Local Facility Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Fundamental Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section, a copy of which shall be made available to each Lender. The effectiveness of any Local Facility Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.2 and such other conditions as the parties thereto shall agree. No Revolving Lender shall be obligated to transfer any portion of its Revolving Commitments to a New Local Facility unless it so agrees.

(b) This Section 2.29 shall supersede any provisions in Section 10.9 to the contrary as relates to any Local Facility Amendment.

3. REPRESENTATIONS AND WARRANTIES OF BORROWER

In order to induce the Lenders to enter into this Agreement and to make the Loans and issue and participate in the Letters of Credit provided for herein, the Borrower makes the following representations and warranties to the Administrative Agent and the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and issuance of the Letters of Credit and Competitive Letters of Credit:

SECTION 3.1. Corporate Existence and Power.

(a) Since the Effective Date, the Borrower has been duly organized and is validly existing in good standing under the laws of its jurisdiction of organization and is in good standing or has applied for authority to operate as a foreign corporation or other organization in all jurisdictions where the nature of its properties or business so requires it and where a failure to be in good standing as a foreign corporation or other organization would reasonably be expected to have Material Adverse Effect. The Borrower has the corporate power to execute, deliver and perform its obligations under this Agreement and the other Fundamental Documents and other documents contemplated hereby and to borrow hereunder.

(b) Since the Closing Date, the Subsidiaries of the Borrower have been duly organized and are validly existing in good standing under the laws of their respective jurisdictions of organization and are in good standing or have applied for authority to operate as a foreign corporation or other organization in all jurisdictions where the nature of their properties or business so requires it and where a failure to be in good standing as a foreign corporation or other organization would reasonably be expected to have Material Adverse Effect.

SECTION 3.2. Corporate Authority, No Violation and Compliance with Law.

The execution, delivery and performance of this Agreement and the other Fundamental Documents and the borrowings hereunder (a) have been duly authorized by all necessary corporate action on the part of the Borrower, (b) will not violate any provision of any Applicable Law (including any laws related to franchising) applicable to the Borrower or any of its Subsidiaries or any of their respective properties or assets, (c) will not violate any provision of the certificate of incorporation or by-laws or other organizational documents of the Borrower or any of its Subsidiaries, (d) will not violate or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, any material indenture, bond, note, instrument or any other material agreement to which the Borrower or any of its Subsidiaries is a party or by which the Borrower or any of its Subsidiaries or any of their respective properties or assets are bound and (e) will not result in the creation or imposition of any Lien upon any property or assets of the Borrower or any of its Subsidiaries other than pursuant to this Agreement or any other Fundamental Document.

SECTION 3.3. Governmental and Other Approval and Consents.

No action, consent or approval of, or registration or filing with, or any other action by, any governmental agency, bureau, commission or court is required in connection with the execution, delivery and performance by the Borrower of this Agreement or the other Fundamental Documents, except such as have been obtained or made and are in full force and effect.

SECTION 3.4. Financial Statements of Borrower.

(a) The unaudited pro forma balance sheet of the Borrower and its Consolidated Subsidiaries as at March 31, 2006 (including the notes thereto) (the "Pro Forma Balance Sheet"), copies of which have heretofore been furnished to each Lender, has been prepared giving effect (as if such events had occurred on such date) to (i) the consummation of the Spin-Off, (ii) the Loans to be made on the Closing Date and the use of proceeds thereof, (iii) the Loans made under the Interim Term Loan Agreement and the use of proceeds thereof and (iv) the payment of fees and expenses in connection with the foregoing. The Pro Forma Balance Sheet has been prepared based on the best information available to the Borrower as of the date of delivery thereof, and presents fairly on a pro forma basis the estimated financial position of the Borrower and its Consolidated Subsidiaries as at March 31, 2006, assuming that the events specified in the preceding sentence had actually occurred at such date. It is understood that the Pro Forma Balance Sheet is not necessarily indicative of the financial condition that would have resulted had the transactions described above occurred on the indicated date.

(b) The (i) audited balance sheets of the Wyndham Businesses of Cendant as at December 31, 2005 and December 31, 2004, and the related consolidated statements of income and of cash flows for the fiscal years ended on such dates and (ii) unaudited balance sheet of the Wyndham Businesses of Cendant as of March 31, 2006, and the related consolidated statements of income and of cash flows for the three-month period ended on such date (the "Consolidated Financial Statements"), fairly present the financial condition of the Wyndham Businesses of Cendant as at the dates indicated and the results of operations and cash flows for the periods indicated in conformity with GAAP, subject to normal year end adjustments in the case of the March 31, 2006 financial statements.

SECTION 3.5. No Change.

Except for Disclosed Matters, since the date of the most recent audited financial statements referred to in Section 3.4, there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect.

SECTION 3.6. Copyrights, Patents and Other Rights.

Since the Closing Date, each of the Borrower and its Subsidiaries (a) owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect and (b) to their knowledge, the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except, in each case, as would not reasonably be expected to have a Material Adverse Effect for any such infringements that, individually or in the aggregate, would not reasonably be expected to have Material Adverse Effect.

SECTION 3.7. Title to Properties.

Except as described on Schedule 3.7 and subject to Section 3.6, since the Closing Date, each of the Borrower or its Subsidiaries has good title or valid leasehold interests to each of the properties and assets reflected on the most recent balance sheet referred to in Section 3.4 (other than properties or assets owned by a Person that is consolidated with the Borrower or any of its Subsidiaries under GAAP but is not a Subsidiary of the Borrower), except for defects in title or interests that could not reasonably be expected to have Material Adverse Effect, and all such properties and assets are free and clear of Liens, except Permitted Encumbrances.

SECTION 3.8. Litigation.

Except for Disclosed Matters, there are no lawsuits or other proceedings pending (including, but not limited to, matters relating to Environmental Law and Environmental Liability), or, to the knowledge of the Borrower, threatened, against or affecting the Borrower or any of its Subsidiaries or any of their respective properties, by or before any Governmental Authority or arbitrator, which would reasonably be expected to have Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries is in default with respect to any order, writ, injunction, decree, rule or regulation of any Governmental Authority, which default would reasonably be expected to have Material Adverse Effect.

SECTION 3.9. Federal Reserve Regulations.

Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans will be used, whether immediately, incidentally or ultimately, for any purpose violative of or inconsistent with any of the provisions of Regulation U or X of the Board.

SECTION 3.10. Investment Company Act.

The Borrower is not, and will not during the term of this Agreement be, an “investment company” subject to regulation under the Investment Company Act of 1940, as amended.

SECTION 3.11. Enforceability.

This Agreement and the other Fundamental Documents when executed by all parties hereto and thereto will constitute legal, valid and binding obligations (as applicable) of the Borrower and the other Loan Parties party to such Fundamental Documents (enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law).

SECTION 3.12. Taxes.

The Borrower and each of its Subsidiaries has filed or caused to be filed all federal, state and local Tax returns which are required to be filed, and has paid or has caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in conformity with GAAP or (b) to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.13. Compliance with ERISA.

No ERISA Event has occurred or is reasonably expected to occur that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Each of the Borrower and its Subsidiaries is in compliance in all material respects with the provisions of ERISA and the Code applicable to Plans, and the regulations and published interpretations thereunder, if any, which are applicable to it. Neither the Borrower nor any of its Subsidiaries has, with respect to any Plan established or maintained by it, engaged in a prohibited transaction which would subject it to a material tax or penalty on prohibited transactions imposed by ERISA or Section 4975 of the Code. Neither the Borrower nor any of its Subsidiaries has engaged in a transaction which would result in the incurrence of a material liability under Section 4069 of ERISA in an amount greater than $75,000,000. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan by an amount greater than $75,000,000, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans by an amount greater than $75,000,000.

SECTION 3.14. Disclosure.

As of the Effective Date, neither this Agreement nor the Confidential Information Memorandum dated April 2006, at the time it was furnished, contained any untrue statement of a material fact or omitted to state a material fact, under the circumstances under which it was made, necessary in order to make the statements contained herein or therein not misleading. At the Effective Date, there is no fact known to the Borrower which has not been disclosed to the Lenders and which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. The Borrower has delivered to the Administrative Agent certain projections relating to the Borrower and its Consolidated Subsidiaries. Such projections are based on good faith estimates and assumptions believed to be reasonable at the time made, provided, however, that the Borrower makes no representation or warranty that such assumptions will prove in the future to be accurate or that the Borrower and its Subsidiaries will achieve the financial results reflected in such projections.

SECTION 3.15. Environmental Liabilities.

Except for the Disclosed Matters and except with respect to any matters, that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has received notice of any claim with respect to any Environmental Liability or (iii) knows of any circumstances that are reasonably likely to become the basis for any claim of Environmental Liability against the Borrower or any of its Subsidiaries.

4. CONDITIONS OF LENDING

SECTION 4.1. Conditions Precedent to Effectiveness.

The effectiveness of this Agreement is subject to the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received this Agreement and each of the other Fundamental Documents, each executed and delivered by a duly authorized officer of each of the Loan Parties party thereto.

(b) Financial Statements. The Lenders shall have received the (a) the Pro Forma Balance Sheet, (b) the Consolidated Financial Statements and (c) unaudited consolidated financial statements of the Wyndham Businesses of Cendant as of March 31, 2006, which may be delivered to the Lenders by delivery of the Borrower's Form 10 containing such financial statements, to the extent such Form 10 is filed and publicly available prior to the Effective Date.

(c) Payment of Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Effective Date.

(d) Corporate Documents for the Loan Parties. The Administrative Agent shall have received a certificate of an authorized officer of each Loan Party dated the Effective Date and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation and by-laws of such Loan Party as in effect on the date of such certification; (B) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of such Loan Party authorizing the borrowings hereunder, in the case of the Borrower, and the execution, delivery and performance in accordance with their respective terms of the Loan Documents to which such Loan Party is party to and any other documents required or contemplated hereunder; and (C) as to the incumbency and specimen signature of each officer of such Loan Party executing the Loan Documents to which such Loan Party is a party to or any other document delivered by it in connection herewith (such certificate to contain a certification by another officer of such Loan Party as to the incumbency and signature of the officer signing the certificate referred to in this paragraph (d)).

(e) Opinions of Counsel. The Administrative Agent shall have received the executed written opinion, dated the date of the Effective Date and addressed to the Administrative Agent and the Lenders, of Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Borrower, substantially in the form of Exhibit B.

(f) Officer's Certificate. The Administrative Agent shall have received a certificate of the Borrower's chief executive officer or chief financial officer certifying, as of the Effective Date, compliance with the conditions set forth in paragraphs (b) and (c) of Section 4.3.

(g) Projections. The Lenders shall have received projections through 2008, which may be delivered to the Lenders by delivery of the Confidential Information Memorandum referred to in Section 3.14.

(h) Approvals. All material governmental and third party approvals necessary in connection with the continuing operations of the Borrower and the financing contemplated hereby shall have been obtained and be in full force and effect.

SECTION 4.2. Conditions Precedent to Closing.

In addition to the conditions contained in Section 4.3, the availability of the initial extensions of credit to be made on the Closing Date is subject to the receipt by the Borrower of at least $800,000,000 in gross cash proceeds from borrowings under the Interim Term Loan Agreement on or prior to the Closing Date.

SECTION 4.3. Conditions Precedent to Each Extension of Credit

The obligation of the Lenders to make each Loan and of any Issuing Lender to issue a Letter of Credit or Competitive Letter of Credit, including the initial extensions of credit hereunder, is subject to the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a notice with respect to such Borrowing, Letter of Credit or Competitive Letter of Credit as required by this Agreement.

(b) Representations and Warranties. The representations and warranties set forth in Section 3 hereof (other than those set forth in Sections 3.5 and 3.8 which shall be deemed made only on the Effective Date) and in the other Fundamental Documents shall be true and correct in all material respects on and as of the date of each Borrowing or issuance of a Letter of Credit or Competitive Letter of Credit hereunder (except to the extent that such representations and warranties expressly relate to an earlier date) with the same effect as if made on and as of such date; provided, however, that this condition shall not apply to a Revolving Credit Borrowing which is solely refinancing outstanding Revolving Credit Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding Revolving Credit Loans.

(c) No Event of Default. No Event of Default or Default shall have occurred and be continuing;provided, however, that this condition shall not apply to a Revolving Credit Borrowing which is solely refinancing outstanding Revolving Credit Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding Revolving Credit Loans.

(d) Extensions of Credit to a Subsidiary Borrower. The representations and warranties contained in Section 3.1, 3.2 and 3.3 as to any Subsidiary Borrower to which a Revolving Extension of Credit is to be made shall be true and correct in all material respects on and as of the date of such Borrowing or issuance of a Letter of Credit or Competitive Letter of Credit hereunder; provided, however, that this condition shall not apply to a Revolving Credit Borrowing which is solely refinancing outstanding Revolving Credit Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding Revolving Credit Loans.

Each Borrowing and each issuance of a Letter of Credit or Competitive Letter of Credit shall be deemed to be a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (b) and (c) of this Section.

5. AFFIRMATIVE COVENANTS

From the date of the initial Loan and for so long as the Commitments shall be in effect or any amount shall remain outstanding or unpaid under this Agreement or there shall be any outstanding L/C Exposure, the Borrower agrees that, unless the Required Lenders shall otherwise consent in writing, it will, and will cause each of its Subsidiaries to:

SECTION 5.1. Financial Statements, Reports, etc.

The Borrower will furnish to the Administrative Agent and to each Lender:

(a) As soon as is practicable, but in any event within 100 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of, and the related consolidated statements of income, shareholders' equity and cash flows for such year, and the corresponding figures as at the end of, and for, the preceding fiscal year, accompanied by an opinion of Deloitte & Touche LLP or such other independent certified public accountants of recognized standing as shall be retained by the Borrower and satisfactory to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards relating to reporting and which report and opinion shall (A) be unqualified as to going concern and scope of audit and shall state that such financial statements fairly present the financial condition of the Borrower and its Consolidated Subsidiaries, as at the dates indicated and the results of the operations and cash flows for the periods indicated and (B) contain no material exceptions or qualifications except for qualifications relating to accounting changes (with which such independent public accountants concur) in response to FASB releases or other authoritative pronouncements;

(b) As soon as is practicable, but in any event within 55 days after the end of each of the first three fiscal quarters of each fiscal year, the unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries, as at the end of, and the related unaudited statements of income (or changes in financial position) for such quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter and the corresponding figures as at the end of, and for, the corresponding period in the preceding fiscal year, together with a certificate signed by the chief financial officer or a vice president responsible for financial administration of the Borrower to the effect that such financial statements, while not examined by independent public accountants, reflect, in his opinion and in the opinion of the Borrower, all adjustments necessary to present fairly the financial position of the Borrower and its Consolidated Subsidiaries, as the case may be, as at the end of the fiscal quarter and the results of their operations for the quarter then ended in conformity with GAAP consistently applied, subject only to year-end and audit adjustments and to the absence of footnote disclosure;

(c) Together with the delivery of the statements referred to in paragraphs (a) and (b) of this Section 5.1, a certificate of the Responsible Officer, substantially in the form of Exhibit D hereto (i) stating whether or not the signer has knowledge of any Default or Event of Default and, if so, specifying each such Default or Event of Default of which the signer has knowledge, the nature thereof and any action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event and (ii) demonstrating in reasonable detail compliance with the provisions of Sections 6.5 and 6.6 hereof;

(d) With reasonable promptness, copies of such financial statements and reports that the Borrower may make to, or file with, the SEC and such other information, certificates and data (including, without limitation, copies of Letters of Credit) with respect to the Borrower and its Subsidiaries as from time to time may be reasonably requested by the Administrative Agent or any of the Lenders;

(e) Promptly upon any Responsible Officer obtaining actual knowledge of the occurrence of any Default or Event of Default, a certificate of the Responsible Officer specifying the nature and period of existence of such Default or Event of Default and what action the Borrower has taken, is taking and proposes to take with respect thereto;

(f) Promptly upon any Responsible Officer of the Borrower or any of its Subsidiaries obtaining actual knowledge of (i) the institution of any action, suit, proceeding, investigation or arbitration by any Governmental Authority or other Person against or affecting the Borrower or any of its Subsidiaries or any of their assets, or (ii) any material development in any such action, suit, proceeding, investigation or arbitration (whether or not previously disclosed to the Lenders), which, in each case might reasonably be expected to have a Material Adverse Effect, the Borrower shall promptly give notice thereof to the Lenders and provide such other information as may be reasonably available to it (without waiver of any applicable evidentiary privilege) to enable the Lenders to evaluate such matters; and

(g) Together with each set of financial statements required by paragraph (a) above, a certificate of the independent certified public accountants rendering the report and opinion thereon (which certificate may be limited to the extent required by accounting rules or otherwise) (i) stating whether, in connection with their audit, any Default or Event of Default has come to their attention, and if such a Default or Event of Default has come to their attention, specifying the nature and period of existence thereof, and (ii) stating that based on their audit nothing has come to their attention which causes them to believe that the matters specified in paragraph (c)(ii) above for the applicable fiscal year are not stated in accordance with the terms of this Agreement.

(h) Information required to be delivered pursuant to paragraphs (a), (b) and (d) shall be deemed to have been delivered on the date on which the Borrower provides notice to the Administrative Agent that such information has been posted on the Borrower's website on the internet at the website address listed on the signature pages of such notice, at www.sec.gov or at another website identified in such notice and accessible by the Lenders without charge; provided that the Borrower shall deliver paper copies of the reports and financial statements referred to in paragraphs (a), (b) and (d) of this Section 5.1 to the Administrative Agent or any Lender who requests the Borrower to deliver such paper copies until written notice to cease delivering paper copies is given by the Administrative Agent or such Lender.

SECTION 5.2. Corporate Existence; Compliance with Statutes.

Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate existence, material rights, licenses, permits and franchises and comply, except where failure to comply, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, with all provisions of Applicable Law, and all applicable restrictions imposed by, any Governmental Authority, including without limitation, the Federal Trade Commission's "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" as amended from time to time (16 C.F.R. §§ 436.1 et seq.) and all state laws and regulations of similar import; provided, however, that mergers, dissolutions and liquidations permitted under Section 6.2 shall be permitted.

SECTION 5.3. Insurance.

Maintain with financially sound and reputable insurers insurance in such amounts and against such risks as are customarily insured against by companies in similar businesses; provided, however, that (a) workmen's compensation insurance or similar coverage may be effected with respect to its operations in any particular state or other jurisdiction through an insurance fund operated by such state or jurisdiction and (b) such insurance may contain self-insurance retention and deductible levels consistent with normal industry practices.

SECTION 5.4. Taxes and Charges.

Duly pay and discharge, or cause to be paid and discharged, before the same shall become delinquent, all federal, state or local Taxes, assessments, levies and other governmental charges, imposed upon the Borrower or any of its Subsidiaries or their respective properties, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies which if unpaid could reasonably be expected to result in a Material Adverse Effect; provided, however, that any such Tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower shall have set aside on its books reserves (the presentation of which is segregated to the extent required by GAAP) adequate with respect thereto if reserves shall be deemed necessary by the Borrower in accordance with GAAP; and provided, further, that the Borrower will pay all such Taxes, assessments, levies or other governmental charges forthwith upon the commencement of proceedings to foreclose any material Lien which may have attached as security therefor (unless the same is fully bonded or otherwise effectively stayed).

SECTION 5.5. ERISA Compliance and Reports.

Furnish to the Administrative Agent (a) as soon as possible, and in any event within 30 days after any executive officer (as defined in Regulation C under the Securities Act of 1933) of the Borrower knows that any ERISA Event with respect to any Plan has occurred, a statement of the chief financial officer of the Borrower, setting forth details as to such ERISA Event and the action which it proposes to take with respect thereto, together with a copy of the notice, if any, required to be filed by the Borrower or any of its Subsidiaries of such ERISA Event with the PBGC, (b) promptly upon the reasonable request of the Administrative Agent, copies of each annual and other report with respect to each Plan and (c) promptly after receipt thereof, a copy of any notice the Borrower or any of its Subsidiaries may receive from the PBGC relating to the PBGC's intention to terminate any Plan or to appoint a trustee to administer any Plan; provided that the Borrower shall not be required to notify the Administrative Agent of the occurrence of any of the events set forth in the preceding clauses (a) and (c) unless such event, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect on the Borrower and its Subsidiaries taken as a whole.

SECTION 5.6. Maintenance of and Access to Books and Records; Examinations

Maintain or cause to be maintained at all times true and complete books and records of its financial operations (in accordance with GAAP) and provide the Administrative Agent and its representatives reasonable access to all such books and records and to any of their properties or assets during regular business hours and upon advance notice (provided that reasonable access to such books and records and to any of the Borrower's properties or assets shall be made available to the Lenders if an Event of Default has occurred and is continuing), in order that the Administrative Agent may make such audits and examinations and make abstracts from such books, accounts and records (in each case subject to the Borrower or its Subsidiaries' obligations under applicable confidentiality provisions) and may discuss the affairs, finances and accounts with, and be advised as to the same by, officers and, so long as a representative of the Borrower is present, independent accountants, all as the Administrative Agent may deem appropriate for the purpose of verifying the various reports delivered pursuant to this Agreement or for otherwise ascertaining compliance with this Agreement. Notwithstanding Section 10.4, unless any such visit or inspection is conducted after the occurrence and during the continuance of a Default or an Event of Default, the Borrower shall not be required to pay any costs or expenses incurred by the Administrative Agent, any Lender or any other Person in connection with such visit or inspection.

SECTION 5.7. Maintenance of Properties.

Keep its properties which are material to its business in good repair, working order and condition consistent with industry practice, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.8. Changes in Character of Business.

Cause the Borrower and its Subsidiaries taken as a whole to be primarily engaged in the vacation ownership, vacation rental and exchange, lodging and franchising and services businesses.

6. NEGATIVE COVENANTS

From the date of the initial Loan and for so long as the Commitments shall be in effect or any amount shall remain outstanding or unpaid under this Agreement or there shall be any outstanding L/C Exposure, unless the Required Lenders shall otherwise consent in writing, the Borrower agrees that it will not, nor will it permit any of its Subsidiaries to, directly or indirectly:

SECTION 6.1. Limitation on Indebtedness.

Incur, assume or suffer to exist any Indebtedness of any Material Subsidiary except:

(a) Indebtedness in existence on the Closing Date, or required to be incurred pursuant to a contractual obligation in existence on the Closing Date, but not any extensions or renewals thereof, unless effected on substantially the same terms or on terms not materially more adverse to the Lenders;

(b) purchase money Indebtedness (including Capital Leases) provided that such Indebtedness is secured by Liens permitted by Section 6.3(c);

(c) Guaranty Obligations;

(d) Indebtedness owing by any Material Subsidiary to the Borrower or any other Subsidiary;

(e) Indebtedness of any Material Subsidiary issued and outstanding prior to the date on which such Person became a Subsidiary of the Borrower (other than Indebtedness issued in connection with, or in anticipation of, such Person becoming a Subsidiary of the Borrower); provided that immediately prior and on a Pro Forma Basis after giving effect to, such Person becoming a Subsidiary of the Borrower, no Default or Event of Default shall occur or then be continuing and the aggregate principal amount of such Indebtedness, when added to the aggregate outstanding principal amount of Indebtedness permitted by paragraphs (f) and (g) below, shall not exceed the greater of 15% of Consolidated Net Worth and $200,000,000;

(f) any renewal, extension or modification of Indebtedness under paragraph (e) above so long (i) as such renewal, extension or modification is effected on substantially the same terms or on terms which, in the aggregate, are not materially more adverse to the Lenders and (ii) the principal amount of such Indebtedness is not increased;

(g) other Indebtedness of any Material Subsidiary in an aggregate principal amount which, when added to the aggregate outstanding principal amount of Indebtedness permitted by paragraphs (e) and (f) above, does not exceed the greater of 15% of Consolidated Net Worth and $200,000,000;

(h) Securitization Indebtedness;

(i) derivatives transactions entered into in the ordinary course of business pursuant to hedging programs;

(j) Indebtedness under the Landal Facilities in an aggregate principal amount not to exceed $300,000,000;

(k) Indebtedness under the Trendwest Facilities in an aggregate principal amount not to exceed $400,000,000, provided that the amount of Indebtedness permitted under this Section 6.1(k) shall be reduced in an equal amount by the amount of Securitization Indebtedness incurred by Trendwest or any of its Subsidiaries;

(l) Non-Recourse Indebtedness in an aggregate principal amount not to exceed $100,000,000; and

(m) Indebtedness of any Loan Party pursuant to any Fundamental Document.

If the Material Subsidiary's action or event meets the criteria of more than one of the types of Indebtedness described in the clauses above, the Borrower in its sole discretion may classify such action or event in one or more clauses (including in part under one such clause and in part under another such clause).

SECTION 6.2. Consolidation, Merger, Sale of Assets.

(a) Neither the Borrower nor any of its Material Subsidiaries (in one transaction or series of transactions) will wind up, liquidate or dissolve its affairs, or enter into any transaction of merger or consolidation, except any merger, consolidation, dissolution or liquidation (i) in which the Borrower is the surviving entity or if the Borrower is not a party to such transaction then a Subsidiary is the surviving entity or the successor to the Borrower has unconditionally assumed in writing all of the payment and performance obligations of the Borrower under this Agreement and the other Fundamental Documents, (ii) in which the surviving entity becomes a Subsidiary of the Borrower immediately upon the effectiveness of such merger, consolidation, dissolution or liquidation, or (iii) involving a Subsidiary in connection with a transaction permitted by Section 6.2(b); provided, however, that immediately prior to and on a Pro Forma Basis after giving effect to any such transaction described in any of the preceding clauses (i), (ii) and (iii) no Default or Event of Default has occurred and is continuing.

(b) The Borrower and its Subsidiaries (either individually or collectively and whether in one transaction or series of related transactions) will not sell or otherwise dispose of all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole (it being understood that nothing in this Section 6.2(b) shall be deemed to prohibit the Spin-Off).

SECTION 6.3. Limitations on Liens.

Suffer any Lien on the property of the Borrower or any of the Material Subsidiaries, except:

(a) Liens for taxes, assessments, governmental charges and other similar obligations not yet due or which are being contested in good faith by appropriate proceedings;

(b) Liens incidental to the conduct of its business or the ownership of its assets which were not incurred in connection with the borrowing of money, and which do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(c) purchase money Liens granted to the vendor or Person financing the acquisition of property, plant or equipment if (i) limited to the specific assets acquired and, in the case of tangible assets, other property which is an improvement to or is acquired for specific use in connection with such acquired property or which is real property being improved by such acquired property; (ii) the debt secured by the Lien is the unpaid balance of the acquisition cost of the specific assets on which the Lien is granted; and (iii) such transaction does not otherwise violate this Agreement;

(d) Liens upon real and/or personal property, which property was acquired after the Closing Date (by purchase, construction or otherwise) by the Borrower or any of its Material Subsidiaries, each of which Liens existed on such property before the time of its acquisition and was not created in anticipation thereof; provided, however, that no such Lien shall extend to or cover any property of the Borrower or such Material Subsidiary other than the respective property so acquired and improvements thereon;

(e) to the extent not covered by clause (b) above, Liens securing judgments which do not constitute an Event of Default;

(f) Liens created under any Fundamental Document;

(g) Liens existing on the Closing Date and any extensions or renewals thereof;

(h) Liens securing (or covering property constituting the source of payment for) any Indebtedness permitted pursuant to clauses (d), (h), (j), (k) or (l) of Section 6.1;

(i) to the extent not covered by clause (h) above, Liens on equity interests or other securities issued by a Securitization Entity, securing (or covering property constituting the source of payment for) Securitization Indebtedness; and

(j) other Liens securing obligations having an aggregate principal amount not to exceed the greater of 15% of Consolidated Net Worth and $200,000,000.

If the Borrower's or the Material Subsidiary's action or event meets the criteria of more than one of the types of Liens described in the clauses above, the Borrower in its sole discretion may classify such action or event in one or more clauses (including in part under one such clause and in part under another such clause).

SECTION 6.4. Sale and Leaseback.

Enter into any arrangement with any Person or Persons, whereby in contemporaneous transactions the Borrower or any of its Subsidiaries sells essentially all of its right, title and interest in a material asset and the Borrower or any of its Subsidiaries acquires or leases back the right to use such property except that the Borrower and its Subsidiaries may enter into sale-leaseback transactions relating to assets not in excess of $150,000,000 in the aggregate on a cumulative basis, and except any

arrangements existing on the Closing Date, including but not limited to sale-leaseback transactions existing under the Landal Facilities, and any renewals, extensions or modifications thereof, or replacements or substitutions therefor, so long as such renewals, extensions or modifications are effected on substantially the same terms or on terms which, in the aggregate, are not more adverse to the Lenders in any material respect.

SECTION 6.5. Consolidated Leverage Ratio.

Permit the Consolidated Leverage Ratio for any Rolling Period ending after June 30, 2006 to be greater than 3.5 to 1.0.

SECTION 6.6. Consolidated Interest Coverage Ratio.

Permit the Consolidated Interest Coverage Ratio for any Rolling Period ending after June 30, 2006 to be less than 3.0 to 1.0.

SECTION 6.7. Accounting Practices.

Establish a fiscal year ending on any date other than December 31, or modify or change accounting treatments or reporting practices except as otherwise required or permitted by GAAP or the SEC.

7. EVENTS OF DEFAULT

In the case of the happening and during the continuance of any of the following events (herein called "Events of Default"):

(a) any representation or warranty made by the Borrower or any Subsidiary Borrower in this Agreement or any other Fundamental Document or in connection with this Agreement or with the Borrowings hereunder, or any statement or representation made in any report, financial statement, certificate or other document furnished by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent or any Lender under or in connection with this Agreement, shall prove to have been false or misleading in any material respect when made or delivered;

(b) default shall be made in the payment of any principal of or interest on any Loan, any reimbursement obligation with respect to Letters of Credit, Competitive Letters of Credit or of any fees or other amounts payable by the Borrower or any Subsidiary Borrower hereunder, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise, and in the case of payments of interest, such default shall continue unremedied for five days, and in the case of payments other than of any principal amount of or interest on any Loan, any reimbursement obligation with respect to Letters of Credit or Competitive Letters of Credit, such default shall continue unremedied for five days after written notice of non-payment has been received by the Borrower or such Subsidiary Borrower from the Administrative Agent;

(c) default shall be made in the due observance or performance of any covenant, condition or agreement contained in Section 5.1(e) (with respect to notice of Default or Events of Default), 5.8 or Section 6 of this Agreement;

(d) default shall be made by the Borrower in the due observance or performance of any other covenant, condition or agreement to be observed or performed pursuant to the terms of this

Agreement, or any other Fundamental Document and such default shall continue unremedied for thirty days after the Borrower obtains knowledge of such occurrence;

(e) (i) default in payment shall be made with respect to any Indebtedness of the Borrower or any of its Subsidiaries (other than Securitization Indebtedness) where the amount or amounts of such Indebtedness exceeds $50,000,000 in the aggregate; or (ii) default in payment or performance shall be made with respect to any Indebtedness of the Borrower or any of its Subsidiaries (other than Securitization Indebtedness) where the amount or amounts of such Indebtedness exceeds $50,000,000 in the aggregate, if the effect of such default is to result in the acceleration of the maturity of such Indebtedness; or (iii) any other circumstance shall arise (other than the mere passage of time) by reason of which the Borrower or any Subsidiary of the Borrower is required to redeem or repurchase, or offer to holders the opportunity to have redeemed or repurchased, any such Indebtedness (other than Securitization Indebtedness) where the amount or amounts of such Indebtedness exceeds $50,000,000 in the aggregate; provided that clause (iii) shall not apply to secured Indebtedness that becomes due as a result of a voluntary sale of the property or assets securing such Indebtedness or Indebtedness that is redeemed or repurchased at the option of the Borrower or any of its Subsidiaries; and provided, that clauses (ii) and (iii) shall not apply to any Indebtedness of any Subsidiary issued and outstanding prior to the date such Subsidiary became a Subsidiary of the Borrower (other than Indebtedness issued in connection with, or in anticipation of, such Subsidiary becoming a Subsidiary of the Borrower) if such default or circumstance arises solely as a result of a "change of control" provision applicable to such Indebtedness which becomes operative as a result of the acquisition of such Subsidiary by the Borrower or any of its Subsidiaries; and provided, further, that in the case of any derivative transaction described in Section 6.1(i), each reference in this clause (e) to the amount of $50,000,000 shall mean the amount payable by the Borrower or any of its Subsidiaries in connection with a default or "other circumstance" described in clause (i), (ii) or (iii) and not to the notional amount of such derivative transaction;

(f) the Borrower or any of its Material Subsidiaries shall generally not pay its debts as they become due or shall admit in writing its inability to pay its debts, or shall make a general assignment for the benefit of creditors; or the Borrower or any of its Material Subsidiaries shall commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property or shall file an answer or other pleading in any such case, proceeding or other action admitting the material allegations of any petition, complaint or similar pleading filed against it or consenting to the relief sought therein; or the Borrower or any Material Subsidiary thereof shall take any action to authorize any of the foregoing;

(g) any involuntary case, proceeding or other action against the Borrower or any of its Material Subsidiaries shall be commenced seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action (i) results in the entry of any order for relief against it or (ii) shall remain undismissed for a period of sixty days;

(h) the occurrence of a Change in Control;

(i) final judgment(s) for the payment of money in excess of $50,000,000 (to the extent not paid or covered by insurance) shall be rendered against the Borrower or any of its Subsidiaries which within thirty days from the entry of such judgment shall not have been discharged or stayed pending appeal or which shall not have been discharged within thirty days from the entry of a final order of affirmance on appeal;

(j) an ERISA Event shall have occurred that, when taken together with all other ERISA Events (with respect to which the Borrower has a liability which has not yet been satisfied) that have occurred, would result in a Material Adverse Effect; or

(k) the Cendant Guaranty shall cease, for any reason other than by its terms, to be in full force and effect;

then, in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may or shall, if directed by the Required Lenders, take either or both of the following actions, at the same or different times: terminate forthwith the Commitments and/or declare the principal of and the interest on the Loans and all other amounts payable hereunder or thereunder to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without presentment, demand, protest, notice of acceleration, notice of intent to accelerate or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement to the contrary notwithstanding. If an Event of Default specified in paragraphs (f) or (g) above shall have occurred, the principal of and interest on the Loans and all other amounts payable hereunder or thereunder shall thereupon and concurrently become due and payable without presentment, demand, protest, notice of acceleration, notice of intent to accelerate or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement to the contrary notwithstanding and the Commitments of the Lenders shall thereupon forthwith terminate.

8. THE ADMINISTRATIVE AGENT AND EACH ISSUING LENDER

SECTION 8.1. Administration by Administrative Agent.

The general administration of the Fundamental Documents and any other documents contemplated by this Agreement shall be by the Administrative Agent or its designees. Each of the Lenders hereby irrevocably authorizes the Administrative Agent, at its discretion, to take or refrain from taking such actions as agent on its behalf and to exercise or refrain from exercising such powers under the Fundamental Documents and any other documents contemplated by this Agreement as are delegated by the terms hereof or thereof, as appropriates together with all powers reasonably incidental thereto. The Administrative Agent shall have no duties or responsibilities except as set forth in the Fundamental Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.9), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries or Affiliates that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.9) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower, any

Subsidiary Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein. Any Lender which is not the Administrative Agent (regardless of whether such Lender bears the title of any other Agent or any similar title, as indicated on the signature pages hereto) for the credit facility hereunder shall not have any duties or responsibilities except as a Lender hereunder.

SECTION 8.2. Advances and Payments.

(a) On the date of each Loan, the Administrative Agent shall be authorized (but not obligated) to advance, for the account of each of the Lenders, the amount of the Loan to be made by it in accordance with this Agreement. Each of the Lenders hereby authorizes and requests the Administrative Agent to advance for its account, pursuant to the terms hereof, the amount of the Loan to be made by it, unless with respect to any Lender, such Lender has theretofore specifically notified the Administrative Agent that such Lender does not intend to fund that particular Loan. Each of the Lenders agrees forthwith to reimburse the Administrative Agent in immediately available funds for the amount so advanced on its behalf by the Administrative Agent pursuant to the immediately preceding sentence. If any such reimbursement is not made in immediately available funds on the same day on which the Administrative Agent shall have made any such amount available on behalf of any Lender in accordance with this Section 8.2, such Lender shall pay interest to the Administrative Agent at a rate per annum equal to the Administrative Agent's cost of obtaining overnight funds in the New York Federal Funds Market. Notwithstanding the preceding sentence, if such reimbursement is not made by the second Business Day following the day on which the Administrative Agent shall have made any such amount available on behalf of any Lender or such Lender has indicated that it does not intend to reimburse the Administrative Agent, the Borrower or the relevant Subsidiary Borrower shall immediately pay such unreimbursed advance amount (plus any accrued, but unpaid interest at the rate applicable to ABR Loans) to the Administrative Agent.

(b) Any amounts received by the Administrative Agent in connection with this Agreement the application of which is not otherwise provided for shall be applied, in accordance with each of the Lenders' pro rata interest therein, first, to pay accrued but unpaid Facility Fees, second, to pay accrued but unpaid Utilization Fees, third, to pay accrued but unpaid interest on the Loans, fourth, the principal balance outstanding on the Loans and fifth, to pay other amounts payable to the Administrative Agent and/or the Lenders. All amounts to be paid to any of the Lenders by the Administrative Agent shall be credited to the Lenders, promptly after collection by the Administrative Agent, in immediately available funds either by wire transfer or deposit in such Lender's correspondent account with the Administrative Agent, or as such Lender and the Administrative Agent shall from time to time agree.

SECTION 8.3. Sharing of Setoffs and Cash Collateral.

Each of the Lenders agrees that if it shall, through the operation of Sections 2.23, 2.28(g) or 2.28(h) hereof or the exercise of a right of bank's lien, setoff or counterclaim against the Borrower or any Subsidiary Borrower, including, but not limited to, a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim and received by such Lender under any applicable bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Term Loans, Revolving Credit Loans, Revolving L/C Exposure or Swingline Participation Amounts as a result of which the unpaid portion of its Term Loans, Revolving

Credit Loans, Revolving L/C Exposure or Swingline Participation Amounts, as applicable, is proportionately less than the unpaid portion of any of the other Lenders (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lenders a participation in the Term Loans, Revolving Credit Loans, Revolving L/C Exposure or Swingline Participation Amounts, as applicable, of such other Lenders, so that the aggregate unpaid principal amount of each of the Lenders' Term Loans, Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts and its participation in Term Loans, Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts of the other Lenders shall be in the same proportion to the aggregate unpaid principal amount of all Term Loans, Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts then outstanding as the principal amount of its Term Loans, Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts prior to the obtaining of such payment was to the principal amount of all Term Loans, Revolving Credit Loans, Revolving L/C Exposure and Swingline Participation Amounts outstanding prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders share such payment pro rata.

SECTION 8.4. Notice to the Lenders.

Upon receipt by the Administrative Agent from the Borrower or any Subsidiary Borrower of any communication calling for an action on the part of the Lenders, or upon notice to the Administrative Agent of any Event of Default, the Administrative Agent will in turn immediately inform the other Lenders (including any Issuing Lender) in writing (which shall include telegraphic communications) of the nature of such communication or of the Event of Default, as the case may be.

SECTION 8.5. Liability of Administrative Agent and each Issuing Lender.

(a) The Administrative Agent or any Issuing Lender, when acting on behalf of the Lenders may execute any of its duties under this Agreement by or through its officers, agents, or employees and neither the Administrative Agent, the Issuing Lenders nor their respective directors, officers, agents, or employees shall be liable to the Lenders or any of them for any action taken or omitted to be taken in good faith, or be responsible to the Lenders or to any of them for the consequences of any oversight or error of judgment, or for any loss, unless the same shall happen through its gross negligence or willful misconduct. The Administrative Agent, the Issuing Lenders and their respective directors, officers, agents, and employees shall in no event be liable to the Lenders or to any of them for any action taken or omitted to be taken by it pursuant to instructions received by it from the Required Lenders or in reliance upon the advice of counsel selected by it. Without limiting the foregoing, neither the Administrative Agent, the Issuing Lenders nor any of their respective directors, officers, employees, or agents shall be responsible to any of the Lenders for the due execution, validity, genuineness, effectiveness, sufficiency, or enforceability of, or for any statement, warranty, or representation in, or for the perfection of any security interest contemplated by, this Agreement or any related agreement, document or order, or for the designation or failure to designate this transaction as a "Highly Leveraged Transaction" for regulatory purposes, or shall be required to ascertain or to make any inquiry concerning the performance or observance by the Borrower or any Subsidiary Borrower of any of the terms, conditions, covenants, or agreements of this Agreement or any related agreement or document.

(b) Neither the Administrative Agent, the Issuing Lenders, nor any of their respective directors, officers, employees, or agents shall have any responsibility to the Borrower or any Subsidiary Borrower on account of the failure or delay in performance or breach by any of the Lenders or the Borrower or any Subsidiary Borrower of any of their respective obligations under this Agreement or any related agreement or document or in connection herewith or therewith.

(c) The Administrative Agent, and the Issuing Lenders, in such capacities hereunder, shall be entitled to rely on any communication, instrument, or document reasonably believed by it to be genuine or correct and to have been signed or sent by a Person or Persons believed by it to be the proper Person or Persons, and it shall be entitled to rely on advice of legal counsel, independent public accountants, and other professional advisers and experts selected by it.

SECTION 8.6. Reimbursement and Indemnification.

Each of the Lenders severally and not jointly agrees (to the extent not reimbursed or otherwise paid by the Borrower or any Subsidiary Borrower (pursuant to Section 10.5 hereof)) (i) to reimburse the Administrative Agent, in the amount of its Aggregate Exposure Percentage, for any expenses and fees incurred for the benefit of the Lenders under the Fundamental Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, and any other expense incurred in connection with the administration or enforcement thereof; (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees, or agents, on demand, in the amount of its Aggregate Exposure Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it or any of them in any way relating to or arising out of the Fundamental Documents or any action taken or omitted by it or any of them under the Fundamental Documents to the extent not reimbursed by the Borrower or one of its Subsidiaries (including any Subsidiary Borrower) (except such as shall result from the gross negligence or willful misconduct of the Person seeking indemnification); and (iii) to indemnify and hold harmless the Issuing Lenders (other than in respect of Competitive Letters of Credit) and any of their respective directors, officers, employees, or agents or demand in the amount of its proportionate share from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs expenses or disbursements of any kind or nature whatever which may be imposed or incurred by or asserted against it relating to or arising out of the issuance of any Letters of Credit not reimbursed by the Borrower or one of its Subsidiaries (including any Subsidiary Borrower) (except such as shall result from the gross negligence or willful misconduct of the Person seeking indemnification).

SECTION 8.7. Rights of Administrative Agent.

It is understood and agreed that JPMorgan Chase Bank shall have the same rights and powers hereunder (including the right to give such instructions) as the other Lenders and may exercise such rights and powers, as well as its rights and powers under other agreements and instruments to which it is or may be party, and engage in other transactions with the Borrower or any Subsidiary (including any Subsidiary Borrower) or other Affiliate thereof as though it were not the Administrative Agent on behalf of the Lenders under this Agreement.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent; provided that no such delegation shall limit or reduce in any way the Administrative Agent's duties and obligations to the Borrower or any Subsidiary Borrower under this Agreement. The Administrative Agent and any such sub-agent, and any Affiliate of the Administrative Agent or any such sub-agent, may perform any and all its duties and exercise its rights and powers through their respective directors, officers, employees, agents and advisors. The exculpatory provisions of Section 8.5 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 8.8. Independent Investigation by Lenders.

Each of the Lenders acknowledges that it has decided to enter into this Agreement and to make the Loans and issue and participate in the Letters of Credit hereunder, and will continue to make such decisions, based on its own analysis of the transactions contemplated hereby, based on such documents and other information as it has deemed appropriate and on the creditworthiness of the Borrower and agrees that neither the Administrative Agent nor any Issuing Lender shall bear responsibility therefor.

SECTION 8.9. Notice of Transfer.

The Administrative Agent and the Issuing Lenders may deem and treat any Lender which is a party to this Agreement as the owners of such Lender's respective portions of the Loans and Letter of Credit reimbursement rights for all purposes, unless and until a written notice of the assignment or transfer thereof executed by any such Lender shall have been received by the Administrative Agent and become effective pursuant to Section 10.3.

SECTION 8.10. Successor Administrative Agent.

The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Borrower (with the consent of the Required Lenders, which shall not be unreasonably withheld or delayed) shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Borrower and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which with the consent of the Borrower, which will not be unreasonably withheld, shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

SECTION 8.11. Resignation of an Issuing Lender.

Any Issuing Lender may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, such Issuing Lender shall be discharged from any duties and obligations under this Agreement in its capacity as an Issuing Lender with regard to Letters of Credit not yet issued. After any retiring Issuing Lender's resignation hereunder as an Issuing Lender, the provisions of this Agreement shall continue to inure to its benefit as to any outstanding Letters of Credit or otherwise with regard to outstanding L/C Exposure and any actions taken or omitted to be taken by it while it was an Issuing Lender under this Agreement.

SECTION 8.12. Agents Generally.

Except as expressly set forth herein, no Agent shall have any duties or responsibilities hereunder in its capacity as such; and shall incur no liability, under this Agreement and the other Fundamental Documents.

9. GUARANTY OF SUBSIDIARY BORROWER OBLIGATIONS

SECTION 9.1. Guaranty.

(a) The Borrower hereby unconditionally and irrevocably guaranties to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by any Subsidiary Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Subsidiary Borrower Obligations.

(b) The Borrower further agrees to pay any and all expenses (including, without limitation, all fees and disbursements of counsel) which may be paid or incurred by the Administrative Agent, any Issuing Lender or any Lender in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Subsidiary Borrower Obligations and/or enforcing any rights with respect to, or collecting against, any Subsidiary Borrower under this Guaranty; provided, however, that the Borrower shall not be liable for the fees and expenses of more than one separate firm for the Lenders or any Issuing Lender (unless there shall exist an actual conflict of interest among such Persons, and in such case, not more than two separate firms) in connection with any one such action or any separate, but substantially similar or related actions in the same jurisdiction, nor shall the Borrower be liable for any settlement or proceeding effected without the Borrower's written consent. This Guaranty shall remain in full force and effect until the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated.

(c) No payment or payments made by any Subsidiary Borrower or any other Person or received or collected by the Administrative Agent or any Lender from any Subsidiary Borrower or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Subsidiary Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Borrower hereunder which shall, notwithstanding any such payment or payments (other than payments made by the Borrower in respect of the Subsidiary Borrower Obligations or payments received or collected from the Borrower in respect of the Subsidiary Borrower Obligations), remain liable for the Subsidiary Borrower Obligations until the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated.

(d) The Borrower agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability hereunder, it will notify the Administrative Agent and such Lender in writing that such payment is made under this Guaranty for such purpose.

SECTION 9.2. No Subrogation. Notwithstanding any payment or payments made by the Borrower hereunder, or any set-off or application of funds of the Borrower by the Administrative Agent or any Lender, the Borrower shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against any Subsidiary Borrower or against any collateral security or Guaranty or right of offset held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations, nor shall the Borrower seek or be entitled to seek any contribution or reimbursement from any Subsidiary Borrower in respect of payments made by the Borrower hereunder, until all amounts owing to the Administrative Agent and the Lenders by any Subsidiary Borrower on account of the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated. If any amount shall be paid to the Borrower on account of such subrogation rights at any time when all of the Subsidiary Borrower Obligations shall not have been paid in full, such amount shall be held by the Borrower in trust for the Administrative Agent and the Lenders, segregated from other funds of the Borrower, and shall, forthwith upon receipt by the Borrower, be turned over to the Administrative Agent

in the exact form received by the Borrower (duly indorsed by the Borrower to the Administrative Agent, if required), to be applied against the Subsidiary Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

SECTION 9.3. Amendments, etc. with respect to the Obligations; Waiver of Rights. The Borrower shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Borrower, and without notice to or further assent by the Borrower, any demand for payment of any of the Subsidiary Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Subsidiary Borrower Obligations continued, and the Subsidiary Borrower Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guaranty therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the requisite Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guaranty or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Subsidiary Borrower Obligations or for the Guaranty under this Section 9 or any property subject thereto. When making any demand hereunder against the Borrower, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on any Subsidiary Borrower, and any failure by the Administrative Agent or any Lender to make any such demand or to collect any payments from any Subsidiary Borrower or any release of any Subsidiary Borrower shall not relieve the Borrower of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any Lender against the Borrower. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

SECTION 9.4. Guaranty Absolute and Unconditional. The Borrower waives any and all notice of the creation, renewal, extension or accrual of any of the Subsidiary Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Guaranty or acceptance of the Guaranty under this Section 9; the Subsidiary Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the Guaranty under this Section 9; and all dealings between any Subsidiary Borrower and the Borrower, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon the Guaranty under this Section 9. The Borrower waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon any Subsidiary Borrower or the Borrower with respect to the Subsidiary Borrower Obligations. The Guaranty under this Section 9 shall be construed as a continuing, absolute and unconditional guaranty of payment without regard to (a) the validity or enforceability of this Agreement, any of the Subsidiary Borrower Obligations or any other collateral security therefor or guaranty or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Subsidiary Borrower against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of such Subsidiary Borrower or the Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of Subsidiary Borrower for its Subsidiary Borrower Obligations, or of the Borrower under the guaranty under this Section 9, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Borrower, the Administrative Agent and any Lender may, but shall be under no obligation to, pursue such

rights and remedies as it may have against any Subsidiary Borrower or any other Person or against any collateral security or guaranty for the Subsidiary Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from any Subsidiary Borrower or any such other Person or to realize upon any such collateral security or guaranty or to exercise any such right of offset, or any release of Subsidiary Borrower or any such other Person or of any such collateral security, guaranty or right of offset, shall not relieve the Borrower of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against such Subsidiary Borrower. The Guaranty under this Section 9 shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Borrower and its successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the Lenders, and their respective successors, indorsees, transferees and assigns, until all the Subsidiary Borrower Obligations and the obligations of the Borrower under the Guaranty under this Section 9 shall have been satisfied by payment in full and the Commitments shall be terminated, notwithstanding that from time to time during the term of this Agreement any Subsidiary Borrower may be free from any Subsidiary Borrower Obligations.

SECTION 9.5. Reinstatement. The Guaranty under this Section 9 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Subsidiary Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Subsidiary Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Subsidiary Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

10. MISCELLANEOUS

SECTION 10.1. Notices.

(a) Notices and other communications provided for herein shall be in writing and shall be delivered or mailed (or in the case of telegraphic communication, if by telegram, delivered to the telegraph company and, if by telex, telecopy, graphic scanning or other telegraphic communications equipment of the sending party hereto, delivered by such equipment) addressed as follows:

(i) if to the Administrative Agent, to it at JPMorgan Chase Bank, N.A., 1111 Fannin, 10th floor, Houston, Texas 77002, Attention of Jen Yi Lin (Telephone No. 713-750-3550; Facsimile No. 713-750-2932), with a copy to Randolph Cates (Facsimile No. 212-270-3279);

(ii) if to the Borrower, to it at Seven Sylvan Way, Parsippany, NJ 07054, Attention of Corporate Secretary (Facsimile No. 973-496-1127) and Treasurer (Facsimile No. 973-496-1192), with a copy to Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, Attention of James M. Douglas (Facsimile No. 917-777-2868);

(iii) if to a Subsidiary Borrower, to it c/o the Borrower at Seven Sylvan Way, Parsippany, NJ 07054, Attention of Corporate Secretary (Facsimile No. 973-496-1127) and Treasurer (Facsimile No. 973-496-1192), with a copy to Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, Attention of James M. Douglas (Facsimile No. 917-777-2868);

(iv) if to a Lender, to it at its address notified to the Administrative Agent (or set forth in its Assignment and Acceptance or other agreement pursuant to which it became a Lender hereunder); and

(v) if to JPMorgan Chase Bank, N.A., in its capacity as Issuing Lender, to it at JPMorgan Chase Bank, N.A. 1111 Fannin, 10th floor, Houston, Texas 77002, Attention of Jen Yi Lin (Telephone No. 713-750-3550; Facsimile No. 713-750-2932), or if to any other Issuing Lender, at the address for notices as such Issuing Lender provides in accordance with this Section 10.1;

or such other address as such party may from time to time designate by giving written notice to the other parties hereunder.

(b) Any party hereto may change its address or telecopy number and other communications hereunder for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

(c) Notices and other communication to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent, the Borrower and any Subsidiary Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 10.2. Survival of Agreement, Representations and Warranties, etc.

All warranties, representations and covenants made by the Borrower or any Subsidiary Borrower herein or in any certificate or other instrument delivered by it or on its behalf in connection with this Agreement shall be considered to have been relied upon by the Administrative Agent and the Lenders and shall survive the making of the Loans herein contemplated regardless of any investigation made by the Administrative Agent or the Lenders or on their behalf and shall continue in full force and effect so long as any amount due or to become due hereunder is outstanding and unpaid and so long as the Commitments have not been terminated. All statements in any such certificate or other instrument shall constitute representations and warranties by the Borrower or such Subsidiary Borrower hereunder.

SECTION 10.3. Successors and Assigns; Syndications; Loan Sales; Participations.

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party (provided, however, that neither Borrower nor any Subsidiary Borrower may assign its rights hereunder without the prior written consent of all the Lenders), and all covenants, promises and agreements by, or on behalf of, the Borrower or any Subsidiary Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Lenders.

(b) Each of the Lenders may (but only with the prior written consent of the Administrative Agent, the relevant Issuing Lenders and the Borrower, which consents shall not be unreasonably withheld or delayed, provided that the consent of the Borrower shall not be required if an Event of Default has occurred and is continuing provided further that the consent of the Issuing Lenders shall not be required for an assignment of all or any portion of a Term Loan or Term Commitment) assign

to one or more banks or other entities either (i) all or a portion of its interests, rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the same portion of the Revolving Credit Loans at the time owing to it and its Revolving L/C Exposure) (a "Ratable Assignment"), (ii) all or a portion of its rights and obligations under and in respect of (A) its Commitment under this Agreement and the same portion of the Revolving Credit Loans at the time owing to it and its Revolving L/C Exposure or (B) the Competitive Loans at the time owing to it or the Competitive Letters of Credit at the time issued by it (including, without limitation, in the case of Competitive Letters of Credit, any unpaid reimbursement obligations) (a "Non-Ratable Assignment") or (iii) all or a portion of its Term Loans; provided, however, that (1) each Non-Ratable Assignment shall be of a constant, and not a varying, percentage of all of the assigning Lender's rights and obligations in respect of the Loans, L/C Exposure and the Commitment (if applicable) which are the subject of such assignment, (2) each Ratable Assignment shall be of a constant, and not a varying, percentage of the assigning Lender's rights and obligations under this Agreement, (3) the amount of the Commitment, Competitive Loans or Competitive Letters of Credit, as the case may be, of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Lender) shall be in a minimum principal amount of $1,000,000 (or, if less, the remaining portion of the assigning Lender's rights and obligations under this Agreement) unless otherwise agreed by the Borrower and the Administrative Agent, (4) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with a processing and recordation fee of $3,500 and (5) no Lender shall assign or sell participations of all or a portion of its interest in a Loan to any Person who is (A) listed on the Specially Designated Nationals and Blocked Persons List (the "SDN List") maintained by the U.S. Department of Treasury Office of Foreign Assets Control ("OFAC") and/or on any other similar list maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, "OFAC Laws and Regulations"); or (B) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515. Upon such execution, delivery, acceptance and recording, and from and after the effective date specified in each Assignment and Acceptance, which effective date shall be not earlier than five Business Days (or such shorter period approved by the Administrative Agent) after the date of acceptance and recording by the Administrative Agent, (x) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the assigning Lender thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of the assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto).

(c) Notwithstanding the other provisions of this Section 10.3, each Lender may at any time make a Ratable Assignment or a Non-Ratable Assignment of its interests, rights and obligations under this Agreement to (i) any Affiliate of such Lender or (ii) any other Lender hereunder without the consent of the Borrower provided that it meets the registration requirements in Section 10.3(b)(4).

(d) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in, or in connection with, this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Fundamental Documents or any other instrument or document furnished pursuant hereto or thereto; (ii) such Lender assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower or any Subsidiary Borrower of any of its obligations under

the Fundamental Documents; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 5.1(a) and 5.1(b) (or if none of such financial statements shall have then been delivered, then copies of the financial statements referred to in Section 3.4 hereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Lender, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Fundamental Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (vi) such assignee agrees that it will be bound by the provisions of this Agreement and will perform in accordance with its terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(e) The Administrative Agent, on behalf of the Borrower, shall maintain at its address at which notices are to be given to it pursuant to Section 10.1, a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders and the Commitments of, and the principal and interest amounts of the Loans owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, any Subsidiary Borrower, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register as the owner of a Loan or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Fundamental Documents, notwithstanding any notice to the contrary. Any assignment shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee and the processing and recordation fee, the Administrative Agent (subject to the right, if any, of the Borrower to require its consent thereto) shall, if such Assignment and Acceptance has been completed and is substantially in the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt written notice thereof to the Borrower.

(g) Each of the Lenders may, without the consent of the Borrower, the Administrative Agent or any Issuing Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Loans owing to it); provided, however, that (i) any such Lender's obligations under this Agreement shall remain unchanged, (ii) such Participant shall not be granted any voting rights under this Agreement, except with respect to matters requiring the consent of each of the Lenders hereunder, (iii) any such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iv) the participating banks or other entities shall be entitled to the cost protection provisions of Sections 2.18, 2.19, 2.21, 2.25 and 2.28 hereof (and subject to the limitations thereof) but a Participant shall not be entitled to receive pursuant to such provisions an amount larger than its share of the amount to which the Lender granting such participation would have been entitled to receive; provided that a Participant shall not be entitled to the benefits of Section 2.25 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.25(e) as though it were a Lender, and (v) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

(h) The Lenders may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.3, disclose to the assignee or Participant or proposed assignee or Participant, any information, including confidential information, relating to the Borrower furnished to the Administrative Agent by or on behalf of the Borrower; provided that prior to any such disclosure, each such assignee or Participant or proposed assignee or Participant agrees in writing to be bound by the confidentiality provisions of Section 10.15.

(i) Each Lender hereby represents that it is a commercial lender or financial institution which makes loans in the ordinary course of its business and that it will make the Loans hereunder for its own account in the ordinary course of such business; provided, however, that, subject to preceding clauses (a) through (h), the disposition of the Indebtedness held by that Lender shall at all times be within its exclusive control.

(j) Any Lender may at any time and from time to time pledge, or otherwise grant a security interest in, all or a portion of its rights under this Agreement, including any such pledge or grant to any Federal Reserve Bank, and, with respect to any Lender which is a fund, to the fund's trustee in support of its obligations to such trustee, and this Section shall not apply to any such pledge or grant; provided that no such pledge or grant shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto. The Borrower and any relevant Subsidiary Borrower shall, upon receipt of a written request from any Lender, issue a Note to facilitate such transactions.

(k) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower or any Subsidiary Borrower all or any part of any Revolving Credit Loan that such Granting Lender would otherwise be obligated to make to the Borrower or such Subsidiary Borrower pursuant to Section 2.1 or 2.10, provided that (i) nothing herein shall constitute a commitment to make any Revolving Credit Loan by any SPC and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Revolving Credit Loan or fund any other obligation required to be funded by it hereunder, the Granting Lender shall be obligated to make such Revolving Credit Loan or fund such obligation pursuant to the terms hereof. The making of a Revolving Credit Loan by an SPC hereunder shall satisfy the obligation of the Granting Lenders to make Revolving Credit Loans to the same extent, and as if, such Loan were made by the Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any payment under this Agreement for which a Lender would otherwise be liable, for so long as, and to the extent, the related Granting Lender makes such payment. In furtherance of the foregoing, each party hereto hereby agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any SPC, it will not institute against or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 10.3 any SPC may (i) with notice to, but without the prior written consent of, the Borrower or the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Revolving Credit Loan to its Granting Lender or to any financial institutions providing liquidity and/or credit facilities to or for the account of such SPC to fund the Revolving Credit Loans made by SPC or to support the securities (if any) issued by such SPC to fund such Revolving Credit Loans and (ii) disclose on a confidential basis any non-public information relating to its Revolving Credit Loans to any rating agency, commercial paper dealer or provider of a surety, guarantee or credit or liquidity enhancement to such SPC.

SECTION 10.4. Expenses.

Whether or not the transactions hereby contemplated shall be consummated, the Borrower agrees to pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent in connection with the syndication, preparation, execution, delivery and administration of this Agreement, the making of the Loans and issuance and administration of the Letters of Credit, the reasonable and documented fees and disbursements of Simpson Thacher & Bartlett LLP, counsel to the Administrative Agent, as well as all reasonable and documented out-of-pocket expenses incurred by the Lenders in connection with any restructuring or workout of this Agreement, the Letters of Credit or the Competitive Letters of Credit or in connection with the enforcement or protection of the rights of the Lenders in connection with this Agreement or the Letters of Credit or any other Fundamental Document, and with respect to any action which may be instituted by any Person against any Lender or any Issuing Lender in respect of the foregoing, or as a result of any transaction, action or nonaction arising from the foregoing, including but not limited to the reasonable and documented fees and disbursements of any counsel for the Lenders or any Issuing Lender, provided, however, that the Borrower shall not be liable for the fees and expenses of more than one separate firm for the Lenders or any Issuing Lender (unless there shall exist an actual conflict of interest among such Persons, and in such case, not more than two separate firms) in connection with any one such action or any separate but substantially similar or related actions in the same jurisdiction, nor shall the Borrower be liable for any settlement or any proceeding effected without the Borrower's written consent. Such payments shall be made on the Closing Date and thereafter on demand. The obligations of the Borrower under this Section shall survive the termination of this Agreement and/or the payment of the Loans and/or expiration of the Letters of Credit and Competitive Letters of Credit.

SECTION 10.5. Indemnity.

Further, by the execution hereof, the Borrower and each Subsidiary Borrower agrees to indemnify and hold harmless the Administrative Agent and the Lenders and the Issuing Lenders and their respective directors, officers, employees and agents (each, an "Indemnified Party") from and against any and all expenses (including reasonable and documented fees and disbursements of counsel), losses, claims, damages and liabilities arising out of any claim, litigation, investigation or proceeding (regardless of whether any such Indemnified Party is a party thereto) in any way relating to the transactions contemplated hereby, but excluding therefrom all expenses, losses, claims, damages, and liabilities arising out of or resulting from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification or any of its Related Parties, provided, however, neither the Borrower nor any Subsidiary Borrower shall be liable for the fees and expenses of more than one separate firm for all such Indemnified Parties (unless there shall exist an actual conflict of interest among such Indemnified Parties, and in such case, not more than two separate firms) in connection with any one such action or any separate but substantially similar or related actions in the same jurisdiction, nor shall the Borrower or any Subsidiary Borrower be liable for any settlement of any proceeding effected without the Borrower's or such Subsidiary Borrower's written consent, and provided further, however, that this Section 10.5 shall not be construed to expand the scope of the reimbursement obligations of the Borrower and any Subsidiary Borrower specified in Section 10.4. The obligations of the Borrower and any Subsidiary Borrower under this Section 10.5 shall survive the termination of this Agreement and/or payment of the Loans and/or the expiration of the Letters of Credit and Competitive Letters of Credit.

SECTION 10.6. CHOICE OF LAW.

THIS AGREEMENT AND THE NOTES HAVE BEEN EXECUTED AND DELIVERED IN THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF SUCH STATE APPLICABLE TO

CONTRACTS MADE AND TO BE PERFORMED WHOLLY WITHIN SUCH STATE AND, IN THE CASE OF PROVISIONS RELATING TO INTEREST RATES, ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

SECTION 10.7. No Waiver.

No failure on the part of the Administrative Agent, any Lender or any Issuing Lender to exercise, and no delay in exercising, any right, power or remedy hereunder or with regards to the Letters of Credit or Competitive Letters of Credit shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

SECTION 10.8. Extension of Maturity.

Except as otherwise specifically provided in Section 1 or 8 hereof, should any payment of principal, interest or any other amount due hereunder become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of principal, interest shall be payable thereon at the rate herein specified during such extension.

SECTION 10.9. Amendments, etc.

(a) Except as expressly set forth in this Agreement, no modification, amendment or waiver of any provision of this Agreement, and no consent to any departure by the Borrower herefrom or therefrom, shall in any event be effective unless the same shall be in writing and signed or consented to in writing by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given; provided, however, that no such modification or amendment shall without the written consent of each Lender affected thereby (i) increase or extend the expiration date of the Revolving Commitment of a Lender or postpone or waive any scheduled reduction in the Revolving Commitments, (ii) provide for funding of Revolving Credit Loans, Swingline Loans or Term Loans at any location outside of the United States, (iii) alter the stated maturity or principal amount of any installment of any Loan (or any reimbursement obligation with respect to a Letter of Credit or Competitive Letter of Credit) or decrease the rate of interest payable thereon or extend the scheduled date of any payment thereof, or the rate at which the Facility Fees, Utilization Fees or letter of credit fees accrue, (iv) waive a default under Section 7(b) hereof with respect to a scheduled principal installment of any Loan, (v) release the Borrower from its obligations under the Guaranty (except in accordance with its terms), (vi) release Cendant from its obligations under the Cendant Guaranty (except in accordance with its terms) or (vii) amend Section 2.22, 2.23 or 8.3 in a manner that would alter the pro rata sharing of payments required thereby; and provided, further that no such modification or amendment shall without the written consent of all of the Lenders (x) amend or modify any provision of this Agreement which provides for the unanimous consent or approval of the Lenders or (y) amend this Section 10.9 or the definition of Required Lenders; and provided, further that no such modification or amendment shall decrease the Revolving Commitment of any Lender without the written consent of such Lender. No such amendment or modification may adversely affect the rights and obligations of the Administrative Agent or any Issuing Lender hereunder without its prior written consent. No notice to or demand on the Borrower shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances. Each holder of a Note shall be bound by any amendment, modification, waiver or consent authorized as provided herein, whether or not a Note shall have been marked to indicate such amendment, modification, waiver or consent and any consent by any holder of a Note shall bind any Person subsequently acquiring a Note, whether or not a Note is so marked.

(b) In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and each of the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing, replacement or modification of all outstanding Term Loans ("Replaced Term Loans") with a replacement term loan tranche hereunder ("Replacement Term Loans"), provided that (i) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Replaced Term Loans, (ii) the applicable margin for such Replacement Term Loans shall not be higher than the applicable margin for such Replaced Term Loans and (iii) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Replaced Term Loans at the time of such refinancing.

(c) This Agreement may be amended without consent of the Lenders, so long as no Default or Event of Default shall have occurred and be continuing, as follows:

(i) This Agreement will be amended to designate any Subsidiary of the Borrower as a Subsidiary Borrower upon (v) ten Business Days prior notice to the Lenders (such notice to contain the name, primary business address and taxpayer identification number of such Subsidiary), (w) the execution and delivery by the Borrower, such Subsidiary and the Administrative Agent of a Joinder Agreement, substantially in the form of G (a "Joinder Agreement"), providing for such Subsidiary to become a Subsidiary Borrower, (x) the agreement and acknowledgment by the Borrower and each other Subsidiary Borrower that the Guaranty contained in Section 9 covers the Obligations of such Subsidiary, (y) if the Cendant Guaranty remains effective, the agreement and acknowledgment by Cendant that the Cendant Guaranty covers the Obligations of such Subsidiary and (z) the delivery to the Administrative Agent of (1) corporate or other applicable resolutions, other corporate or other applicable documents, certificates and legal opinions in respect of such Subsidiary substantially equivalent to comparable documents delivered on the Closing Date and (2) such other documents with respect thereto as the Administrative Agent shall reasonably request.

(ii) This Agreement will be amended to remove any Subsidiary as a Subsidiary Borrower upon execution and delivery by the Borrower to the Administrative Agent of a written notification to such effect and repayment in full of all Loans made to such Subsidiary Borrower, cash collateralization of all reimbursement obligations in respect of any Letters of Credit issued for the account of such Subsidiary Borrower and repayment in full of all other amounts owing by such Subsidiary Borrower under this Agreement (it being agreed that any such repayment shall be in accordance with the other terms of this Agreement); provided, however, that no such amendment shall affect or limit the Borrower's obligations under the Guaranty.

SECTION 10.10. Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.11. SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

(a) THE ADMINISTRATIVE AGENT, EACH LENDER AND ISSUING LENDER, THE BORROWER AND EACH SUBSIDIARY BORROWER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE STATE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY AND TO THE JURISDICTION OF THE UNITED STATES DISTRICT

COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF BROUGHT BY THE ADMINISTRATIVE AGENT, A LENDER OR AN ISSUING LENDER. THE BORROWER AND EACH SUBSIDIARY BORROWER TO THE EXTENT PERMITTED BY APPLICABLE LAW (A) HEREBY WAIVES, AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH COURTS, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT ITS PROPERTY IS EXEMPT OR IMMUNE FROM ATTACHMENT OR EXECUTION, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THIS AGREEMENT OR THE SUBJECT MATTER HEREOF MAY NOT BE ENFORCED IN OR BY SUCH COURT, AND (B) HEREBY WAIVES THE RIGHT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING ANY OFFSETS OR COUNTERCLAIMS EXCEPT COUNTERCLAIMS THAT ARE COMPULSORY OR OTHERWISE ARISE FROM THE SAME SUBJECT MATTER. EACH LENDER, EACH ISSUING LENDER, THE BORROWER AND EACH SUBSIDIARY BORROWER HEREBY CONSENTS TO SERVICE OF PROCESS BY MAIL AT ITS ADDRESS TO WHICH NOTICES ARE TO BE GIVEN PURSUANT TO SECTION 10.1 HEREOF. THE BORROWER AND EACH SUBSIDIARY BORROWER AGREES THAT ITS SUBMISSION TO JURISDICTION AND CONSENT TO SERVICE OF PROCESS BY MAIL IS MADE FOR THE EXPRESS BENEFIT OF THE ADMINISTRATIVE AGENT, THE LENDERS AND EACH ISSUING LENDER. FINAL JUDGMENT AGAINST THE BORROWER OR SUCH SUBSIDIARY BORROWER IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION (A) BY SUIT, ACTION OR PROCEEDING ON THE JUDGMENT, A CERTIFIED OR TRUE COPY OF WHICH SHALL BE CONCLUSIVE EVIDENCE OF THE FACT AND THE AMOUNT OF INDEBTEDNESS OR LIABILITY OF THE SUBMITTING PARTY THEREIN DESCRIBED OR (B) IN ANY OTHER MANNER PROVIDED BY, OR PURSUANT TO, THE LAWS OF SUCH OTHER JURISDICTION, PROVIDED, HOWEVER, THAT THE ADMINISTRATIVE AGENT, A LENDER OR AN ISSUING LENDER MAY AT ITS OPTION BRING SUIT, OR INSTITUTE OTHER JUDICIAL PROCEEDINGS AGAINST THE BORROWER OR SUCH SUBSIDIARY BORROWER OR ANY OF ITS ASSETS IN ANY STATE OR FEDERAL COURT OF THE UNITED STATES OR OF ANY COUNTRY OR PLACE WHERE THE BORROWER, SUCH SUBSIDIARY BORROWER OR SUCH ASSETS MAY BE FOUND.

(b) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING OR WHETHER IN CONTRACT OR TORT OR OTHERWISE. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED THAT THE PROVISIONS OF THIS SECTION 10.11(b) CONSTITUTE A MATERIAL INDUCEMENT UPON WHICH THE OTHER PARTIES HAVE RELIED, ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. THE PARTIES HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 10.11(b) WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF SUCH OTHER PARTY TO THE WAIVER OF ITS RIGHTS TO TRIAL BY JURY.

SECTION 10.12. Headings.

Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

SECTION 10.13. Execution in Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.

SECTION 10.14. Entire Agreement.

This Agreement represents the entire agreement of the parties with regard to the subject matter hereof and the terms of any letters and other documentation entered into among the Borrower, the Administrative Agent, the Syndication Agent or any Lender (other than the provisions of the letter agreements dated May 25, 2006, among the Borrower, JPMorgan Chase Bank, N.A., J.P. Morgan Securities Inc. and Citigroup Global Markets Inc., relating to fees and expenses and syndication issues) prior to the execution of this Agreement which relate to Loans to be made or the Letters of Credit to be issued hereunder shall be replaced by the terms of this Agreement.

SECTION 10.15. Confidentiality.

Each of the Administrative Agent, the Issuing Lenders and the Lenders agrees that it will not use, either directly or indirectly, any of the Confidential Information except in connection with this Agreement and the transactions contemplated hereby. Neither the Administrative Agent, the Issuing Lender or any Lender shall disclose to any Person the Confidential Information, except

(a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other professional advisors who need to know the Confidential Information for purposes related to this Agreement or any other Fundamental Document or any transactions contemplated thereby or reasonably incidental to the administration of this Agreement or the other Fundamental Documents (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and agree to keep such Confidential Information confidential in accordance with the provisions of this Section 10.15),

(b) to the extent requested by any regulatory authority having jurisdiction over it or its Affiliates,

(c) to the extent required by Applicable Law, regulations or by any subpoena or similar legal process,provided that the Administrative Agent, such Issuing Lender or such Lender, as the case may be, shall request confidential treatment of such Confidential Information to the extent permitted by Applicable Law and the Administrative Agent, such Issuing Lender or such Lender, as the case may be, shall, to the extent permitted by Applicable Law, promptly inform the Borrower with respect thereto so that the Borrower may seek appropriate protective relief to the extent permitted by Applicable Law, provided further that in the event that such protective remedy or other remedy is not obtained, the Administrative Agent, such Issuing Lender or such Lender, as the case may be, shall furnish only that portion of the Confidential Information that is legally required and shall disclose the Confidential Information in a manner reasonably designed to preserve its confidential nature,

(d) to any other Lender party to this Agreement,

(e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder,

(f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations,

(g) with the prior written consent of the Borrower or

(h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 10.15 or (ii) becomes available to the Administrative Agent, any Issuing Lender or any Lender on a nonconfidential basis from a source other than the Borrower, its Affiliates or Representatives, which source, to the reasonable knowledge of the Administrative Agent, the Issuing Lender or any Lender, as may be appropriate, is not prohibited from disclosing such Confidential Information to the Administrative Agent, Issuing Bank or such Lender by a contractual, legal or fiduciary obligation, to the Borrower, the Administrative Agent or any Lender.

(i) Neither the Administrative Agent nor any Lender shall make any public announcement, advertisement, statement or communication regarding the Borrower, its Affiliates or this Agreement or the transactions contemplated hereby without the prior written consent of the Borrower. The obligations of the Administrative Agent and each Lender under this Section 10.15 shall survive the termination or expiration of this Agreement.

SECTION 10.16. USA PATRIOT Act. Each Lender hereby notifies the Borrower and each Subsidiary Borrower party hereto that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower or such Subsidiary Borrower and other information that will allow such Lender to identify the Borrower or such Subsidiary Borrower in accordance with the Act. The Borrower and each Subsidiary Borrower party hereto shall promptly provide such information upon request by any Lender. In connection therewith, each Lender hereby agrees that the confidentiality provisions set forth in Section 10.15 shall apply to any non-public information provided to it by the Borrower and its Subsidiaries pursuant to this Section 10.16.

SECTION 10.17. Replacement of Lenders.

If any Lender refuses to consent to an amendment, modification or waiver of this Agreement that is approved by the Required Lenders pursuant to Section 10.9 (a "Non-Consenting Lender"), if any Lender is a Defaulting Lender, or under any other circumstances set forth herein expressly providing that the Borrower shall have the right to replace a Lender as a party to this Agreement, the Borrower may, upon notice to such Lender and the Administrative Agent and subject to Section 2.21, replace such Lender by causing such Lender to assign its Commitment (with the assignment fee to be paid by the Borrower in such instance) pursuant to Section 10.3 to one or more banks or other entities procured by the Borrower upon receipt of accrued fees and interest and all other amounts due and owing to it.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and the year first above written.

WYNDHAM WORLDWIDE CORPORATION,
as Borrower

By: /s/ Virginia M. Wilson
Name: Virginia M. Wilson
Title: Executive Vice President and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Lender

By: /s/ Randolph Cates
Name: Randolph Cates
Title: Vice President

CITICORP USA, INC.,
as Syndication Agent and Lender

By: /s/ Hugo Arias
Name: Hugo Arias
Title: Vice President

BANK OF AMERICA, N.A.,
as a Documentation Agent and Lender

By: /s/ Lesa J. Butler
Name: Lesa J. Butler
Title: Senior Vice President

THE BANK OF NOVA SCOTIA,
as a Documentation Agent and Lender

By: /s/ Todd Meller
Name: Todd Meller
Title: Managing Director

THE ROYAL BANK OF SCOTLAND PLC,
as a Documentation Agent and Lender

By: /s/ Timothy J. McNaught
Name: Timothy J. McNaught
Title: Managing Director

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,
as Co-Documentation Agent and Lender

By: /s/ Karl Studer
Name: Karl Studer
Title: Director

By: /s/ Karl Lesnik
Name: Karl Lesnik
Title: Assistant Vice President

Scotiabanc Inc.

By: /s/ M.D. Smith
Name: M.D. Smith
Title: Treasurer & Assistant V.P.

The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch

By: /s/ Chi-Cheng Chen
Name: Chi-Cheng Chen
Title: Authorized Signatory

Barclays Bank plc

By: /s/ Nicholas Bell
Name: Nicholas Bell
Title: Director

SIGNATURE PAGE TO CREDIT AGREEMENT

Calyon New York Branch

By: /s/ Yuri Muzichenko
Name: Yuri Muzichenko
Title: Director

By: /s/ Rod Hurst
Name: Rod Hurst
Title: Managing Director

Deutsche Bank AG New York Branch

By: /s/ Frederick W. Laird
Name: Frederick W. Laird
Title: Managing Director

By: /s/ Ming K. Chu
Name: Ming K. Chu
Title: Vice President

SunTrust Bank

By: /s/ Richard C. Wilson
Name: Richard C. Wilson
Title: Managing Director

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Wachovia Bank, National Association

By: /s/ Mark A. Smith
Name: Mark A. Smith
Title: Assistant Vice President

Wells Fargo Bank, N.A.

By: /s/ Steven J. Anderson
Name: Steven J. Anderson
Title: Executive Vice President

HSBC Bank USA, National Association

By: /s/ Alan F. Vitulich
Name: Alan F. Vitulich
Title: Vice President

Mizuho Corporate Bank, Ltd.

By: /s/ Raymond Ventura
Name: Raymond Ventura
Title: Deputy General Manager

U.S. Bank, N.A.

By: /s/ Eric J. Cosgrove
Name: Eric J. Cosgrove
Title: Assistant Vice President

BAYERISCHE HYPO-UND VEREINSBANK AG, New York Branch

By: /s/ Marianne Weizinger
Name: Marianne Weizinger
Title: Director

By: /s/ Patricia Grieve
Name: Patricia Grieve
Title: Director

Mellon Bank N.A.

By: /s/ G. Louis Ashley
Name: G. Louis Ashley
Title: Senior Vice President

National Australia Bank, Ltd.
[ABN 12-004-044-937]

By: /s/ Eduardo Salazar
Name: Eduardo Salazar
Title: Senior Vice President
National Australia Bank Ltd.

Sumitomo Mitsui Banking Corporation

By: /s/ David A. Buck
Name: David A. Buck
Title: Senior Vice President

Westpac Banking Corporation

By: /s/ Bradley Scammell
Name: Bradley Scammell
Title: Vice President

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Chang Hwa Commercial Bank, Ltd., New York Branch

By: /s/ Jim C. Y. Chen
Name: Jim C. Y. Chen
Title: VP & General Manager

First Commercial Bank New York Agency

By: /s/ Bruce M. J. Ju
Name: Bruce M. J. Ju
Title: VP & General Manager

Merrill Lynch Bank USA

By: /s/ Louis Alder
Name: Louis Alder
Title: Director

Exhibit 10.32

EXECUTION COPY

$800,000,000

INTERIM TERM LOAN AGREEMENT

Dated as of July 7, 2006

among

WYNDHAM WORLDWIDE CORPORATION,
as Borrower

THE LENDERS REFERRED TO HEREIN,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

THE ROYAL BANK OF SCOTLAND PLC
and
THE BANK OF NOVA SCOTIA,
as Syndication Agents

and

BANK OF AMERICA, N.A.
and
CREDIT SUISSE, CAYMAN ISLANDS BRANCH,
as Documentation Agents

J.P. MORGAN SECURITIES INC.,
RBS SECURITIES CORPORATION and
THE BANK OF NOVA SCOTIA,
as Joint Lead Arrangers and Joint Bookrunners

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SCHEDULES

EXHIBITS

CREDIT AGREEMENT (the "Agreement") dated as of July 7, 2006, among WYNDHAM WORLDWIDE CORPORATION, a Delaware corporation (the "Borrower"), the lenders referred to herein (the "Lenders"), THE ROYAL BANK OF SCOTLAND PLC, and THE BANK OF NOVA SCOTIA, as syndication agents (the "Syndication Agents"), BANK OF AMERICA, N.A. and CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as documentation agents (the "Documentation Agents"), and JPMORGAN CHASE BANK, N.A., as administrative agent (the "Administrative Agent"; together with the Syndication Agents and the Documentation Agents, the "Agents") for the Lenders.

The parties hereto hereby agree as follows:

1. DEFINITIONS

For the purposes hereof unless the context otherwise requires, the following terms shall have the meanings indicated, all accounting terms not otherwise defined herein shall have the respective meanings accorded to them under GAAP and all terms defined in the New York Uniform Commercial Code and not otherwise defined herein shall have the respective meanings accorded to them therein:

"Act" shall have the meaning assigned to such term in Section 10.16.

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Section 2.

"Affiliate" shall mean as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, a Person shall be deemed to be "controlled by" another if such latter Person possesses, directly or indirectly, power either to (i) vote 10% or more of the securities having ordinary voting power for the election of directors of such controlled Person or (ii) direct or cause the direction of the management and policies of such controlled Person whether by contract or otherwise (it being understood that, upon the consummation of the Spin-Off, Cendant, Avis Budget Holdings, LLC, Realogy Corporation, Travelport Inc., their respective Subsidiaries and any successors to such entities shall not be Affiliates of the Borrower).

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards to the nearest 1/16 of 1% if not already an integral multiple of 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect for such day and (b) the Federal Funds Effective Rate in effect for such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall mean the rate per annum publicly announced by the Administrative Agent from time to time as its prime rate in effect at its principal office in New York City. For purposes of this Agreement, any change in the Alternate Base Rate due to a change in the Prime Rate shall be effective on the date such change in the Prime Rate is publicly announced as effective. "Federal Funds Effective Rate" shall mean, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate, for any reason, including, without limitation, the inability or failure of the

Administrative Agent to obtain sufficient bids or publications in accordance with the terms hereof, the Alternate Base Rate shall be determined without regard to clause (b) until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Federal Funds Effective Rate shall be effective on the effective date of such change in the Federal Funds Effective Rate.

"Applicable Law" shall mean, with respect to any Person, all provisions of statutes, rules, regulations and orders of governmental bodies or regulatory agencies applicable to such Person, and all binding orders and decrees of all courts and arbitrators in proceedings or actions in which the Person in question is a party or is subject.

"Assignment and Acceptance" shall mean an agreement in the form of Exhibit C hereto, executed by the assignor, assignee and the other parties as contemplated thereby.

"Basis Point" shall mean 1/100th of 1%.

"Board" shall mean the Board of Governors of the Federal Reserve System.

"Borrowing" shall mean a group of Loans of a single Interest Rate Type made by the Lenders on the Closing Date pursuant to Section 2.2 or which are refinanced pursuant to Section 2.10 and as to which a single Interest Period is in effect.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in the State of New York are permitted to close; provided, however, that when used in connection with a LIBOR Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollar deposits on the London Interbank market.

"Capital Lease" shall mean as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee which, in accordance with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

"Cash Equivalents" shall mean any of the following, to the extent acquired for investment and not with a view to achieving trading profits: (i) obligations fully backed by the full faith and credit of the United States of America maturing not in excess of twelve months from the date of acquisition, (ii) commercial paper maturing not in excess of twelve months from the date of acquisition and rated at least "P-1" by Moody's or "A-1" by S&P on the date of such acquisition, (iii) the following obligations of any Lender or any domestic commercial bank having capital and surplus in excess of $500,000,000, which has, or the holding company of which has, a commercial paper rating meeting the requirements specified in clause (ii) above: (a) time deposits, certificates of deposit and acceptances maturing not in excess of twelve months from the date of acquisition, or (b) repurchase obligations with a term of not more than thirty days for underlying securities of the type referred to in clause (i) above, (iv) money market funds that invest exclusively in interest bearing, short-term money market instruments and adhere to the minimum credit standards established by Rule 2a-7 of the Investment Company Act of 1940 (17 C.F.R. §270.2A-7 (April 1, 2004), and (v) municipal securities: (a) for which the pricing period in effect is not more than twelve months long and (b) rated at least "P-1" by Moody's or "A-1" by S&P.

"Cendant" shall mean Cendant Corporation, a Delaware corporation.

"Cendant Guaranty" shall mean the guaranty agreement to be executed and delivered by Cendant, substantially in the form of Exhibit A (it being understood that Cendant's obligations thereunder shall terminate simultaneously with the Spin-Off).

"Change in Control" shall mean (a) prior to the Spin-Off, (i) the acquisition by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the Closing Date), directly or indirectly, beneficially or of record, of ownership or control of in excess of 50% of the voting common stock of Cendant on a fully diluted basis at any time or (ii) if at any time, individuals who at the Closing Date constituted the Board of Directors of Cendant (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of Cendant, as the case may be, was approved by a vote of the majority of the directors then still in office who were either directors at the Closing Date or whose election or a nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of Cendant then in office or (iii) Cendant shall cease to own, directly or through one or more wholly-owned Subsidiaries, all of the capital stock of the Borrower, free and clear of any direct or indirect Liens (other than statutory Liens) and (b) after the Spin-Off, (i) the acquisition by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the Closing Date), directly or indirectly, beneficially or of record, of ownership or control of in excess of 50% of the voting common stock of the Borrower on a fully diluted basis at any time or (ii) if at any time, individuals who at the date of the Spin-Off constituted the Board of Directors of the Borrower (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Borrower, as the case may be, was approved by a vote of the majority of the directors then still in office who were either directors at the date of the Spin-Off or whose election or a nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Borrower then in office. Notwithstanding anything to the contrary contained in this definition, the consummation of the Spin-Off shall not result in a Change of Control.

"Closing Date" shall mean the date on which the conditions precedent set forth in Section 4.2 have been satisfied or waived, which shall in no event be later than September 30, 2006.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commitment" shall mean with respect to each Lender, the commitment of such Lender to make a Loan to the Borrower in a principal amount not to exceed the amount set forth opposite such Lender's name on Schedule 2.1 hereto. The original aggregate amount of the Commitments is $800,000,000.

"Confidential Information" shall mean information concerning the Borrower, its Subsidiaries or its Affiliates which is non-public, confidential or proprietary in nature, or any information that is marked or designated confidential by or on behalf of the Borrower, which is furnished to any Lender by the Borrower or any of its Affiliates directly or through the Administrative Agent in connection with this Agreement or the transactions contemplated hereby (at any time on, before or after the date hereof), together with all analyses, compilations or other materials prepared by such Lender or its respective directors, officers, employees, agents, auditors, attorneys, consultants or advisors which contain or otherwise reflect such information.

"Consolidated Assets" shall mean, at any date of determination, the total assets of the Borrower and its Consolidated Subsidiaries determined in accordance with GAAP.

"Consolidated EBITDA" shall mean, without duplication, for any period for which such amount is being determined, the sum of the amounts for such period of (i) Consolidated Net Income, (ii) provision for taxes based on income, (iii) depreciation expense, (iv) Consolidated Interest Expense, (v) amortization expense, (vi) fees, expenses and charges incurred in connection with the Spin-Off through December 31, 2007 in an aggregate amount not to exceed $250,000,000, (vii) payments made in respect of legacy Cendant expense reimbursement obligations in an aggregate amount not to exceed $35,000,000 during any Rolling Period and (viii) other non-cash items reducing Consolidated Net Income, minus (plus) (ix) any non-recurring gains (losses) on business unit dispositions outside the ordinary course of business if such gains (losses) are included in Consolidated Net Income) minus (x) any cash expenditures during such period in excess of $25,000,000 to the extent such cash expenditures (A) did not reduce Consolidated Net Income for such period and (B) were applied against reserves that constituted non-cash items which reduced Consolidated Net Income during prior periods (including reserves established upon the consummation of the Spin-Off), all as determined on a consolidated basis for the Borrower and its Consolidated Subsidiaries in accordance with GAAP; provided that to the extent the aggregate amount of cash expenditures referred to in clause (x) above exceeds $50,000,000 in any period of measurement, such amounts may be spread ratably over the period being measured and the periods of measurement for the subsequent three fiscal years, provided, however, that in any annual measurement period the maximum amount being spread may not exceed $75,000,000 and any excess over that amount must be reflected fully in the relevant measurement period. Notwithstanding the foregoing, in calculating Consolidated EBITDA pro forma effect shall be given to each (1) acquisition of a Consolidated Subsidiary or any other entity acquired by the Borrower or any of its Consolidated Subsidiaries in a merger, where the purchase price or merger consideration exceeds $25,000,000 during such period and (2) disposition property by the Borrower and its Consolidated Subsidiaries yielding gross profits in excess of $25,000,000 during such period as if such acquisition or disposition had been made on the first day of such period; provided that for purposes of determining the Consolidated Interest Coverage Ratio and the Consolidated Leverage Ratio, Consolidated EBITDA for the fiscal quarters ending December 31, 2005 and March 31, 2006 shall be $177,000,000 and $182,000,000, respectively.

"Consolidated Financial Statements" shall have the meaning assigned to such term in Section 3.4(b).

"Consolidated Interest Coverage Ratio" shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period; provided that for purposes of determining the Consolidated Interest Coverage Ratio for the fiscal quarters ending September 30, 2006, December 31, 2006 and March 31, 2007, Consolidated Interest Expense for the relevant Rolling Period shall be deemed to equal Consolidated Interest Expense for such fiscal quarter and, each previous fiscal quarter commencing after June 30, 2006, multiplied by 4, 2 and 4/3, respectively.

"Consolidated Interest Expense" shall mean for any period for which such amount is being determined, total interest expense paid or payable in cash (including that properly attributable to Capital Leases in accordance with GAAP but excluding in any event (x) all capitalized interest and amortization of debt discount and debt issuance costs and (y) debt extinguishment costs) of the Borrower and its Consolidated Subsidiaries on a consolidated basis including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net cash costs (or minus net profits) under Interest Rate Protection Agreements minus, without duplication, any interest income of the Borrower and its Consolidated Subsidiaries on a consolidated basis during such

period. Notwithstanding the foregoing, interest expense in respect of any Securitization Indebtedness, any Non-Recourse Indebtedness or the Landal Facilities shall not be included in Consolidated Interest Expense.

"Consolidated Leverage Ratio" shall mean, as of the last day of any period, the ratio of (a) Consolidated Total Indebtedness on such day to (b) Consolidated EBITDA for such period.

"Consolidated Net Income" shall mean, for any period for which such amount is being determined, the net income (or loss) of the Borrower and its Consolidated Subsidiaries during such period determined on a consolidated basis for such period taken as a single accounting period in accordance with GAAP, provided that there shall be excluded (i) income (loss) of any Person (other than a Consolidated Subsidiary of the Borrower) in which the Borrower or any of its Consolidated Subsidiaries has any equity investment or comparable interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or its Consolidated Subsidiaries by such Person during such period, (ii) the income of any Consolidated Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by that Consolidated Subsidiary of the income is not at the time permitted by operation of the terms of its charter, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Consolidated Subsidiary, (iii) any extraordinary after-tax gains and (iv) any extraordinary or unusual pretax losses (including indemnity obligations incurred or liabilities assumed in connection with the Spin-Off).

"Consolidated Net Worth" shall mean, as of any date of determination, all items which in conformity with GAAP would be included under shareholders' equity on a consolidated balance sheet of the Borrower and its Subsidiaries at such date.

"Consolidated Subsidiaries" shall mean all Subsidiaries of the Borrower that are required to be consolidated with the Borrower for financial reporting purposes in accordance with GAAP.

"Consolidated Total Indebtedness" shall mean (i) the total amount of Indebtedness of the Borrower and its Consolidated Subsidiaries determined on a consolidated basis using GAAP principles of consolidation, which is, at the dates as of which Consolidated Total Indebtedness is to be determined, includable as liabilities on a consolidated balance sheet of the Borrower and its Subsidiaries, plus (ii) without duplication of any items included in Indebtedness pursuant to the foregoing clause (i), Indebtedness of others which the Borrower or any of its Consolidated Subsidiaries has directly or indirectly assumed or guaranteed (but only to the extent so assumed or guaranteed) or otherwise provided credit support therefor, including without limitation, Guaranty Obligations; provided that, for purposes of this definition, Indebtedness shall not include (u) Guaranty Obligations and contingent liabilities incurred or assumed in connection with the Spin-Off (including those determined in accordance with FIN 45 and SFAS 5), (v) Securitization Indebtedness, (w) the aggregate undrawn amount of outstanding Letters of Credit (as defined in the Five Year Credit Agreement), (x) Non-Recourse Indebtedness, (y) any amounts owed or owing under the Landal Facilities or (z) obligations incurred under any derivatives transaction entered into in the ordinary course of business pursuant to hedging programs. In addition, for purposes of this definition, the amount of Indebtedness at any time shall be reduced (but not to less than zero) by the amount of Excess Cash.

"Default" shall mean any event, act or condition, which with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" shall mean any Lender which fails to make any Loan required to made by it in accordance with the terms and conditions of this Agreement.

"Disclosed Matters" shall mean public filings with the Securities and Exchange Commission made by the Borrower or any of its Subsidiaries on Form S-4, Form 8-K, Form 10-Q, Form 10-K or Form 10 (as filed at least three days prior to the Effective Date or Closing Date, as applicable).

"Dollars" and "$" shall mean lawful money of the United States of America.

"Effective Date" shall mean July 7, 2006.

"Environmental Law" shall mean all laws, rules, orders, regulations, statutes, ordinances, codes, decrees, judgments, injunctions, notices or requirements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters, including without limitation, the Clean Water Act also known as the Federal Water Pollution Control Act ("FWPCA") 33 U.S.C. § 1251 et seq., the Clean Air Act ("CAA"), 42 U.S.C. §§ 7401 et seq., the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), 7 U.S.C. §§ 136 et seq., the Surface Mining Control and Reclamation Act ("SMCRA"), 30 U.S.C. §§ 1201 et seq., the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Superfund Amendment and Reauthorization Act of 1986 ("SARA"), Public Law 99-499, 100 Stat. 1613, the Emergency Planning and Community Right to Know Act ("ECPCRKA"), 42 U.S.C. § 11001 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., the Occupational Safety and Health Act as amended ("OSHA"), 29 U.S.C. § 655 and § 657, together, in each case, with any amendment thereto, and the regulations adopted and binding publications promulgated thereunder and all substitutions thereof.

"Environmental Liabilities" shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as such Act may be amended from time to time, and the regulations promulgated thereunder.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" shall mean (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of

an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Event of Default" shall have the meaning given such term in Section 7 hereof.

"Excess Cash" shall mean all cash and Cash Equivalents of the Borrower and its Consolidated Subsidiaries at such time determined on a consolidated basis in accordance with GAAP in excess of $10,000,000.

"Excluded Taxes" shall mean, with respect to any Lender, or any other recipient of payment to be made by or on account of any obligation of the Borrower hereunder, (a) income taxes and franchise taxes based on (or measured by) its net income or net profits (or franchise taxes imposed in lieu of net income taxes) imposed on such Lender or other recipient as a result of a present or former connection between such Lender or such recipient and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment hereunder, or enforced, this Agreement) (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction, (c) any withholding tax that is imposed on amounts payable to such Lender in Dollars, or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, at the time such Lender becomes a party to this Agreement (or designates a new Lending Office), except to the extent that such Lender (or its assignor, if any) was entitled, immediately prior to the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.25(a), (d) Taxes attributable to such Lender's failure to comply with Section 2.25(e), and (e) any Taxes imposed as a result of such Lender's gross negligence or willful misconduct.

"Five-Year Credit Agreement" shall mean the Credit Agreement, dated July 7, 2006, among the Borrower, the lenders referred to therein and JPMorgan Chase Bank, N.A., as administrative Agent.

"Fundamental Documents" shall mean this Agreement, the Cendant Guaranty, any Notes and any Compliance Certificate which is required to be executed by the Borrower pursuant to Section 5.1(c) and delivered to the Administrative Agent in connection with this Agreement.

"Funding Office" shall mean the office of the Administrative Agent specified in Section 10.1 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP" shall mean generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Sections 6.5 and 6.6, GAAP shall be

determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 3.4(b). In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the Securities and Exchange Commission.

"Governmental Authority" shall mean any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or any court, in each case whether of the United States or foreign.

"Guaranty Obligation" shall mean any obligation, contingent or otherwise, of the Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided, however, that the amount of any Guaranty Obligation shall be limited to the extent necessary so that such amount does not exceed the value of the assets of such Person (as reflected on a consolidated balance sheet of such Person prepared in accordance with GAAP) to which any creditor or beneficiary of such Guaranty Obligation would have recourse. Notwithstanding the foregoing definition, the term "Guaranty Obligation" shall not include any direct or indirect obligation of a Person as a general partner of a general partnership or a joint venturer of a joint venture in respect of Indebtedness of such general partnership or joint venture, to the extent such Indebtedness is contractually non-recourse to the assets of such Person as a general partner or joint venturer (other than assets comprising the capital of such general partnership or joint venture). The term "Guaranty Obligation" shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Indebtedness" shall mean (without double counting), at any time and with respect to any Person, (i) indebtedness of such Person for borrowed money (whether by loan or the issuance and sale of debt securities) or for the deferred purchase price of property or services purchased (other

than amounts constituting account payables arising in the ordinary course and payable within 180 days); (ii) indebtedness of others of the type described in clause (i), (iii), (iv) or (v) of this definition of Indebtedness, which such Person has directly or indirectly assumed or guaranteed (but only to the extent so assumed or guaranteed) or otherwise provided credit support therefor, including without limitation, Guaranty Obligations; (iii) indebtedness of others secured by a Lien on assets of such Person, whether or not such Person shall have assumed such indebtedness (but only to the extent of the fair market value of such assets); (iv) obligations of such Person in respect of letters of credit, acceptance facilities, or drafts or similar instruments issued or accepted by banks and other financial institutions for the account of such Person (other than account payables arising in the ordinary course and payable within 180 days); or (v) obligations of such Person under Capital Leases.

"Indemnified Party" shall have the meaning assigned to such term in Section 10.5.

"Indemnified Taxes" shall mean Taxes other than Excluded Taxes and Other Taxes.

"Interest Payment Date" shall mean, with respect to any Borrowing, the last day of the Interest Period applicable thereto and, in the case of a LIBOR Borrowing with an Interest Period of more than three months' duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months duration been applicable to such Borrowing, and, in addition, the date of any refinancing or conversion of a Borrowing with, or to, a Borrowing of a different Interest Rate Type.

"Interest Period" shall mean (a) as to any LIBOR Borrowing, the period commencing on the date of such Borrowing, and ending on the numerically corresponding day (or, if there is no numerically corresponding day or if the date of the LIBOR Borrowing is the last day of any month, on the last day) in the calendar month that is 1, 2, 3 or 6 months thereafter, as the Borrower may elect and (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the earliest of (i) the next succeeding March 31, June 30, September 30 or December 31, (ii) the Maturity Date and (iii) the date such Borrowing is refinanced with a Borrowing of a different Interest Rate Type in accordance with Section 2.10 or is prepaid in accordance with Section 2.17; provided, however, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of LIBOR Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) no Interest Period may be selected which would extend beyond the Maturity Date. Interest shall accrue from, and including, the first day of an Interest Period to, but excluding, the last day of such Interest Period.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, interest rate cap agreement or other similar financial agreement or arrangement.

"Interest Rate Type" when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, "Rate" shall include LIBOR and the Alternate Base Rate.

"JPMorgan Chase Bank" shall mean JPMorgan Chase Bank, N.A.

"Landal" shall mean Landal Greenparks Holding B.V.

"Landal Facilities" shall mean each of (a) the €70,000,000 Senior Mortgage Term Loan and Revolving Credit Facility Agreement (as amended and restated on September 30, 2004 by an Amendment and Restatement Agreement dated September 29, 2004) between Landal, as the borrower, COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. as the facility agent, BAYERISCHE HYPO- UND VEREINSBANK AG, as the security agent, and the banks party thereto and (b) the €117,500,000 capital lease facility as granted through approximately 1,700 sale and lease back arrangements of bungalow units to individual investors, for an average term of 20 years and implied annual interest of 6.5% or 7.5%.

"Lender and "Lenders" shall mean the financial institutions whose names appear at the foot hereof and any assignee of a Lender permitted pursuant to Section 10.3(b).

"Lending Office" shall mean, with respect to any of the Lenders, the branch or branches (or affiliate or affiliates) from which any such Lender's LIBOR Loans or ABR Loans, as the case may be, are made or maintained and for the account of which all payments of principal of, and interest on, such Lender's LIBOR Loans or ABR Loans are made, as notified to the Administrative Agent from time to time.

"LIBOR" shall mean, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next Basis Point) equal to the rate at which Dollar deposits approximately equal in principal amount to JPMorgan Chase Bank's portion of such LIBOR Borrowing, and for a maturity comparable to such Interest Period, are offered to the principal London office of JPMorgan Chase Bank in immediately available funds in the London Interbank market at approximately 11:00 A.M., London time, two Business Days prior to the commencement of such Interest Period.

"LIBOR Borrowing" shall mean a Borrowing comprised of LIBOR Loans.

"LIBOR Loan" shall mean any Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Section 2.

"LIBOR Spread" shall mean, at any date or any period of determination, the LIBOR Spread that would be in effect on such date or during such period pursuant to the applicable chart set forth in Section 2.26 based on the rating of the Borrower's senior non-credit enhanced unsecured long-term debt.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

"Loan" shall have the meaning assigned to such term in Section 2.1.

"Loan Parties" shall mean the Borrower and Cendant.

"Margin Stock" shall be as defined in Regulation U of the Board.

"Material Adverse Effect" shall mean a material adverse effect on the business, assets, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries, taken as a whole; provided that for purposes of Section 3.5 and for all purposes on the Effective Date and

the Closing Date, "Material Adverse Effect" shall mean a material adverse effect on the business, assets, operations or condition, financial or otherwise, of the Wyndham Businesses of Cendant, but excluding any event, development or circumstance resulting from (i) the resolution of matters relating to the accounting irregularities and errors referred to in Cendant's report on Form 10-K for the period ending December 31, 2003, filed with the Securities and Exchange Commission and including the class action lawsuits referred to therein and other class action lawsuits arising as a result of the accounting irregularities and errors disclosed therein and (ii) the announcement of the Spin-Off and the consummation of the transactions contemplated thereby.

"Material Subsidiary" shall mean any Subsidiary (other than a Securitization Entity, Landal or Trendwest) of the Borrower which, together with its Subsidiaries (other than Securitization Entities, Landal or Trendwest) at the time of determination hold, or, solely with respect to Sections 7(f) and 7(g), any group of Subsidiaries which, if merged into each other at the time of determination would hold, assets constituting 15% or more of Consolidated Assets or accounts for 15% or more of Consolidated EBITDA for the Rolling Period immediately preceding the date of determination.

"Maturity Date" shall mean July 7, 2007.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds" shall mean, in connection with any incurrence of Indebtedness, the cash proceeds received from such incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith or related thereto.

"Non-Consenting Lender" shall have the meaning assigned to such term in Section 10.17.

"Non-Recourse Indebtedness" shall mean a transaction or series of transactions pursuant to which the Borrower or any other Person (i) issues Indebtedness secured by, payable from or representing beneficial interests in assets of such Person for which neither the Borrower nor any of its Material Subsidiaries is liable in any way other than pursuant to Standard Securitization Undertakings (unless such liability of the Borrower or such Material Subsidiary is otherwise permitted to be incurred hereunder by the Borrower or such Material Subsidiary) or (ii) transfers or grants a security interest in assets of such Person to any Person that finances the acquisition of such assets through the issuance of securities or the incurrence of Indebtedness or issues obligations secured by such assets.

"Notes" shall mean any promissory notes evidencing Loans.

"Notes Issuance" shall mean any Indebtedness incurred under senior or senior subordinated notes of the Borrower.

"Obligations" shall mean the obligation of the Borrower to make due and punctual payment of principal of, and interest on, the Loans and all other monetary obligations of the Borrower to the Administrative Agent or any Lender under this Agreement or the Fundamental Documents.

"Other Taxes" shall mean any and all present or future stamp or documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or any Fundamental Document.

"Participant" shall have the meaning assigned to such term in Section 10.3(g).

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

"Permitted Encumbrances" shall mean Liens permitted under Section 6.3 hereof.

"Person" shall mean any natural person, corporation, division of a corporation, partnership, limited liability company, trust, joint venture, company, estate, unincorporated organization or government or any agency or political subdivision thereof.

"Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pro Forma Balance Sheet" shall have the meaning assigned to such term in Section 3.4(a).

"Pro Forma Basis" shall mean in connection with any transaction for which a determination on a Pro Forma Basis is required to be made hereunder, that such determination shall be made (i) after giving effect to any issuance of Indebtedness, any acquisition, any disposition or any other transaction (as applicable) and (ii) assuming that the issuance of Indebtedness, acquisition, disposition or other transaction and, if applicable, the application of any proceeds therefrom, occurred at the beginning of the most recent Rolling Period ending at least thirty days prior to the date on which such issuance of Indebtedness, acquisition, disposition or other transaction occurred.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Replaced Term Loans" shall have the meaning assigned to such term is Section 10.9(b).

"Replacement Term Loans" shall have the meaning assigned to such term is Section 10.9(b).

"Responsible Officer" shall mean the chief executive officer, president, chief accounting officer, chief financial officer, treasurer or assistant treasurer of the Borrower.

"Required Lenders" shall mean at any time, the holders of more than 50% of the aggregate unpaid principal amount of the Loans then outstanding.

"Rolling Period" shall mean with respect to any fiscal quarter, such fiscal quarter and the three immediately preceding fiscal quarters considered as a single accounting period.

"S&P" shall mean Standard & Poor's.

"Securitization Entity" shall mean any Subsidiary or other Person engaged solely in the business of effecting asset securitization transactions and related activities.

"Securitization Indebtedness" shall mean Indebtedness incurred by a Securitization Entity that does not permit or provide for recourse (other than Standard Securitization Undertakings) to the Borrower or any Subsidiary of the Borrower (other than a Securitization Entity) or any property or asset of the Borrower or any Subsidiary of the Borrower (other than the property or assets of, or any equity interests or other securities issued by, a Securitization Entity).

"Spin-Off" shall mean the distribution to the shareholders of Cendant of all of the common stock of the Borrower and the transactions related thereto as described on Schedule 1.1.

"Standard Securitization Undertakings" shall mean representations, warranties (and any related repurchase obligations), servicer obligations, guaranties, repurchase obligations, covenants and indemnities entered into by the Borrower or any Subsidiary of the Borrower of a type that are reasonably customary in securitizations.

"Statutory Reserves" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority to which the Administrative Agent or any Lender is subject, for Eurocurrency Liabilities (as defined in Regulation D). Such reserve percentages shall include those imposed under Regulation D. LIBOR Loans shall be deemed to constitute Eurocurrency Liabilities and as such shall be deemed to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subsidiary" shall mean with respect to any Person, any corporation, association, joint venture, partnership or other business entity (whether now existing or hereafter organized) of which at least a majority of the voting stock or other ownership interests having ordinary voting power for the election of directors (or the equivalent) is, at the time as of which any determination is being made, owned or controlled by such Person or one or more subsidiaries of such Person or by such Person and one or more subsidiaries of such Person.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Percentage" shall mean, as to any Lender at any time, the percentage which such Lender's Commitment then constitutes of the aggregate Commitments or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender's Loans then outstanding constitutes of the aggregate principal amount of the Loans then outstanding.

"Trendwest" shall mean Trendwest South Pacific Pty. Ltd.

"Trendwest South Pacific Facilities" shall mean each of (a) the A$97,500,000 Facility Agreement between Trendwest and Westpac Banking Corporation, (b) the A$102,500,000 Facility Agreement between Trendwest and The Royal Bank of Scotland and (c) the A$25,000,000 Facility Agreement between the Trendwest and The Royal Bank of Scotland.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Wyndham Businesses of Cendant" shall mean the collective reference to the businesses of Cendant that comprise its Hospitality Services segment as of the Effective Date.

2. THE LOANS

SECTION 2.1. Commitments.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, to make a term loan (a "Loan") in Dollars to the Borrower on the Closing Date in an amount not to exceed the amount of the Commitment of such Lender. The Loans may from time to time be LIBOR Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.3 and 2.10.

SECTION 2.2. Loans.

(a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their Commitments; provided, however, that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). The Loans comprising any Borrowing shall be (i) in the case of LIBOR Loans, in an aggregate principal amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) in the case of ABR Loans, in an aggregate principal amount that is an integral multiple of $500,000 and not less than $5,000,000.

(b) Each Borrowing shall be comprised entirely of LIBOR Loans or ABR Loans, as the Borrower may request pursuant to Section 2.3 or 2.10, as applicable. Each Lender may at its option make any LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Interest Rate Type may be outstanding at the same time; provided, however, that the Borrower shall not be entitled to request any Borrowing that, if made, would result in an aggregate of more than nine separate Borrowings being outstanding hereunder at any one time. For purposes of the calculation required by the immediately preceding sentence, LIBOR Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings and all Borrowings of a single Interest Rate Type made on a single date shall be considered a single Borrowing if such Borrowings have a common Interest Period.

(c) Subject to Section 2.3, each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by making funds available at the Funding Office no later than 1:00 P.M. New York City time (2:00 P.M. New York City time, in the case of an ABR Borrowing) in Federal or other immediately available funds. Upon receipt of the funds to be made available by the Lenders to fund any Borrowing hereunder, the Administrative Agent shall disburse such funds by depositing them into an account of the Borrower maintained with the Administrative Agent. Loans shall be made by all the Lenders pro rata in accordance with Section 2.1 and this Section 2.2.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.3. Borrowing Procedure.

In order to effect a Borrowing, the Borrower shall hand deliver or telecopy to the Administrative Agent a Borrowing notice in the form of Exhibit E (a) in the case of a LIBOR Borrowing, not later than 12:00 Noon, New York City time, three Business Days before a proposed Borrowing, and (b) in the case of an ABR Borrowing, not later than 12:00 Noon, New York City time, on the day of a proposed Borrowing. Such notice shall be irrevocable and shall in each case specify (a) whether the Borrowing then being requested is to be a LIBOR Borrowing or an ABR Borrowing, (b) the date of such Borrowing (which shall be a Business Day) and the amount thereof and (c) if such Borrowing is to be a LIBOR Borrowing, the Interest Period with respect thereto. If no election as to the Interest Rate Type of a Borrowing is specified in any such Borrowing Request, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any LIBOR Borrowing is specified in any such Borrowing Request, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given a Borrowing Request in accordance with this Section 2.3 of its election to refinance a Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with a LIBOR Borrowing of one month's duration (or at any time after the occurrence, and during the continuation, of a Default or an Event of Default, an ABR Borrowing). The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.3 and of each Lender's portion of the requested Borrowing.

SECTION 2.4. Reserved.

SECTION 2.5. Use of Proceeds.

The proceeds of the Loans shall be used (i) to fund a portion of a dividend to Cendant to finance, in part, the repayment, redemption, pre-funding or repurchase of existing Cendant indebtedness. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X of the Board.

SECTION 2.6. Reserved.

SECTION 2.7. Reserved.

SECTION 2.8. Reserved.

SECTION 2.9. Reserved.

SECTION 2.10. Refinancings.

The Borrower may refinance all or any part of any Borrowing with a Borrowing of the same or different Interest Rate Type pursuant to a notice under Sections 2.3, subject to the conditions and limitations set forth herein and elsewhere in this Agreement; provided, however, that at any time after the occurrence, and during the continuation, of a Default or an Event of Default, a Borrowing or portion thereof may only be refinanced with an ABR Borrowing. Any Borrowing or part thereof so refinanced shall be deemed to be repaid in accordance with Section 2.12 with the proceeds of a new Borrowing hereunder and the proceeds of the new Borrowing, which will repay the Borrowing being refinanced,

shall not be paid by the Lenders to the Administrative Agent or by the Administrative Agent to the Borrower, and each Borrowing after the Closing Date will merely reflect a converted or continued interest rate option.

SECTION 2.11. Reserved.

SECTION 2.12. Repayment of Loans; Evidence of Debt

(a) The Loans shall be payable in a single installment on the Maturity Date.

(b) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan of such Lender made to the Borrower on the Maturity Date or on such earlier date on which the Loans become due and payable pursuant to Section 7. The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans made to the Borrower from time to time outstanding from the Closing Date until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.13.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such Lender resulting from the Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(d) The Administrative Agent shall maintain the Register pursuant to Section 10.3(e), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of the Loan made by it hereunder, the Interest Rate Type thereof and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(e) The entries made in the Register and the accounts of each Lender maintained pursuant to this Section 2.12 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded;provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

SECTION 2.13. Interest on Loans.

(a) Subject to the provisions of Section 2.14, the Loans comprising each LIBOR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to LIBOR for the Interest Period in effect for such Borrowing plus the applicable LIBOR Spread from time to time in effect. Interest on each LIBOR Borrowing shall be payable on each applicable Interest Payment Date.

(b) Subject to the provisions of Section 2.14, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate plus the applicable margin, if any, for ABR Loans from time to time in effect pursuant to Section 2.26.

(c) Interest on each Loan shall be payable in arrears on each Interest Payment Date applicable to such Loan. The LIBOR or the Alternate Base Rate for each Interest Period or day within an Interest Period shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Interest on Overdue Amounts.

If the Borrower shall default in the payment of the principal of, or interest on, any Loan or any other amount becoming due hereunder, the Borrower shall, at the request of the Required Lenders, from time to time pay interest, to the extent permitted by Applicable Law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as applicable, in the case of amounts bearing interest determined by reference to the Prime Rate and a year of 360 days in all other cases, equal to (a) in the case of the remainder of the then current Interest Period for any LIBOR Loan, the rate applicable to such Loan under Section 2.13 plus 2% per annum and (b) in the case of any other Loan or amount, the rate that would at the time be applicable to an ABR Loan under Section 2.13 plus 2% per annum.

SECTION 2.15. Alternate Rate of Interest.

In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a LIBOR Loan, the Administrative Agent shall have determined that Dollar deposits in the amount of the requested principal amount of such LIBOR Loan are not generally available in the London Interbank market, or that the rate at which such Dollar deposits are being offered will not adequately and fairly reflect the cost to any Lender of making or maintaining its portion of such LIBOR Loans during such Interest Period, or that reasonable means do not exist for ascertaining LIBOR, the Administrative Agent shall, as soon as practicable thereafter, give written or telecopier notice of such determination to the Borrower and the Lenders. In the event of any such determination, until the Administrative Agent shall have determined that circumstances giving rise to such notice no longer exist, any request by the Borrower for a LIBOR Borrowing pursuant to Section 2.3 shall be deemed to be a request for an ABR Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error.

SECTION 2.16. Reserved.

SECTION 2.17. Prepayment of Loans.

(a) Prior to the Maturity Date, the Borrower shall have the right at any time to prepay any Borrowing, in whole or in part, subject to the requirements of Section 2.21 but otherwise without premium or penalty, upon prior written or telecopy notice to the Administrative Agent before 12:00 Noon, New York City, time at least one Business Day in the case of an ABR Loan and at least three Business Days in the case of a LIBOR Loan; provided, however, that each such partial prepayment shall be in an integral multiple of $1,000,000 and in a minimum aggregate principal amount of $5,000,000.

(b) If any Indebtedness shall be incurred by the Borrower through any Notes Issuance, an amount equal to the lesser of (i) 100% of the Net Cash Proceeds thereof or (ii) the aggregate amount of Loans outstanding shall be applied within five Business Days toward the prepayment of the Loans in accordance with Section 2.17(c).

(c) Each notice of prepayment pursuant to Section 2.17(a) shall specify the specific Borrowing(s), the prepayment date and the aggregate principal amount of each Borrowing to be prepaid,

shall be irrevocable and shall commit the Borrower to prepay such Borrowing(s) by the amount stated therein. All prepayments under this Section 2.17 shall be accompanied by accrued interest on the principal amount being prepaid, to the date of prepayment. Any amounts prepaid pursuant to this Section 2.17 may not be reborrowed.

SECTION 2.18. Eurocurrency Reserve Costs.

The Borrower shall pay to the Administrative Agent for the account of each Lender, so long as such Lender shall be required under regulations of the Board to maintain reserves with respect to liabilities or assets consisting of, or including, Eurocurrency Liabilities (as defined in Regulation D of the Board), additional interest on the unpaid principal amount of each LIBOR Loan made to the Borrower by such Lender, from the date of such Loan until such Loan is paid in full, at an interest rate per annum equal at all times during the Interest Period for such Loan to the remainder obtained by subtracting (i) LIBOR for such Interest Period from (ii) the rate obtained by multiplying LIBOR as referred to in clause (i) above by the Statutory Reserves of such Lender for such Interest Period. Such additional interest shall be determined by such Lender and notified to the Borrower (with a copy to the Administrative Agent) not later than five Business Days before the next Interest Payment Date for such Loan, and such additional interest so notified to the Borrower by any Lender shall be payable to the Administrative Agent for the account of such Lender on each Interest Payment Date for such Loan.

SECTION 2.19. Reserve Requirements; Change in Circumstances.

(a) Except with respect to Indemnified Taxes and Other Taxes, which shall be governed solely and exclusively by Section 2.25, if after the Effective Date any change in Applicable Law or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof (whether or not having the force of law) (i) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender, or (ii) shall impose on any Lender or the London Interbank market any other condition affecting this Agreement or any LIBOR Loan made by such Lender, and the result of any of the foregoing shall be to increase the cost (other than the amount of Taxes, if any) to such Lender of making or maintaining any LIBOR Loan or to reduce the amount (other than a reduction resulting from an increase in Taxes, if any) of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise) in respect thereof by an amount deemed in good faith by such Lender to be material, then the Borrower shall pay such additional amount or amounts as will compensate such Lender for such increase or reduction to such Lender.

(b) Except with respect to Indemnified Taxes and Other Taxes, which shall be governed solely and exclusively by Section 2.25, if, after the Effective Date, any Lender shall have determined in good faith that the adoption after the Effective Date of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any Lending Office of such Lender) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of its obligations hereunder to a level below that which such Lender (or its holding company) could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Lender's policies or the policies of its holding company, as the case may be, with respect to capital adequacy) by an amount deemed by such Lender to be material, then, from time to time, the Borrower shall pay to the Administrative Agent for the account of such Lender such additional amount or amounts as will compensate such Lender for such reduction upon demand by such Lender.

(c) A certificate of a Lender setting forth in reasonable detail (i) such amount or amounts as shall be necessary to compensate such Lender as specified in paragraph (a) or (b) above, as the case may be, and (ii) the calculation of such amount or amounts referred to in the preceding clause (i), shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the Administrative Agent for the account of such Lender the amount shown as due on any such certificate within 10 Business Days after its receipt of the same.

(d) Failure on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any Interest Period shall not constitute a waiver of such Lender's rights to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to such Interest Period or any other Interest Period. The protection of this Section 2.19 shall be available to each Lender regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which shall have been imposed.

(e) Each Lender agrees that, as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that (i) would cause it to incur any increased cost under this Section 2.19, Section 2.20 or Section 2.25 or (ii) would require the Borrower to pay an increased amount under this Section 2.19, Section 2.20 or Section 2.25, it will notify the Borrower of such event or condition and, to the extent not inconsistent with such Lender's internal policies, will use its reasonable efforts to make, fund or maintain the affected Loans of such Lender through another Lending Office of such Lender if as a result thereof the additional monies which would otherwise be required to be paid or the reduction of amounts receivable by such Lender thereunder in respect of such Loans would be materially reduced, or any inability to perform would cease to exist, or the increased costs which would otherwise be required to be paid in respect of such Loans pursuant to this Section 2.19, Section 2.20 or Section 2.25 would be materially reduced or the Taxes payable under Section 2.25, or other amounts otherwise payable under this Section 2.19 or Section 2.20 would be materially reduced, and if, as determined by such Lender, in its sole discretion, the making, funding or maintaining of such Loans through such other Lending Office would not otherwise materially adversely affect such Loans or such Lender.

(f) In the event any Lender shall have delivered to the Borrower a notice that LIBOR Loans are no longer available from such Lender pursuant to Section 2.20, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18 or Section 2.25, the Borrower may (but subject in any such case to the payments required by Section 2.20), upon at least five Business Days' prior written or telecopier notice to such Lender and the Administrative Agent, identify to the Administrative Agent a lending institution reasonably acceptable to the Administrative Agent which will purchase from the Lender providing such notice the outstanding principal amount of the Loan made by such Lender and such Lender shall thereupon assign such Loan to such replacement lending institution pursuant to Section 10.3. Such notice shall specify an effective date for such assignment and at the time thereof, the Borrower shall pay all accrued interest and all other amounts (including without limitation all amounts payable under this Section) owing hereunder to such Lender as at such effective date for such assignment.

SECTION 2.20. Change in Legality.

(a) Notwithstanding anything to the contrary herein contained, if, after the Effective Date, any change in any law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof shall make it unlawful for any Lender to make or maintain any LIBOR Loan or to give effect to its obligations as contemplated hereby, then, by written notice to the Borrower and to the Administrative Agent, such Lender may:

(i) declare that LIBOR Loans will not thereafter be made by such Lender hereunder, whereupon the Borrower shall be prohibited from requesting LIBOR Loans from such Lender hereunder unless such declaration is subsequently withdrawn; and

(ii) require that all outstanding LIBOR Loans made by it be converted to ABR Loans, in which event (A) all such LIBOR Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in Section 2.20(b) and (B) all payments and prepayments of principal which would otherwise have been applied to repay the converted LIBOR Loans shall instead be applied to repay the ABR Loans resulting from the conversion of such LIBOR Loans.

(b) For purposes of this Section 2.20, a notice to the Borrower by any Lender pursuant to Section 2.20(a) shall be effective on the date of receipt thereof by the Borrower.

SECTION 2.21. Reimbursement of Lenders.

(a) The Borrower shall reimburse each Lender on demand for any loss incurred or to be incurred by it in the reemployment of the funds released (i) by any prepayment (for any reason) of any LIBOR Loan if such Loan is repaid other than on the last day of the applicable Interest Period for such Loan or (ii) in the event that after the Borrower delivers a notice of borrowing under Section 2.3 in respect of LIBOR Loans and the applicable Loan is not made on the first day of the Interest Period specified by the Borrower for any reason other than (I) a suspension or limitation under Section 2.20 of the right of the Borrower to select a LIBOR Loan or (II) a breach by a Lender of its obligations hereunder. In the case of such failure to borrow, such loss shall be the amount as reasonably determined by such Lender as the excess, if any of (A) the amount of interest which would have accrued to such Lender on the amount not borrowed, at a rate of interest equal to the interest rate applicable to such Loan pursuant to Section 2.13, for the period from the date of such failure to borrow, to the last day of the Interest Period for such Loan which would have commenced on the date of such failure to borrow, over (B) the amount realized by such Lender in reemploying the funds not advanced during the period referred to above. In the case of a payment other than on the last day of the Interest Period for a Loan, such loss shall be the amount as reasonably determined by the Administrative Agent as the excess, if any, of (A) the amount of interest which would have accrued on the amount so paid at a rate of interest equal to the interest rate applicable to such Loan pursuant to Section 2.13, for the period from the date of such payment to the last day of the then current daily Interest Period for such Loan, over (B) the amount equal to the product of (x) the amount of the Loan so paid times (y) the current daily yield on U.S. Treasury Securities (at such date of determination) with maturities approximately equal to the remaining Interest Period for such Loan times (z) the number of days remaining in the Interest Period for such Loan. Each Lender shall deliver to the Borrower from time to time one or more certificates setting forth the amount of such loss (and in reasonable detail the manner of computation thereof) as determined by such Lender, which certificates shall be conclusive absent manifest error. The Borrower shall pay to the Administrative Agent for the account of each Lender the amount shown as due on any certificate within thirty days after its receipt of the same.

(b) In the event the Borrower fails to prepay any Loan on the date specified in any prepayment notice delivered pursuant to Section 2.17(a), the Borrower on demand by any Lender shall pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any loss incurred by such Lender as a result of such failure to prepay, including, without limitation, any loss, cost or expenses incurred by reason of the acquisition of deposits or other funds by such Lender to fulfill deposit obligations incurred in anticipation of such prepayment. Each Lender shall deliver to the Borrower and the Administrative Agent from time to time one or more certificates setting forth the amount of such loss (and in reasonable detail the manner of computation thereof) as determined by such Lender, which certificates shall be conclusive absent manifest error.

SECTION 2.22. Pro Rata Treatment.

(a) Except as permitted under Sections 2.18, 2.19(c), 2.20 and 2.21, each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Loans, and each reduction of the Commitment shall be allocated pro rata among the Lenders in accordance with their respective Term Percentages.

(b) Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing computed in accordance with Section 2.1, to the next higher or lower whole dollar amount.

SECTION 2.23. Right of Setoff.

If any Event of Default shall have occurred and be continuing and any Lender shall have directed the Administrative Agent to declare the Loans immediately due and payable pursuant to Section 7, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by such Lender and any other indebtedness at any time owing by such Lender to, or for the credit or the account of, the Borrower, against any of and all the obligations of the Borrower now or hereafter existing under this Agreement and the Loans to the Borrower held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such Loans and although such Obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such setoff and application made by such Lender, but the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Lender under this Section 2.23 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 2.24. Manner of Payments.

All payments by the Borrower hereunder shall be made in Dollars, in Federal or other immediately available funds without deduction, setoff or counterclaim at the Funding Office no later than 1:00 P.M., New York City time, on the date on which such payment shall be due. Interest in respect of any Loan hereunder shall accrue from and including the date of such Loan to, but excluding, the date on which such Loan is paid or refinanced with a Loan of a different Interest Rate Type.

SECTION 2.25. Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.25) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) If the United States Internal Revenue Service or other Governmental Authority of the United States of America or other jurisdiction asserts a claim against the Administrative Agent or a Lender that the full amount of Indemnified Taxes or Other Taxes has not been paid, the Borrower shall indemnify the Administrative Agent and each Lender within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.25) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority (other that those resulting from the Administrative Agent or Lender's gross negligence or willful misconduct). A certificate (along with a copy of the applicable documents from the United States Internal Revenue Service or other Governmental Authority of the United States of America or other jurisdiction that asserts such claim) as to the amount of such payment or liability and setting forth in reasonable detail the calculation and basis for such payment or liability delivered to the Borrower by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time such Lender becomes a party to this Agreement and at any other time or times reasonably requested by the Borrower, such properly completed and executed documentation prescribed by Applicable Law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate. Each Lender and Administrative Agent that is a United States Person, as defined in Section 7701(a)(30) of the Code (other than Persons that are corporations or otherwise exempt from United States backup withholding Tax), shall deliver at the time(s) and in the manner(s) prescribed by Applicable Law, to the Borrower and the Administrative Agent (as applicable), a properly completed and duly executed United States Internal Revenue Form W-9, or any successor form, certifying that such Person is exempt from United States backup withholding Tax on payments made hereunder.

(f) If the Administrative Agent or a Lender determines, in its sole good-faith discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.25, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.25 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section 2.25 shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower or any other Person.

(g) Each Lender agrees (i) that as between it and the Borrower or the Administrative Agent, it shall be the Person to deduct and withhold Taxes, and to the extent required by law it shall deduct and withhold Taxes, on amounts that such Lender may remit to any other Person(s) by reason of any undisclosed transfer or assignment of an interest in this Agreement to such other Person(s) pursuant to paragraph (g) of Section 10.3 and (ii) to indemnify the Borrower and the Administrative Agent and any officers, directors, agents, or employees of the Borrower or the Administrative Agent against, and to hold them harmless from, any Tax, interest, additions to Tax, penalties, reasonable counsel and accountants' fees, disbursements or payments arising from the assertion by any appropriate Governmental Authority of any claim against them relating to a failure to withhold Taxes as required by Applicable Law with respect to amounts described in clause (i) of this paragraph (g).

(h) Each assignee of a Lender's interest in this Agreement in conformity with Section 10.3 shall be bound by this Section 2.25, so that such assignee will have all of the obligations and provide all of the forms and statements and all indemnities, representations and warranties required to be given under this Section 2.25.

SECTION 2.26. Certain Pricing Adjustments.

The applicable LIBOR Spread for Loans in effect from time to time shall be determined in accordance with the following table:

Moody's/S&P Rating Equivalent	**Applicable LIBOR Spread (in Basis Points)**
³ A2/A	30.0
³ A3/A-	35.0
³ Baa1/BBB+	45.0
³ Baa2/BBB	55.0
³ Baa3/BBB-	75.0
< Baa3/BBB-	100.0

In the event that S&P and Moody's ratings on the Borrower's senior non-credit enhanced unsecured long-term debt are not equivalent to each other, the higher rating of S&P or Moody's will determine the applicable LIBOR Spread, unless the ratings are more than one level apart, in which case the rating one level below the higher rating of S&P or Moody's will be determinative. In the event that (a) the Borrower's senior non-credit enhanced unsecured long-term debt is not rated by both of S&P or Moody's (for any reason, including if S&P or Moody's shall cease to be in the business of rating corporate debt obligations) or (b) if the rating system of any of S&P or Moody's shall change, then an amendment shall be negotiated in good faith to the references to specific ratings in the table above to reflect such changed rating system or the unavailability of ratings from such rating agency (including an amendment to provide for the substitution of an equivalent or successor ratings agency). In the event that the Borrower's senior unsecured long-term debt is not rated by either of S&P or Moody's, then the applicable LIBOR Spread shall be deemed to be calculated as if the lowest rating category set forth above applied until such time as an amendment to the table above shall be agreed to. Any increase in the applicable LIBOR Spread determined in accordance with the foregoing table shall become effective on the date of announcement or publication by the Borrower or the applicable rating agency of a reduction in such rating or, in the absence of such announcement or publication, on the effective date of such

decreased rating, or on the date of any request by the Borrower to the applicable rating agency not to rate its senior unsecured long-term debt or on the date any of such rating agencies announces it shall no longer rate the Borrower's senior unsecured long-term debt. Any decrease in the applicable LIBOR Spread shall be effective on the date of announcement or publication by any of such rating agencies of an increase in rating or in the absence of announcement or publication on the effective date of such increase in rating.

The applicable margin for ABR Loans shall be the applicable LIBOR Spreadminus 100 Basis Points (but not less than 0%).

SECTION 2.27. Reserved.

SECTION 2.28. Reserved.

SECTION 2.29. Reserved.

3. REPRESENTATIONS AND WARRANTIES OF BORROWER

In order to induce the Lenders to enter into this Agreement and to make the Loans, the Borrower makes the following representations and warranties to the Administrative Agent and the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans:

SECTION 3.1. Corporate Existence and Power.

(a) Since the Effective Date, the Borrower has been duly organized and is validly existing in good standing under the laws of its jurisdiction of organization and is in good standing or has applied for authority to operate as a foreign corporation or other organization in all jurisdictions where the nature of its properties or business so requires it and where a failure to be in good standing as a foreign corporation or other organization would reasonably be expected to have Material Adverse Effect. The Borrower has the corporate power to execute, deliver and perform its obligations under this Agreement and the other Fundamental Documents and other documents contemplated hereby and to borrow hereunder.

(b) Since the Closing Date, the Subsidiaries of the Borrower have been duly organized and are validly existing in good standing under the laws of their respective jurisdictions of organization and are in good standing or have applied for authority to operate as a foreign corporation or other organization in all jurisdictions where the nature of their properties or business so requires it and where a failure to be in good standing as a foreign corporation or other organization would reasonably be expected to have Material Adverse Effect.

SECTION 3.2. Corporate Authority, No Violation and Compliance with Law.

The execution, delivery and performance of this Agreement and the other Fundamental Documents and the borrowings hereunder (a) have been duly authorized by all necessary corporate action on the part of the Borrower, (b) will not violate any provision of any Applicable Law (including any laws related to franchising) applicable to the Borrower or any of its Subsidiaries or any of their respective properties or assets, (c) will not violate any provision of the certificate of incorporation or by-laws or other organizational documents of the Borrower or any of its Subsidiaries, (d) will not violate or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, any material indenture, bond, note, instrument or any other material agreement to which the Borrower or any of its Subsidiaries is a party or by which the Borrower or any of its Subsidiaries or any of their

respective properties or assets are bound and (e) will not result in the creation or imposition of any Lien upon any property or assets of the Borrower or any of its Subsidiaries other than pursuant to this Agreement or any other Fundamental Document.

SECTION 3.3. Governmental and Other Approval and Consents.

No action, consent or approval of, or registration or filing with, or any other action by, any governmental agency, bureau, commission or court is required in connection with the execution, delivery and performance by the Borrower of this Agreement or the other Fundamental Documents, except such as have been obtained or made and are in full force and effect.

SECTION 3.4. Financial Statements of Borrower.

(a) The unaudited pro forma balance sheet of the Borrower and its Consolidated Subsidiaries as at March 31, 2006 (including the notes thereto) (the "Pro Forma Balance Sheet"), copies of which have heretofore been furnished to each Lender, has been prepared giving effect (as if such events had occurred on such date) to (i) the consummation of the Spin-Off, (ii) the Loans to be made on the Closing Date and the use of proceeds thereof, (iii) the Loans made under the Five-Year Credit Agreement and the use of proceeds thereof and (iv) the payment of fees and expenses in connection with the foregoing. The Pro Forma Balance Sheet has been prepared based on the best information available to the Borrower as of the date of delivery thereof, and presents fairly on a pro forma basis the estimated financial position of the Borrower and its Consolidated Subsidiaries as at March 31, 2006, assuming that the events specified in the preceding sentence had actually occurred at such date. It is understood that the Pro Forma Balance Sheet is not necessarily indicative of the financial condition that would have resulted had the transactions described above occurred on the indicated date.

(b) The (i) audited balance sheets of the Wyndham Businesses of Cendant as at December 31, 2005 and December 31, 2004, and the related consolidated statements of income and of cash flows for the fiscal years ended on such dates and (ii) unaudited balance sheet of the Wyndham Businesses of Cendant as of March 31, 2006, and the related consolidated statements of income and of cash flows for the three-month period ended on such date (the "Consolidated Financial Statements"), fairly present the financial condition of the Wyndham Businesses of Cendant as at the dates indicated and the results of operations and cash flows for the periods indicated in conformity with GAAP, subject to normal year end adjustments in the case of the March 31, 2006 financial statements.

SECTION 3.5. No Change.

Except for Disclosed Matters, since the date of the most recent audited financial statements referred to in Section 3.4, there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect.

SECTION 3.6. Copyrights, Patents and Other Rights.

Since the Closing Date, each of the Borrower and its Subsidiaries (a) owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect and (b) to their knowledge, the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except, in each case, as would not reasonably be expected to have a Material Adverse Effect for any such infringements that, individually or in the aggregate, would not reasonably be expected to have Material Adverse Effect.

SECTION 3.7. Title to Properties.

Except as described on Schedule 3.7 and subject to Section 3.6, since the Closing Date, each of the Borrower or its Subsidiaries has good title or valid leasehold interests to each of the properties and assets reflected on the most recent balance sheet referred to in Section 3.4 (other than properties or assets owned by a Person that is consolidated with the Borrower or any of its Subsidiaries under GAAP but is not a Subsidiary of the Borrower), except for defects in title or interests that could not reasonably be expected to have Material Adverse Effect, and all such properties and assets are free and clear of Liens, except Permitted Encumbrances.

SECTION 3.8. Litigation.

Except for Disclosed Matters, there are no lawsuits or other proceedings pending (including, but not limited to, matters relating to Environmental Law and Environmental Liability), or, to the knowledge of the Borrower, threatened, against or affecting the Borrower or any of its Subsidiaries or any of their respective properties, by or before any Governmental Authority or arbitrator, which would reasonably be expected to have Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries is in default with respect to any order, writ, injunction, decree, rule or regulation of any Governmental Authority, which default would reasonably be expected to have Material Adverse Effect.

SECTION 3.9. Federal Reserve Regulations.

Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans will be used, whether immediately, incidentally or ultimately, for any purpose violative of or inconsistent with any of the provisions of Regulation U or X of the Board.

SECTION 3.10. Investment Company Act.

The Borrower is not, and will not during the term of this Agreement be, an "investment company" subject to regulation under the Investment Company Act of 1940, as amended.

SECTION 3.11. Enforceability.

This Agreement and the other Fundamental Documents when executed by all parties hereto and thereto will constitute legal, valid and binding obligations (as applicable) of the Borrower and the other Loan Parties party to such Fundamental Documents (enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law).

SECTION 3.12. Taxes.

The Borrower and each of its Subsidiaries has filed or caused to be filed all federal, state and local Tax returns which are required to be filed, and has paid or has caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in conformity with GAAP or (b) to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.13. Compliance with ERISA.

No ERISA Event has occurred or is reasonably expected to occur that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Each of the Borrower and its Subsidiaries is in compliance in all material respects with the provisions of ERISA and the Code applicable to Plans, and the regulations and published interpretations thereunder, if any, which are applicable to it. Neither the Borrower nor any of its Subsidiaries has, with respect to any Plan established or maintained by it, engaged in a prohibited transaction which would subject it to a material tax or penalty on prohibited transactions imposed by ERISA or Section 4975 of the Code. Neither the Borrower nor any of its Subsidiaries has engaged in a transaction which would result in the incurrence of a material liability under Section 4069 of ERISA in an amount greater than $75,000,000. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan by an amount greater than $75,000,000, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans by an amount greater than $75,000,000.

SECTION 3.14. Disclosure.

As of the Effective Date, neither this Agreement nor the Confidential Information Memorandum dated April 2006, at the time it was furnished, contained any untrue statement of a material fact or omitted to state a material fact, under the circumstances under which it was made, necessary in order to make the statements contained herein or therein not misleading. At the Effective Date, there is no fact known to the Borrower which has not been disclosed to the Lenders and which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. The Borrower has delivered to the Administrative Agent certain projections relating to the Borrower and its Consolidated Subsidiaries. Such projections are based on good faith estimates and assumptions believed to be reasonable at the time made, provided, however, that the Borrower makes no representation or warranty that such assumptions will prove in the future to be accurate or that the Borrower and its Subsidiaries will achieve the financial results reflected in such projections.

SECTION 3.15. Environmental Liabilities.

Except for the Disclosed Matters and except with respect to any matters, that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has received notice of any claim with respect to any Environmental Liability or (iii) knows of any circumstances that are reasonably likely to become the basis for any claim of Environmental Liability against the Borrower or any of its Subsidiaries.

4. CONDITIONS OF LENDING

SECTION 4.1. Conditions Precedent to Effectiveness.

The effectiveness of this Agreement is subject to the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received this Agreement and each of the other Fundamental Documents, each executed and delivered by a duly authorized officer of each of the Loan Parties party thereto.

(b) Financial Statements. The Lenders shall have received the (a) the Pro Forma Balance Sheet, (b) the Consolidated Financial Statements and (c) unaudited consolidated financial statements of the Wyndham Businesses of Cendant as of March 31, 2006, which may be delivered to the Lenders by delivery of the Borrower's Form 10 containing such financial statements, to the extent such Form 10 is filed and publicly available prior to the Effective Date.

(c) Payment of Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Effective Date.

(d) Corporate Documents for the Loan Parties. The Administrative Agent shall have received a certificate of an authorized officer of each Loan Party dated the Effective Date and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation and by-laws of such Loan Party as in effect on the date of such certification; (B) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of such Loan Party authorizing the borrowings hereunder, in the case of the Borrower, and the execution, delivery and performance in accordance with their respective terms of the Loan Documents to which such Loan Party is party to and any other documents required or contemplated hereunder; and (C) as to the incumbency and specimen signature of each officer of such Loan Party executing the Loan Documents to which such Loan Party is a party to or any other document delivered by it in connection herewith (such certificate to contain a certification by another officer of such Loan Party as to the incumbency and signature of the officer signing the certificate referred to in this paragraph (d)).

(e) Opinions of Counsel. The Administrative Agent shall have received the executed written opinion, dated the date of the Effective Date and addressed to the Administrative Agent and the Lenders, of Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Borrower, substantially in the form of Exhibit B.

(f) Officer's Certificate. The Administrative Agent shall have received a certificate of the Borrower's chief executive officer or chief financial officer certifying, as of the Effective Date, compliance with the conditions set forth in paragraphs (b) and (c) of Section 4.2.

(g) Projections. The Lenders shall have received projections through 2008, which may be delivered to the Lenders by delivery of the Confidential Information Memorandum referred to in Section 3.14.

(h) Approvals. All material governmental and third party approvals necessary in connection with the continuing operations of the Borrower and the financing contemplated hereby shall have been obtained and be in full force and effect.

SECTION 4.2. Conditions Precedent to Closing.

The availability of the extensions of credit to be made on the Closing Date is subject to the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a notice with respect to such Borrowing as required by this Agreement.

(b) Representations and Warranties. The representations and warranties set forth in Section 3 hereof (other than those set forth in Sections 3.5 and 3.8 which shall be deemed made only on the Effective Date) and in the other Fundamental Documents shall be true and correct in all material respects on and as of the Closing Date (except to the extent that such representations and warranties expressly relate to an earlier date).

(c) No Event of Default. No Event of Default or Default shall have occurred and be continuing.

5. AFFIRMATIVE COVENANTS

From the date of the initial Loans and for so long as any amount shall remain outstanding or unpaid under this Agreement, the Borrower agrees that, unless the Required Lenders shall otherwise consent in writing, it will, and will cause each of its Subsidiaries to:

SECTION 5.1. Financial Statements, Reports, etc.

The Borrower will furnish to the Administrative Agent and to each Lender:

(a) As soon as is practicable, but in any event within 100 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of, and the related consolidated statements of income, shareholders' equity and cash flows for such year, and the corresponding figures as at the end of, and for, the preceding fiscal year, accompanied by an opinion of Deloitte & Touche LLP or such other independent certified public accountants of recognized standing as shall be retained by the Borrower and satisfactory to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards relating to reporting and which report and opinion shall (A) be unqualified as to going concern and scope of audit and shall state that such financial statements fairly present the financial condition of the Borrower and its Consolidated Subsidiaries, as at the dates indicated and the results of the operations and cash flows for the periods indicated and (B) contain no material exceptions or qualifications except for qualifications relating to accounting changes (with which such independent public accountants concur) in response to FASB releases or other authoritative pronouncements;

(b) As soon as is practicable, but in any event within 55 days after the end of each of the first three fiscal quarters of each fiscal year, the unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries, as at the end of, and the related unaudited statements of income (or changes in financial position) for such quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter and the corresponding figures as at the end of, and for, the corresponding period in the preceding fiscal year, together with a certificate signed by the chief financial officer or a vice president responsible for financial administration of the Borrower to the effect that such financial statements, while not examined by independent public accountants, reflect, in his opinion and in the opinion of the Borrower, all adjustments necessary to present fairly the financial position of the Borrower and its Consolidated Subsidiaries, as the case may be, as at the end of the fiscal quarter and the results of their operations for the quarter then ended in conformity with GAAP consistently applied, subject only to year-end and audit adjustments and to the absence of footnote disclosure;

(c) Together with the delivery of the statements referred to in paragraphs (a) and (b) of this Section 5.1, a certificate of the Responsible Officer, substantially in the form of Exhibit D hereto (i) stating whether or not the signer has knowledge of any Default or Event of Default and, if so, specifying each such Default or Event of Default of which the signer has knowledge, the nature thereof and any

action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event and (ii) demonstrating in reasonable detail compliance with the provisions of Sections 6.5 and 6.6 hereof;

(d) With reasonable promptness, copies of such financial statements and reports that the Borrower may make to, or file with, the SEC and such other information, certificates and data with respect to the Borrower and its Subsidiaries as from time to time may be reasonably requested by the Administrative Agent or any of the Lenders;

(e) Promptly upon any Responsible Officer obtaining actual knowledge of the occurrence of any Default or Event of Default, a certificate of the Responsible Officer specifying the nature and period of existence of such Default or Event of Default and what action the Borrower has taken, is taking and proposes to take with respect thereto;

(f) Promptly upon any Responsible Officer of the Borrower or any of its Subsidiaries obtaining actual knowledge of (i) the institution of any action, suit, proceeding, investigation or arbitration by any Governmental Authority or other Person against or affecting the Borrower or any of its Subsidiaries or any of their assets, or (ii) any material development in any such action, suit, proceeding, investigation or arbitration (whether or not previously disclosed to the Lenders), which, in each case might reasonably be expected to have a Material Adverse Effect, the Borrower shall promptly give notice thereof to the Lenders and provide such other information as may be reasonably available to it (without waiver of any applicable evidentiary privilege) to enable the Lenders to evaluate such matters; and

(g) Together with each set of financial statements required by paragraph (a) above, a certificate of the independent certified public accountants rendering the report and opinion thereon (which certificate may be limited to the extent required by accounting rules or otherwise) (i) stating whether, in connection with their audit, any Default or Event of Default has come to their attention, and if such a Default or Event of Default has come to their attention, specifying the nature and period of existence thereof, and (ii) stating that based on their audit nothing has come to their attention which causes them to believe that the matters specified in paragraph (c)(ii) above for the applicable fiscal year are not stated in accordance with the terms of this Agreement.

(h) Information required to be delivered pursuant to paragraphs (a), (b) and (d) shall be deemed to have been delivered on the date on which the Borrower provides notice to the Administrative Agent that such information has been posted on the Borrower's website on the internet at the website address listed on the signature pages of such notice, at www.sec.gov or at another website identified in such notice and accessible by the Lenders without charge; provided that the Borrower shall deliver paper copies of the reports and financial statements referred to in paragraphs (a), (b) and (d) of this Section 5.1 to the Administrative Agent or any Lender who requests the Borrower to deliver such paper copies until written notice to cease delivering paper copies is given by the Administrative Agent or such Lender.

SECTION 5.2. Corporate Existence; Compliance with Statutes.

Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate existence, material rights, licenses, permits and franchises and comply, except where failure to comply, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, with all provisions of Applicable Law, and all applicable restrictions imposed by, any Governmental Authority, including without limitation, the Federal Trade Commission's "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" as amended from time to time (16 C.F.R. §§ 436.1 et seq.) and all state laws and regulations of similar import; provided, however, that mergers, dissolutions and liquidations permitted under Section 6.2 shall be permitted.

SECTION 5.3. Insurance.

Maintain with financially sound and reputable insurers insurance in such amounts and against such risks as are customarily insured against by companies in similar businesses; provided, however, that (a) workmen's compensation insurance or similar coverage may be effected with respect to its operations in any particular state or other jurisdiction through an insurance fund operated by such state or jurisdiction and (b) such insurance may contain self-insurance retention and deductible levels consistent with normal industry practices.

SECTION 5.4. Taxes and Charges.

Duly pay and discharge, or cause to be paid and discharged, before the same shall become delinquent, all federal, state or local Taxes, assessments, levies and other governmental charges, imposed upon the Borrower or any of its Subsidiaries or their respective properties, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies which if unpaid could reasonably be expected to result in a Material Adverse Effect; provided, however, that any such Tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower shall have set aside on its books reserves (the presentation of which is segregated to the extent required by GAAP) adequate with respect thereto if reserves shall be deemed necessary by the Borrower in accordance with GAAP; and provided, further, that the Borrower will pay all such Taxes, assessments, levies or other governmental charges forthwith upon the commencement of proceedings to foreclose any material Lien which may have attached as security therefor (unless the same is fully bonded or otherwise effectively stayed).

SECTION 5.5. ERISA Compliance and Reports.

Furnish to the Administrative Agent (a) as soon as possible, and in any event within 30 days after any executive officer (as defined in Regulation C under the Securities Act of 1933) of the Borrower knows that any ERISA Event with respect to any Plan has occurred, a statement of the chief financial officer of the Borrower, setting forth details as to such ERISA Event and the action which it proposes to take with respect thereto, together with a copy of the notice, if any, required to be filed by the Borrower or any of its Subsidiaries of such ERISA Event with the PBGC, (b) promptly upon the reasonable request of the Administrative Agent, copies of each annual and other report with respect to each Plan and (c) promptly after receipt thereof, a copy of any notice the Borrower or any of its Subsidiaries may receive from the PBGC relating to the PBGC's intention to terminate any Plan or to appoint a trustee to administer any Plan; provided that the Borrower shall not be required to notify the Administrative Agent of the occurrence of any of the events set forth in the preceding clauses (a) and (c) unless such event, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect on the Borrower and its Subsidiaries taken as a whole.

SECTION 5.6. Maintenance of and Access to Books and Records; Examinations

Maintain or cause to be maintained at all times true and complete books and records of its financial operations (in accordance with GAAP) and provide the Administrative Agent and its representatives reasonable access to all such books and records and to any of their properties or assets during regular business hours and upon advance notice (provided that reasonable access to such books and records and to any of the Borrower's properties or assets shall be made available to the Lenders if an

Event of Default has occurred and is continuing), in order that the Administrative Agent may make such audits and examinations and make abstracts from such books, accounts and records (in each case subject to the Borrower or its Subsidiaries' obligations under applicable confidentiality provisions) and may discuss the affairs, finances and accounts with, and be advised as to the same by, officers and, so long as a representative of the Borrower is present, independent accountants, all as the Administrative Agent may deem appropriate for the purpose of verifying the various reports delivered pursuant to this Agreement or for otherwise ascertaining compliance with this Agreement. Notwithstanding Section 10.4, unless any such visit or inspection is conducted after the occurrence and during the continuance of a Default or an Event of Default, the Borrower shall not be required to pay any costs or expenses incurred by the Administrative Agent, any Lender or any other Person in connection with such visit or inspection.

SECTION 5.7. Maintenance of Properties.

Keep its properties which are material to its business in good repair, working order and condition consistent with industry practice, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.8. Changes in Character of Business.

Cause the Borrower and its Subsidiaries taken as a whole to be primarily engaged in the vacation ownership, vacation rental and exchange, lodging and franchising and services businesses.

6. NEGATIVE COVENANTS

From the date of the initial Loan and for so long as any amount shall remain outstanding or unpaid under this Agreement, unless the Required Lenders shall otherwise consent in writing, the Borrower agrees that it will not, nor will it permit any of its Subsidiaries to, directly or indirectly:

SECTION 6.1. Limitation on Indebtedness.

Incur, assume or suffer to exist any Indebtedness of any Material Subsidiary except:

(a) Indebtedness in existence on the Closing Date, or required to be incurred pursuant to a contractual obligation in existence on the Closing Date, but not any extensions or renewals thereof, unless effected on substantially the same terms or on terms not materially more adverse to the Lenders;

(b) purchase money Indebtedness (including Capital Leases) provided that such Indebtedness is secured by Liens permitted by Section 6.3(c);

(c) Guaranty Obligations;

(d) Indebtedness owing by any Material Subsidiary to the Borrower or any other Subsidiary;

(e) Indebtedness of any Material Subsidiary issued and outstanding prior to the date on which such Person became a Subsidiary of the Borrower (other than Indebtedness issued in connection with, or in anticipation of, such Person becoming a Subsidiary of the Borrower); provided that immediately prior and on a Pro Forma Basis after giving effect to, such Person becoming a Subsidiary of the Borrower, no Default or Event of Default shall occur or then be continuing and the aggregate principal amount of such Indebtedness, when added to the aggregate outstanding principal amount of Indebtedness permitted by paragraphs (f) and (g) below, shall not exceed the greater of 15% of Consolidated Net Worth and $200,000,000;

(f) any renewal, extension or modification of Indebtedness under paragraph (e) above so long (i) as such renewal, extension or modification is effected on substantially the same terms or on terms which, in the aggregate, are not materially more adverse to the Lenders and (ii) the principal amount of such Indebtedness is not increased;

(g) other Indebtedness of any Material Subsidiary in an aggregate principal amount which, when added to the aggregate outstanding principal amount of Indebtedness permitted by paragraphs (e) and (f) above, does not exceed the greater of 15% of Consolidated Net Worth and $200,000,000;

(h) Securitization Indebtedness;

(i) derivatives transactions entered into in the ordinary course of business pursuant to hedging programs; and

(j) Indebtedness under the Landal Facilities in an aggregate principal amount not to exceed $300,000,000;

(k) Indebtedness under the Trendwest Facilities in an aggregate principal amount not to exceed $400,000,000, provided that the amount of Indebtedness permitted under this Section 6.1(k) shall be reduced in an equal amount by the amount of Securitization Indebtedness incurred by Trendwest or any of its Subsidiaries;

(l) Non-Recourse Indebtedness in an aggregate principal amount not to exceed $100,000,000; and

(m) Indebtedness of any Loan Party pursuant to any Fundamental Document.

If the Material Subsidiary's action or event meets the criteria of more than one of the types of Indebtedness described in the clauses above, the Borrower in its sole discretion may classify such action or event in one or more clauses (including in part under one such clause and in part under another such clause).

SECTION 6.2. Consolidation, Merger, Sale of Assets.

(a) Neither the Borrower nor any of its Material Subsidiaries (in one transaction or series of transactions) will wind up, liquidate or dissolve its affairs, or enter into any transaction of merger or consolidation, except any merger, consolidation, dissolution or liquidation (i) in which the Borrower is the surviving entity or if the Borrower is not a party to such transaction then a Subsidiary is the surviving entity or the successor to the Borrower has unconditionally assumed in writing all of the payment and performance obligations of the Borrower under this Agreement and the other Fundamental Documents, (ii) in which the surviving entity becomes a Subsidiary of the Borrower immediately upon the effectiveness of such merger, consolidation, dissolution or liquidation, or (iii) involving a Subsidiary in connection with a transaction permitted by Section 6.2(b); provided, however, that immediately prior to and on a Pro Forma Basis after giving effect to any such transaction described in any of the preceding clauses (i), (ii) and (iii) no Default or Event of Default has occurred and is continuing.

(b) The Borrower and its Subsidiaries (either individually or collectively and whether in one transaction or series of related transactions) will not sell or otherwise dispose of all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole (it being understood that nothing in this Section 6.2(b) shall be deemed to prohibit the Spin-Off).

SECTION 6.3. Limitations on Liens.

Suffer any Lien on the property of the Borrower or any of the Material Subsidiaries, except:

(a) Liens for taxes, assessments, governmental charges and other similar obligations not yet due or which are being contested in good faith by appropriate proceedings;

(b) Liens incidental to the conduct of its business or the ownership of its assets which were not incurred in connection with the borrowing of money, and which do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(c) purchase money Liens granted to the vendor or Person financing the acquisition of property, plant or equipment if (i) limited to the specific assets acquired and, in the case of tangible assets, other property which is an improvement to or is acquired for specific use in connection with such acquired property or which is real property being improved by such acquired property; (ii) the debt secured by the Lien is the unpaid balance of the acquisition cost of the specific assets on which the Lien is granted; and (iii) such transaction does not otherwise violate this Agreement;

(d) Liens upon real and/or personal property, which property was acquired after the Closing Date (by purchase, construction or otherwise) by the Borrower or any of its Material Subsidiaries, each of which Liens existed on such property before the time of its acquisition and was not created in anticipation thereof; provided, however, that no such Lien shall extend to or cover any property of the Borrower or such Material Subsidiary other than the respective property so acquired and improvements thereon;

(e) to the extent not covered by clause (b) above, Liens securing judgments which do not constitute an Event of Default;

(f) Liens created under any Fundamental Document;

(g) Liens existing on the Closing Date and any extensions or renewals thereof;

(h) Liens securing (or covering property constituting the source of payment for) any Indebtedness permitted pursuant to clauses (d), (h), (j), (k) or (l) of Section 6.1;

(i) to the extent not covered by clause (h) above, Liens on equity interests or other securities issued by a Securitization Entity, securing (or covering property constituting the source of payment for) Securitization Indebtedness; and

(j) other Liens securing obligations having an aggregate principal amount not to exceed the greater of 15% of Consolidated Net Worth and $200,000,000.

If the Borrower's or the Material Subsidiary's action or event meets the criteria of more than one of the types of Liens described in the clauses above, the Borrower in its sole discretion may classify such action or event in one or more clauses (including in part under one such clause and in part under another such clause).

SECTION 6.4. Sale and Leaseback.

Enter into any arrangement with any Person or Persons, whereby in contemporaneous transactions the Borrower or any of its Subsidiaries sells essentially all of its right, title and interest in a material asset and the Borrower or any of its Subsidiaries acquires or leases back the right to use such property except that the Borrower and its Subsidiaries may enter into sale-leaseback transactions relating to assets not in excess of $150,000,000 in the aggregate on a cumulative basis, and except any arrangements existing on the Closing Date, including but not limited to sale-leaseback transactions existing under the Landal Facilities, and any renewals, extensions or modifications thereof, or replacements or substitutions therefor, so long as such renewals, extensions or modifications are effected on substantially the same terms or on terms which, in the aggregate, are not more adverse to the Lenders in any material respect.

SECTION 6.5. Consolidated Leverage Ratio.

Permit the Consolidated Leverage Ratio for any Rolling Period ending after June 30, 2006 to be greater than 3.5 to 1.0.

SECTION 6.6. Consolidated Interest Coverage Ratio.

Permit the Consolidated Interest Coverage Ratio for any Rolling Period ending after June 30, 2006 to be less than 3.0 to 1.0.

SECTION 6.7. Accounting Practices.

Establish a fiscal year ending on any date other than December 31, or modify or change accounting treatments or reporting practices except as otherwise required or permitted by GAAP or the SEC.

7. EVENTS OF DEFAULT

In the case of the happening and during the continuance of any of the following events (herein called "Events of Default"):

(a) any representation or warranty made by the Borrower in this Agreement or any other Fundamental Document or in connection with this Agreement or with the Borrowings hereunder, or any statement or representation made in any report, financial statement, certificate or other document furnished by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent or any Lender under or in connection with this Agreement, shall prove to have been false or misleading in any material respect when made or delivered;

(b) default shall be made in the payment of any principal of or interest on any Loan or of any fees or other amounts payable by the Borrower hereunder, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise, and in the case of payments of interest, such default shall continue unremedied for five days, and in the case of payments other than of any principal amount of or interest on any Loan, such default shall continue unremedied for five days after written notice of non-payment has been received by the Borrower from the Administrative Agent;

(c) default shall be made in the due observance or performance of any covenant, condition or agreement contained in Section 5.1(e) (with respect to notice of Default or Events of Default), 5.8 or Section 6 of this Agreement;

(d) default shall be made by the Borrower in the due observance or performance of any other covenant, condition or agreement to be observed or performed pursuant to the terms of this Agreement, or any other Fundamental Document and such default shall continue unremedied for thirty days after the Borrower obtains knowledge of such occurrence;

(e) (i) default in payment shall be made with respect to any Indebtedness of the Borrower or any of its Subsidiaries (other than Securitization Indebtedness) where the amount or amounts of such Indebtedness exceeds $50,000,000 in the aggregate; or (ii) default in payment or performance shall be made with respect to any Indebtedness of the Borrower or any of its Subsidiaries (other than Securitization Indebtedness) where the amount or amounts of such Indebtedness exceeds $50,000,000 in the aggregate, if the effect of such default is to result in the acceleration of the maturity of such Indebtedness; or (iii) any other circumstance shall arise (other than the mere passage of time) by reason of which the Borrower or any Subsidiary of the Borrower is required to redeem or repurchase, or offer to holders the opportunity to have redeemed or repurchased, any such Indebtedness (other than Securitization Indebtedness) where the amount or amounts of such Indebtedness exceeds $50,000,000 in the aggregate; provided that clause (iii) shall not apply to secured Indebtedness that becomes due as a result of a voluntary sale of the property or assets securing such Indebtedness or Indebtedness that is redeemed or repurchased at the option of the Borrower or any of its Subsidiaries; and provided, that clauses (ii) and (iii) shall not apply to any Indebtedness of any Subsidiary issued and outstanding prior to the date such Subsidiary became a Subsidiary of the Borrower (other than Indebtedness issued in connection with, or in anticipation of, such Subsidiary becoming a Subsidiary of the Borrower) if such default or circumstance arises solely as a result of a "change of control" provision applicable to such Indebtedness which becomes operative as a result of the acquisition of such Subsidiary by the Borrower or any of its Subsidiaries; and provided, further, that in the case of any derivative transaction described in Section 6.1(j), each reference in this clause (e) to the amount of $50,000,000 shall mean the amount payable by the Borrower or any of its Subsidiaries in connection with a default or "other circumstance" described in clause (i), (ii) or (iii) and not to the notional amount of such derivative transaction;

(f) the Borrower or any of its Material Subsidiaries shall generally not pay its debts as they become due or shall admit in writing its inability to pay its debts, or shall make a general assignment for the benefit of creditors; or the Borrower or any of its Material Subsidiaries shall commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property or shall file an answer or other pleading in any such case, proceeding or other action admitting the material allegations of any petition, complaint or similar pleading filed against it or consenting to the relief sought therein; or the Borrower or any Material Subsidiary thereof shall take any action to authorize any of the foregoing;

(g) any involuntary case, proceeding or other action against the Borrower or any of its Material Subsidiaries shall be commenced seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action (i) results in the entry of any order for relief against it or (ii) shall remain undismissed for a period of sixty days;

(h) the occurrence of a Change in Control;

(i) final judgment(s) for the payment of money in excess of $50,000,000 (to the extent not paid or covered by insurance) shall be rendered against the Borrower or any of its Subsidiaries which within thirty days from the entry of such judgment shall not have been discharged or stayed pending appeal or which shall not have been discharged within thirty days from the entry of a final order of affirmance on appeal;

(j) an ERISA Event shall have occurred that, when taken together with all other ERISA Events (with respect to which the Borrower has a liability which has not yet been satisfied) that have occurred, would result in a Material Adverse Effect; or

(k) the Cendant Guaranty shall cease, for any reason other than by its terms, to be in full force and effect;

then, in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may or shall, if directed by the Required Lenders, declare the principal of and the interest on the Loans and all other amounts payable hereunder or thereunder to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without presentment, demand, protest, notice of acceleration, notice of intent to accelerate or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement to the contrary notwithstanding. If an Event of Default specified in paragraphs (f) or (g) above shall have occurred, the principal of and interest on the Loans and all other amounts payable hereunder or thereunder shall thereupon and concurrently become due and payable without presentment, demand, protest, notice of acceleration, notice of intent to accelerate or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement to the contrary notwithstanding.

8. THE ADMINISTRATIVE AGENT

SECTION 8.1. Administration by Administrative Agent.

The general administration of the Fundamental Documents and any other documents contemplated by this Agreement shall be by the Administrative Agent or its designees. Each of the Lenders hereby irrevocably authorizes the Administrative Agent, at its discretion, to take or refrain from taking such actions as agent on its behalf and to exercise or refrain from exercising such powers under the Fundamental Documents and any other documents contemplated by this Agreement as are delegated by the terms hereof or thereof, as appropriates together with all powers reasonably incidental thereto. The Administrative Agent shall have no duties or responsibilities except as set forth in the Fundamental Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.9), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries or Affiliates that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The

Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.9) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein. Any Lender which is not the Administrative Agent (regardless of whether such Lender bears the title of any other Agent or any similar title, as indicated on the signature pages hereto) for the credit facility hereunder shall not have any duties or responsibilities except as a Lender hereunder.

SECTION 8.2. Advances and Payments.

(a) On the date of the making of the Loans, the Administrative Agent shall be authorized (but not obligated) to advance, for the account of each of the Lenders, the amount of the Loan to be made by it in accordance with this Agreement. Each of the Lenders hereby authorizes and requests the Administrative Agent to advance for its account, pursuant to the terms hereof, the amount of the Loan to be made by it, unless with respect to any Lender, such Lender has theretofore specifically notified the Administrative Agent that such Lender does not intend to fund that particular Loan. Each of the Lenders agrees forthwith to reimburse the Administrative Agent in immediately available funds for the amount so advanced on its behalf by the Administrative Agent pursuant to the immediately preceding sentence. If any such reimbursement is not made in immediately available funds on the same day on which the Administrative Agent shall have made any such amount available on behalf of any Lender in accordance with this Section 8.2, such Lender shall pay interest to the Administrative Agent at a rate per annum equal to the Administrative Agent's cost of obtaining overnight funds in the New York Federal Funds Market. Notwithstanding the preceding sentence, if such reimbursement is not made by the second Business Day following the day on which the Administrative Agent shall have made any such amount available on behalf of any Lender or such Lender has indicated that it does not intend to reimburse the Administrative Agent, the Borrower shall immediately pay such unreimbursed advance amount (plus any accrued, but unpaid interest at the rate applicable to ABR Loans) to the Administrative Agent.

(b) Any amounts received by the Administrative Agent in connection with this Agreement the application of which is not otherwise provided for shall be applied, in accordance with each of the Lenders' pro rata interest therein, first, to pay accrued but unpaid interest on the Loans, second, the principal balance outstanding on the Loans and third, to pay other amounts payable to the Administrative Agent and/or the Lenders. All amounts to be paid to any of the Lenders by the Administrative Agent shall be credited to the Lenders, promptly after collection by the Administrative Agent, in immediately available funds either by wire transfer or deposit in such Lender's correspondent account with the Administrative Agent, or as such Lender and the Administrative Agent shall from time to time agree.

SECTION 8.3. Sharing of Setoffs and Cash Collateral.

Each of the Lenders agrees that if it shall, through the operation of Section 2.23 hereof or the exercise of a right of bank's lien, setoff or counterclaim against the Borrower, including, but not limited to, a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim and received by such Lender under any applicable

bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Loan as a result of which the unpaid portion of its Loan is proportionately less than the unpaid portion of any of the other Lenders (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lenders a participation in the Loans of such other Lenders, so that the aggregate unpaid principal amount of each of the Lenders' Loans and its participation in Loans of the other Lenders shall be in the same proportion to the aggregate unpaid principal amount of all Loans then outstanding as the principal amount of its Loan prior to the obtaining of such payment was to the principal amount of all Loans outstanding prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders share such payment pro rata.

SECTION 8.4. Notice to the Lenders.

Upon receipt by the Administrative Agent from the Borrower of any communication calling for an action on the part of the Lenders, or upon notice to the Administrative Agent of any Event of Default, the Administrative Agent will in turn immediately inform the other Lenders in writing (which shall include telegraphic communications) of the nature of such communication or of the Event of Default, as the case may be.

SECTION 8.5. Liability of Administrative Agent.

(a) The Administrative Agent, when acting on behalf of the Lenders may execute any of its duties under this Agreement by or through its officers, agents, or employees and neither the Administrative Agent nor its directors, officers, agents, or employees shall be liable to the Lenders or any of them for any action taken or omitted to be taken in good faith, or be responsible to the Lenders or to any of them for the consequences of any oversight or error of judgment, or for any loss, unless the same shall happen through its gross negligence or willful misconduct. The Administrative Agent and its directors, officers, agents, and employees shall in no event be liable to the Lenders or to any of them for any action taken or omitted to be taken by it pursuant to instructions received by it from the Required Lenders or in reliance upon the advice of counsel selected by it. Without limiting the foregoing, neither the Administrative Agent nor any of its directors, officers, employees, or agents shall be responsible to any of the Lenders for the due execution, validity, genuineness, effectiveness, sufficiency, or enforceability of, or for any statement, warranty, or representation in, or for the perfection of any security interest contemplated by, this Agreement or any related agreement, document or order, or for the designation or failure to designate this transaction as a "Highly Leveraged Transaction" for regulatory purposes, or shall be required to ascertain or to make any inquiry concerning the performance or observance by the Borrower of any of the terms, conditions, covenants, or agreements of this Agreement or any related agreement or document.

(b) Neither the Administrative Agent nor any of its directors, officers, employees, or agents shall have any responsibility to the Borrower on account of the failure or delay in performance or breach by any of the Lenders or the Borrower of any of their respective obligations under this Agreement or any related agreement or document or in connection herewith or therewith.

(c) The Administrative Agent, in such capacity hereunder, shall be entitled to rely on any communication, instrument, or document reasonably believed by it to be genuine or correct and to have been signed or sent by a Person or Persons believed by it to be the proper Person or Persons, and it shall be entitled to rely on advice of legal counsel, independent public accountants, and other professional advisers and experts selected by it.

SECTION 8.6. Reimbursement and Indemnification.

Each of the Lenders severally and not jointly agrees (to the extent not reimbursed or otherwise paid by the Borrower (pursuant to Section 10.5 hereof)) (i) to reimburse the Administrative Agent, in the amount of its Term Percentage, for any expenses and fees incurred for the benefit of the Lenders under the Fundamental Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, and any other expense incurred in connection with the administration or enforcement thereof and (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees, or agents, on demand, in the amount of its Term Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it or any of them in any way relating to or arising out of the Fundamental Documents or any action taken or omitted by it or any of them under the Fundamental Documents to the extent not reimbursed by the Borrower or one of its Subsidiaries (except such as shall result from the gross negligence or willful misconduct of the Person seeking indemnification).

SECTION 8.7. Rights of Administrative Agent.

It is understood and agreed that JPMorgan Chase Bank shall have the same rights and powers hereunder (including the right to give such instructions) as the other Lenders and may exercise such rights and powers, as well as its rights and powers under other agreements and instruments to which it is or may be party, and engage in other transactions with the Borrower or any Subsidiary or other Affiliate thereof as though it were not the Administrative Agent on behalf of the Lenders under this Agreement.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent; provided that no such delegation shall limit or reduce in any way the Administrative Agent's duties and obligations to the Borrower under this Agreement. The Administrative Agent and any such sub-agent, and any Affiliate of the Administrative Agent or any such sub-agent, may perform any and all its duties and exercise its rights and powers through their respective directors, officers, employees, agents and advisors. The exculpatory provisions of Section 8.5 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 8.8. Independent Investigation by Lenders.

Each of the Lenders acknowledges that it has decided to enter into this Agreement and to make the Loans based on its own analysis of the transactions contemplated hereby, based on such documents and other information as it has deemed appropriate and on the creditworthiness of the Borrower and agrees that the Administrative Agent shall bear no responsibility therefor.

SECTION 8.9. Notice of Transfer.

The Administrative Agent may deem and treat any Lender which is a party to this Agreement as the owners of such Lender's respective portions of the Loans, unless and until a written notice of the assignment or transfer thereof executed by any such Lender shall have been received by the Administrative Agent and become effective pursuant to Section 10.3.

SECTION 8.10. Successor Administrative Agent.

The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Borrower (with the consent of the Required Lenders, which shall not be unreasonably withheld or delayed) shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Borrower and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which with the consent of the Borrower, which will not be unreasonably withheld, shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

SECTION 8.11. Reserved.

SECTION 8.12. Agents Generally.

Except as expressly set forth herein, no Agent shall have any duties or responsibilities hereunder in its capacity as such; and shall incur no liability, under this Agreement and the other Fundamental Documents.

9. RESERVED

10. MISCELLANEOUS

SECTION 10.1. Notices.

(a) Notices and other communications provided for herein shall be in writing and shall be delivered or mailed (or in the case of telegraphic communication, if by telegram, delivered to the telegraph company and, if by telex, telecopy, graphic scanning or other telegraphic communications equipment of the sending party hereto, delivered by such equipment) addressed as follows:

(i) if to the Administrative Agent, to it at JPMorgan Chase Bank, N.A., 1111 Fannin, 10th floor, Houston, Texas 77002, Attention of Jen Yi Lin (Telephone No. 713-750-3550; Facsimile No. 713-750-2932), with a copy to Randolph Cates (Facsimile No. 212-270-3279);

(ii) if to the Borrower, to it at Seven Sylvan Way, Parsippany, NJ 07054, Attention of Corporate Secretary (Facsimile No. 973-496-1127) and Treasurer (Facsimile No. 973-496-1192), with a copy to Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, Attention of James M. Douglas (Facsimile No. 917-777-2868); and

(iii) if to a Lender, to it at its address notified to the Administrative Agent (or set forth in its Assignment and Acceptance or other agreement pursuant to which it became a Lender hereunder);

or such other address as such party may from time to time designate by giving written notice to the other parties hereunder.

(b) Any party hereto may change its address or telecopy number and other communications hereunder for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

(c) Notices and other communication to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent and the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 10.2. Survival of Agreement, Representations and Warranties, etc.

All warranties, representations and covenants made by the Borrower herein or in any certificate or other instrument delivered by it or on its behalf in connection with this Agreement shall be considered to have been relied upon by the Administrative Agent and the Lenders and shall survive the making of the Loans herein contemplated regardless of any investigation made by the Administrative Agent or the Lenders or on their behalf and shall continue in full force and effect so long as any amount due or to become due hereunder is outstanding and unpaid and so long as the Commitment has not been terminated. All statements in any such certificate or other instrument shall constitute representations and warranties by the Borrower hereunder.

SECTION 10.3. Successors and Assigns; Syndications; Loan Sales; Participations.

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party (provided, however, that the Borrower may not assign its rights hereunder without the prior written consent of all the Lenders), and all covenants, promises and agreements by, or on behalf of, the Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Lenders.

(b) Each of the Lenders may (but only with the prior written consent of the Administrative Agent and the Borrower, which consents shall not be unreasonably withheld or delayed, provided that the consent of the Borrower shall not be required if an Event of Default has occurred and is continuing) assign to one or more banks or other entities all or a portion of its interests, rights and obligations under this Agreement (including, without limitation, all or a portion of the Loan at the time owing to it); provided, however, that (1) each assignment shall be of a constant, and not a varying, percentage of the assigning Lender's rights and obligations under this Agreement, (2) the amount of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Lender) shall be in a minimum principal amount of $1,000,000 (or, if less, the remaining portion of the assigning Lender's rights and obligations under this Agreement) unless otherwise agreed by the Borrower and the Administrative Agent, (3) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with a processing and recordation fee of $3,500 and (4) no Lender shall assign or sell participations of all or a portion of its interest in a Loan to any Person who is (A) listed on the Specially Designated Nationals and Blocked Persons List (the "SDN List") maintained by the U.S. Department of Treasury

Office of Foreign Assets Control ("OFAC") and/or on any other similar list maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, "OFAC Laws and Regulations"); or (B) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515. Upon such execution, delivery, acceptance and recording, and from and after the effective date specified in each Assignment and Acceptance, which effective date shall be not earlier than five Business Days (or such shorter period approved by the Administrative Agent) after the date of acceptance and recording by the Administrative Agent, (x) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the assigning Lender thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of the assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto).

(c) Notwithstanding the other provisions of this Section 10.3, each Lender may at any time make an assignment of its interests, rights and obligations under this Agreement to (i) any Affiliate of such Lender or (ii) any other Lender hereunder without the consent of the Borrower provided that it meets the registration requirements in Section 10.3(b)(4).

(d) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in, or in connection with, this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Fundamental Documents or any other instrument or document furnished pursuant hereto or thereto; (ii) such Lender assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Fundamental Documents; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 5.1(a) and 5.1(b) (or if none of such financial statements shall have then been delivered, then copies of the financial statements referred to in Section 3.4 hereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Lender, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Fundamental Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (vi) such assignee agrees that it will be bound by the provisions of this Agreement and will perform in accordance with its terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(e) The Administrative Agent, on behalf of the Borrower, shall maintain at its address at which notices are to be given to it pursuant to Section 10.1, a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders and the Commitments of, and the principal and interest amounts of the Loans owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of a Loan or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Fundamental Documents, notwithstanding any notice to the contrary. Any assignment shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee and the processing and recordation fee, the Administrative Agent (subject to the right, if any, of the Borrower to require its consent thereto) shall, if such Assignment and Acceptance has been completed and is substantially in the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt written notice thereof to the Borrower.

(g) Each of the Lenders may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of the Loans owing to it);provided, however, that (i) any such Lender's obligations under this Agreement shall remain unchanged, (ii) such Participant shall not be granted any voting rights under this Agreement, except with respect to matters requiring the consent of each of the Lenders hereunder, (iii) any such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iv) the participating banks or other entities shall be entitled to the cost protection provisions of Sections 2.18, 2.19, 2.21 and 2.25 hereof (and subject to the limitations thereof) but a Participant shall not be entitled to receive pursuant to such provisions an amount larger than its share of the amount to which the Lender granting such participation would have been entitled to receive; provided that a Participant shall not be entitled to the benefits of Section 2.25 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.25(e) as though it were a Lender, and (v) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

(h) The Lenders may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.3, disclose to the assignee or Participant or proposed assignee or Participant, any information, including confidential information, relating to the Borrower furnished to the Administrative Agent by or on behalf of the Borrower; provided that prior to any such disclosure, each such assignee or Participant or proposed assignee or Participant agrees in writing to be bound by the confidentiality provisions of Section 10.15.

(i) Each Lender hereby represents that it is a commercial lender or financial institution which makes loans in the ordinary course of its business and that it will make the Loans hereunder for its own account in the ordinary course of such business; provided, however, that, subject to preceding clauses (a) through (h), the disposition of the Indebtedness held by that Lender shall at all times be within its exclusive control.

(j) Any Lender may at any time and from time to time pledge, or otherwise grant a security interest in, all or a portion of its rights under this Agreement, including any such pledge or grant to any Federal Reserve Bank, and, with respect to any Lender which is a fund, to the fund's trustee in support of its obligations to such trustee, and this Section shall not apply to any such pledge or grant; provided that no such pledge or grant shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto. The Borrower shall, upon receipt of a written request from any Lender, issue a Note to facilitate such transactions.

SECTION 10.4. Expenses.

Whether or not the transactions hereby contemplated shall be consummated, the Borrower agrees to pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent in connection with the syndication, preparation, execution, delivery and administration of this Agreement, the making of the Loans, the reasonable and documented fees and disbursements of Simpson Thacher & Bartlett LLP, counsel to the Administrative Agent, as well as all reasonable and documented out-of-pocket expenses incurred by the Lenders in connection with any restructuring or workout of this Agreement or in connection with the enforcement or protection of the rights of the Lenders in connection with this Agreement or any other Fundamental Document, and with respect to any action which may be instituted by any Person against any Lender in respect of the foregoing, or as a result of any transaction, action or nonaction arising from the foregoing, including but not limited to the reasonable and documented fees and disbursements of any counsel for the Lenders, provided, however, that the Borrower shall not be liable for the fees and expenses of more than one separate firm for the Lenders (unless there shall exist an actual conflict of interest among such Persons, and in such case, not more than two separate firms) in connection with any one such action or any separate but substantially similar or related actions in the same jurisdiction, nor shall the Borrower be liable for any settlement or any proceeding effected without the Borrower's written consent. Such payments shall be made on the Closing Date and thereafter on demand. The obligations of the Borrower under this Section shall survive the termination of this Agreement and/or the payment of the Loans.

SECTION 10.5. Indemnity.

Further, by the execution hereof, the Borrower agrees to indemnify and hold harmless the Administrative Agent and the Lenders and their respective directors, officers, employees and agents (each, an "Indemnified Party") from and against any and all expenses (including reasonable and documented fees and disbursements of counsel), losses, claims, damages and liabilities arising out of any claim, litigation, investigation or proceeding (regardless of whether any such Indemnified Party is a party thereto) in any way relating to the transactions contemplated hereby, but excluding therefrom all expenses, losses, claims, damages, and liabilities arising out of or resulting from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification or any of its Related Parties, provided, however, the Borrower shall not be liable for the fees and expenses of more than one separate firm for all such Indemnified Parties (unless there shall exist an actual conflict of interest among such Indemnified Parties, and in such case, not more than two separate firms) in connection with any one such action or any separate but substantially similar or related actions in the same jurisdiction, nor shall the Borrower be liable for any settlement of any proceeding effected without the Borrower's written consent, and provided further, however, that this Section 10.5 shall not be construed to expand the scope of the reimbursement obligations of the Borrower specified in Section 10.4. The obligations of the Borrower under this Section 10.5 shall survive the termination of this Agreement and/or payment of the Loans.

SECTION 10.6. CHOICE OF LAW.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 10.7. No Waiver.

No failure on the part of the Administrative Agent or any Lender to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

SECTION 10.8. Extension of Maturity.

Except as otherwise specifically provided in Section 1 or 8 hereof, should any payment of principal, interest or any other amount due hereunder become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of principal, interest shall be payable thereon at the rate herein specified during such extension.

SECTION 10.9. Amendments, etc.

(a) Except as expressly set forth in this Agreement, no modification, amendment or waiver of any provision of this Agreement, and no consent to any departure by the Borrower herefrom or therefrom, shall in any event be effective unless the same shall be in writing and signed or consented to in writing by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given; provided, however, that no such modification or amendment shall without the written consent of each Lender affected thereby (i) alter the stated maturity or principal amount of any installment of any Loan or decrease the rate of interest payable thereon or extend the scheduled date of any payment thereof, (ii) waive a default under Section 7(b) hereof with respect to a scheduled principal installment of any Loan, (iii) release Cendant from its obligations under the Cendant Guaranty (except in accordance with its terms) or (iv) amend Section 2.22, 2.23 or 8.3 in a manner that would alter the pro rata sharing of payments required thereby; and provided, further that no such modification or amendment shall without the written consent of all of the Lenders (x) amend or modify any provision of this Agreement which provides for the unanimous consent or approval of the Lenders or (y) amend this Section 10.9 or the definition of Required Lenders. No such amendment or modification may adversely affect the rights and obligations of the Administrative Agent hereunder without its prior written consent. No notice to or demand on the Borrower shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances. Each holder of a Note shall be bound by any amendment, modification, waiver or consent authorized as provided herein, whether or not a Note shall have been marked to indicate such amendment, modification, waiver or consent and any consent by any holder of a Note shall bind any Person subsequently acquiring a Note, whether or not a Note is so marked.

(b) In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and each of the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing, replacement or modification of all outstanding Loans ("Replaced Term Loans") with a replacement term loan tranche hereunder ("Replacement Term Loans"), provided that (i) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Replaced Term Loans, (ii) the applicable margin for such Replacement Term Loans shall not be higher than the applicable margin for such Replaced Term Loans and (iii) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Replaced Term Loans at the time of such refinancing.

SECTION 10.10. Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.11. SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

(a) THE ADMINISTRATIVE AGENT, EACH LENDER AND THE BORROWER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE STATE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY AND TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF BROUGHT BY THE ADMINISTRATIVE AGENT OR A LENDER. THE BORROWER TO THE EXTENT PERMITTED BY APPLICABLE LAW (A) HEREBY WAIVES, AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH COURTS, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT ITS PROPERTY IS EXEMPT OR IMMUNE FROM ATTACHMENT OR EXECUTION, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THIS AGREEMENT OR THE SUBJECT MATTER HEREOF MAY NOT BE ENFORCED IN OR BY SUCH COURT, AND (B) HEREBY WAIVES THE RIGHT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING ANY OFFSETS OR COUNTERCLAIMS EXCEPT COUNTERCLAIMS THAT ARE COMPULSORY OR OTHERWISE ARISE FROM THE SAME SUBJECT MATTER. EACH LENDER AND THE BORROWER HEREBY CONSENTS TO SERVICE OF PROCESS BY MAIL AT ITS ADDRESS TO WHICH NOTICES ARE TO BE GIVEN PURSUANT TO SECTION 10.1 HEREOF. THE BORROWER AGREES THAT ITS SUBMISSION TO JURISDICTION AND CONSENT TO SERVICE OF PROCESS BY MAIL IS MADE FOR THE EXPRESS BENEFIT OF THE ADMINISTRATIVE AGENT AND THE LENDERS. FINAL JUDGMENT AGAINST THE BORROWER IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION (A) BY SUIT, ACTION OR PROCEEDING ON THE JUDGMENT, A CERTIFIED OR TRUE COPY OF WHICH SHALL BE CONCLUSIVE EVIDENCE OF THE FACT AND THE AMOUNT OF INDEBTEDNESS OR LIABILITY OF THE SUBMITTING PARTY THEREIN DESCRIBED OR (B) IN ANY OTHER MANNER PROVIDED BY, OR PURSUANT TO, THE LAWS OF SUCH OTHER JURISDICTION, PROVIDED, HOWEVER, THAT THE ADMINISTRATIVE AGENT OR A LENDER MAY AT ITS OPTION BRING SUIT, OR INSTITUTE OTHER JUDICIAL PROCEEDINGS AGAINST THE BORROWER OR ANY OF ITS ASSETS IN ANY STATE OR FEDERAL COURT OF THE UNITED STATES OR OF ANY COUNTRY OR PLACE WHERE THE BORROWER OR SUCH ASSETS MAY BE FOUND.

(b) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING OR WHETHER IN CONTRACT OR TORT OR OTHERWISE. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED THAT THE PROVISIONS OF THIS SECTION 10.11(b) CONSTITUTE A MATERIAL INDUCEMENT UPON WHICH THE OTHER PARTIES HAVE RELIED, ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. THE PARTIES HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 10.11(b) WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF SUCH OTHER PARTY TO THE WAIVER OF ITS RIGHTS TO TRIAL BY JURY.

SECTION 10.12. Headings.

Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

SECTION 10.13. Execution in Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.

SECTION 10.14. Entire Agreement.

This Agreement represents the entire agreement of the parties with regard to the subject matter hereof and the terms of any letters and other documentation entered into among the Borrower, the Administrative Agent, the Syndication Agents or any Lender (other than the provisions of the letter agreements dated May 25, 2006, among the Borrower, JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Inc., relating to fees and expenses and syndication issues) prior to the execution of this Agreement which relate to Loans to be made hereunder shall be replaced by the terms of this Agreement.

SECTION 10.15. Confidentiality.

Each of the Administrative Agent and the Lenders agrees that it will not use, either directly or indirectly, any of the Confidential Information except in connection with this Agreement and the transactions contemplated hereby. Neither the Administrative Agent nor any Lender shall disclose to any Person the Confidential Information, except

(a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other professional advisors who need to know the Confidential Information for purposes related to this Agreement or any other Fundamental Document or any transactions contemplated thereby or reasonably incidental to the administration of this Agreement or the other Fundamental Documents (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and agree to keep such Confidential Information confidential in accordance with the provisions of this Section 10.15),

(b) to the extent requested by any regulatory authority having jurisdiction over it or its Affiliates,

(c) to the extent required by Applicable Law, regulations or by any subpoena or similar legal process,provided that the Administrative Agent or such Lender, as the case may be, shall request confidential treatment of such Confidential Information to the extent permitted by Applicable Law and the Administrative Agent or such Lender, as the case may be, shall, to the extent permitted by Applicable Law, promptly inform the Borrower with respect thereto so that the Borrower may seek appropriate protective relief to the extent permitted by Applicable Law, provided further that in the event that such protective remedy or other remedy is not obtained, the Administrative Agent or such Lender, as the case may be, shall furnish only that portion of the Confidential Information that is legally required and shall disclose the Confidential Information in a manner reasonably designed to preserve its confidential nature,

(d) to any other Lender party to this Agreement,

(e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder,

(f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations,

(g) with the prior written consent of the Borrower or

(h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 10.15 or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower, its Affiliates or Representatives, which source, to the reasonable knowledge of the Administrative Agent or any Lender, as may be appropriate, is not prohibited from disclosing such Confidential Information to the Administrative Agent or such Lender by a contractual, legal or fiduciary obligation, to the Borrower, the Administrative Agent or any Lender.

(i) Neither the Administrative Agent nor any Lender shall make any public announcement, advertisement, statement or communication regarding the Borrower, its Affiliates or this Agreement or the transactions contemplated hereby without the prior written consent of the Borrower. The obligations of the Administrative Agent and each Lender under this Section 10.15 shall survive the termination or expiration of this Agreement.

SECTION 10.16. USA PATRIOT Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act. The Borrower shall promptly provide such information upon request by any Lender. In connection therewith, each Lender hereby agrees that the confidentiality provisions set forth in Section 10.15 shall apply to any non-public information provided to it by the Borrower and its Subsidiaries pursuant to this Section 10.16.

SECTION 10.17. Replacement of Lenders.

If any Lender refuses to consent to an amendment, modification or waiver of this Agreement that is approved by the Required Lenders pursuant to Section 10.9 (a "Non-Consenting Lender"), if any Lender is a Defaulting Lender, or under any other circumstances set forth herein expressly providing that the Borrower shall have the right to replace a Lender as a party to this Agreement, the Borrower may, upon notice to such Lender and the Administrative Agent and subject to Section 2.21, replace such Lender by causing such Lender to assign its Commitment (with the assignment fee to be paid by the Borrower in such instance) pursuant to Section 10.3 to one or more banks or other entities procured by the Borrower upon receipt of accrued fees and interest and all other amounts due and owing to it.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and the year first above written.

WYNDHAM WORLDWIDE CORPORATION,
as Borrower

By: /Virginia M. Wilson/
Name: Virginia M. Wilson
Title: Executive Vice President and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Lender

By: /Randolph Cates/
Name: Randolph Cates
Title: Vice President

THE ROYAL BANK OF SCOTLAND PLC,
as Syndication Agent and Lender

By: /Timothy J. McNaught/
Name: Timothy J. McNaught
Title: Managing Director

THE BANK OF NOVA SCOTIA,
as Syndication Agent and Lender

By: /Todd Meller/
Name: Todd Meller
Title: Managing Director

BANK OF AMERICA, N.A.,
as Documentation Agent and Lender

By: /Lesa J. Butler/
Name: Lesa J. Butler
Title: Senior Vice President

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,
as Documentation Agent and Lender

By: /Karl Studer/
Name: Karl Studer
Title: Director

By: /Karl Lesnik/
Name: Karl Lesnik
Title: Assistant Vice President

[INSERT LENDER NAME]

By: _____

Name:
Title:

Exhibit 10.33

EXECUTION COPY

PERFORMANCE GUARANTY

PERFORMANCE GUARANTY (this "Guaranty") dated as of July 7, 2006 is made by Wyndham Worldwide Corporation, a Delaware corporation (the "Performance Guarantor") in favor of Sierra Deposit Company, LLC, a Delaware limited liability company, (the "Depositor"), Sierra Timeshare Conduit Receivables Funding Company, LLC, a Delaware limited liability company (the "Issuer") and U.S. Bank National Association as successor to Wachovia Bank, National Association, as trustee and as collateral agent (the "Trustee" and the "Collateral Agent," respectively) under the Indenture and Servicing Agreement referenced below for the benefit of holders of the Series 2002-1 Notes issued pursuant to such Indenture and Servicing Agreement.

PRELIMINARY STATEMENTS

WHEREAS, the Issuer, Wyndham Consumer Finance, Inc., ("Wyndham"), a Delaware corporation domiciled in Nevada, as master servicer (in such capacity, the "Master Servicer"), the Trustee and the Collateral Agent have entered into that certain Master Indenture and Servicing Agreement dated as of August 29, 2002 and the Series 2002-1 Supplement thereto also dated as of August 29, 2002 (each as amended and restated as of July 7, 2006 and as thereafter amended, restated, supplemented or otherwise modified from time to time, collectively, the "Indenture and Servicing Agreement");

WHEREAS, each of Wyndham, and Trendwest (collectively with other sellers of Loans that may be named in the future, the "Sellers") have originated, and in the future will originate, certain Loans and related Transferred Assets in connection with the sale to Obligors of Timeshare Properties at various Resorts and have sold and will sell such Loans and Transferred Assets to the Depositor under the following master loan purchase agreements:

a. the Master Loan Purchase Agreement dated as of August 29, 2002 by and between Wyndham, as Seller, FRI as co-originator, the Depositor, as Purchaser and various other entities from time to time parties thereto; and

b. the Master Loan Purchase Agreement dated as of August 29, 2002 by and between Trendwest Resorts, Inc. ("Trendwest") as Seller and the Depositor, as Purchaser,

(in each case as such agreement may be amended, restated, supplemented or otherwise modified or supplemented from time to time prior to, on or after the date of this Guaranty, and, collectively with any other purchase agreement relating to the purchase of Loans from a Seller by the Depositor, the "Purchase Agreements");

WHEREAS, each of the Sellers and the Master Servicer is or on the Effective Date will be, directly or indirectly, a wholly-owned Subsidiary of the Performance Guarantor and the Performance Guarantor is expected to receive substantial direct and indirect benefits from the transactions contemplated in the Purchase Agreements and the Pool Purchase Agreement; and

WHEREAS, as an inducement for (i) the Depositor to make purchases of Loans and related Transferred Assets under the Purchase Agreements, (ii) the Issuer to acquire the Pool Assets under the Pool Purchase Agreement, (iii) the holders of the Issuer's Loan-Backed Variable Funding Notes, Series 2002-1 (the "Series 2002-1 Notes") to consent to various amendments related to the Series 2002-1 Notes which amendments will allow for the distribution by Cendant Corporation of the stock of the Performance Guarantor to the stockholders of Cendant Corporation and (iv) the holders of the Series 2002-1 Notes to continue to make advances on the Series 2002-1 Notes, the Performance Guarantor has agreed to guaranty the due and punctual payment and performance by each Seller of such Seller's obligations under the applicable Purchase Agreement; the Master Servicer's obligations under the Indenture and Servicing Agreement; and payment of certain other amounts as set forth herein.

Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Indenture and Servicing Agreement.

NOW, THEREFORE, the Performance Guarantor hereby agrees with the Depositor, the Issuer, the Trustee and the Collateral Agent, as follows:

EFFECTIVE DATE

As used in this Guaranty, "Effective Date" means the date on which the Performance Guarantor and its subsidiaries cease to be subsidiaries of Cendant Corporation.

SECTION 1. Guaranty. The Performance Guarantor on and after the Effective Date hereby guarantees to the Depositor, the Issuer, the Trustee and the Collateral Agent on behalf of all holders of Series 2002-1 Notes issued under the Indenture and Servicing Agreement (each, a "Guarantied Party"), the full and punctual payment and performance of all Obligations by each of Wyndham (in each of its capacities as Seller and Master Servicer) and Trendwest under and pursuant to the applicable Purchase Agreement, the Pool Purchase Agreement and the Indenture and Servicing Agreement to which it is a party. The Performance Guarantor agrees that if the Effective Date occurs, then the guaranty provided by the Performance Guarantor hereby applies to and is and will be enforceable against the Performance Guarantor with respect to all Obligations without regard to when an Obligation arose, whether before, on or after the Effective Date. At any time on or after the Effective Date, the Depositor, the Issuer, the Trustee and the Collateral Agent may seek enforcement against the Performance Guarantor for all obligations hereunder, including those that accrued before the Effective Date.

"Obligations" means, collectively, all covenants, agreements, terms, conditions and other obligations to be performed and observed (i) by each Seller under the applicable Purchase Agreement, and shall include without limitation the due and punctual payment when due of all sums that are or may become owing by such Seller under the applicable Purchase Agreement,

whether in respect of fees, expenses (including counsel fees), indemnified amounts or otherwise, including without limitation any such fees, expenses and other amounts that accrue after the commencement of any Insolvency Proceeding with respect to such Seller (in each case whether or not allowed as a claim in such Insolvency Proceeding) and (ii) by Wyndham in its capacity as the Master Servicer under the Indenture and Servicing Agreement, and shall include without limitation the due and punctual payment when due of all sums that are or may become owing by the Master Servicer under the Indenture and Servicing Agreement, whether in respect of fees, expenses (including counsel fees), indemnified amounts or otherwise, including without limitation any such fees, expenses and other amounts that accrue after the commencement of any Insolvency Proceeding with respect to Wyndham (in each case whether or not allowed as a claim in such Insolvency Proceeding).

SECTION 2. Performance Guarantor's Further Agreements to Pay. The Performance Guarantor further agrees on and after the Effective Date, as the principal obligor and not as a guarantor only, to pay to each Guarantied Party, forthwith upon demand in funds immediately available to such Guarantied Party, all reasonable costs and expenses (including court costs and reasonable legal expenses) incurred or expended by such Guarantied Party in connection with the enforcement of the Obligations and this Guaranty, together with interest on amounts recoverable under this Guaranty from the time when such amounts become due until payment, at a rate of interest (computed for the actual number of days elapsed based on a 360 day year) equal to the rate of interest most recently published in The Wall Street Journal as the "Prime Rate" plus 2%. Changes in the rate payable hereunder shall be effective on each date on which a change in the "Prime Rate" is published.

SECTION 3. Guaranty Absolute. On and after the Effective Date, the Performance Guarantor guarantees that the Obligations will be performed strictly in accordance with the terms of the Indenture and Servicing Agreement, the Pool Purchase Agreement and the Purchase Agreements regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms, provided, however, nothing herein shall be construed to require the Performance Guarantor to act in violation of any law, regulation or order. The obligations of the Performance Guarantor under this Guaranty are independent of the Obligations, and a separate action or actions may be brought and prosecuted against the Performance Guarantor to enforce this Guaranty, irrespective of whether any action is brought against any Seller or the Master Servicer, or whether any Seller or the Master Servicer is joined in any such action or actions. This Guaranty is an absolute, unconditional and continuing guaranty of the full and punctual payment and performance of all of the Obligations. The Performance Guarantor agrees that the validity and enforceability of this Guaranty shall not be impaired or affected by any of the following:

(i) any lack of validity or enforceability of the Indenture and Servicing Agreement, the Pool Purchase Agreement, any Purchase Agreement or any other Facility Document;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations, or any other amendment or waiver of or any consent to departure from the Indenture and Servicing Agreement, the Pool Purchase Agreement, any Purchase Agreement or any other Facility Document;

(iii) any taking, exchange, release or non-perfection of any collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations;

(iv) any manner of application of collateral or proceeds thereof to all or any of the Obligations, or any manner of sale or other disposition of any collateral for all or any of the Obligations or any other assets of any Seller, any Originator or the Master Servicer, as the case may be;

(v) any change, restructuring or termination of the corporate structure or existence of any Seller or the Master Servicer; or

(vi) any other circumstance that might otherwise constitute a defense (other than payment and performance) available to, or a discharge of, any Seller or the Master Servicer or its affiliates or a guarantor.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Trustee upon the insolvency, bankruptcy or reorganization of any Seller or the Master Servicer or otherwise, all as though such payment had not been made.

SECTION 4. Waiver by Performance Guarantor. The Performance Guarantor waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Guaranty and any requirement that the Trustee protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against or any other person or entity or any collateral.

SECTION 5. Subrogation. The Performance Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all the Obligations and all other amounts payable under this Guaranty shall have been paid in full. If any amount shall be paid to the Performance Guarantor on account of such subrogation rights at any time prior to the payment in full of the Obligations and all other amounts payable under this Guaranty, such amount shall be held in trust for the benefit of the Guaranteed Parties and shall forthwith be paid to the Guaranteed Parties to be credited and applied upon the Guaranteed Parties Obligations, in accordance with the terms of the Facility Documents. If (i) the Performance Guarantor shall make payment to the Guaranteed Parties of all or any part of the Obligations and, (ii) all Obligations and all other amounts payable under this Guaranty shall be paid in full, the Guaranteed Parties will, at the Performance Guarantor's request, execute and deliver to the Performance Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Performance Guarantor of an interest in the Obligations resulting from any such payment made by the Performance Guarantor hereunder.

SECTION 6. Representations and Warranties. The Performance Guarantor represents and warrants on the date hereof and on the Effective Date that:

(a) Organization and Good Standing. The Performance Guarantor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

(b) No Conflict or Violation. The execution, delivery and performance by the Performance Guarantor of this Guaranty and the transactions contemplated hereby are within the Performance Guarantor's corporate powers, have been duly authorized by all requisite corporate action and do not contravene (i) any of the terms and provisions of the certificate of incorporation or by-laws of the Performance Guarantor, (ii) any law, rule or regulation applicable to the Performance Guarantor the violation of which would have a material adverse effect on the Performance Guarantor's performance hereunder, (iii) any contractual restriction binding on or affecting the Performance Guarantor or the Performance Guarantor's properties the violation of which would have a material adverse effect on the Performance Guarantor's performance hereunder or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting the Performance Guarantor or the Performance Guarantor's properties the violation of which would have a material adverse effect on the Performance Guarantor's performance hereunder. This Guaranty has been duly executed and delivered by the Performance Guarantor.

(c) Power and Authority; Due Authorization. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other person is required for the due execution delivery and performance by the Performance Guarantor of this Guaranty.

(d) Binding Obligation. This Guaranty is the legal, valid and binding obligation of the Performance Guarantor, enforceable against the Performance Guarantor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization and similar laws of general applicability relating to or affecting creditors rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Litigation. There is no action, suit or proceeding pending, or to the Performance Guarantor's knowledge threatened, affecting the Performance Guarantor or its property before any court, governmental agency or arbitrator that materially adversely affects the ability of the Performance Guarantor to perform its obligations under this Guaranty, or that purports to affect the legality, validity or enforceability of this Guaranty.

(f) No Material Adverse Change. There has been no material adverse change in the business operations or financial condition of the Wyndham Worldwide business of Cendant Corporation as presented in the pro forma financial statements as of December 31, 2005 and contained in the Form 10 of Wyndham Worldwide filed with the Securities and Exchange Commission, except to the extent of events or expected events described in the Form 10 or otherwise provided in publicly available forms and reports filed with the Securities and Exchange Commission.

(g) The Obligations of the Performance Guarantor under this Guaranty do rank and will rank at least *pari passu* in priority of payment and in all other respects with all unsecured indebtedness of the Performance Guarantor.

SECTION 7. Payment Free and Clear of Taxes, Etc. (a) Any and all payments made by the Performance Guarantor hereunder shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of the Depositor, the Issuer, the Trustee and the Collateral Agent (each an "Indemnified Party"), taxes imposed on its income and franchise taxes imposed on it by the jurisdiction under the laws of which the Indemnified Party is organized (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities imposed on payments made by the Performance Guarantor hereunder being hereinafter as "Taxes"). If the Performance Guarantor shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Indemnified Party, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 7) such Indemnified Party receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Performance Guarantor shall make such deductions, and (iii) the Performance Guarantor shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Performance Guarantor agrees to pay any present or future stamp or documentary taxes or other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Guaranty (hereinafter referred to as "Other Taxes").

(c) The Performance Guarantor shall indemnify each Indemnified Party for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 7) paid by such Indemnified Party and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within thirty (30) days from the date such Indemnified Party makes written demand therefor.

(d) Within thirty (30) days after the date of any payment of Taxes, the Performance Guarantor shall furnish each Indemnified Party, at its address referred to in Section 11, the original or a certified copy of a receipt evidencing payment thereof.

(e) Without prejudice to the survival of any other agreement of the Performance Guarantor hereunder, the agreements and obligations of the Performance Guarantor contained in this Section 7 shall survive any termination of the Facility Documents.

SECTION 8. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF OBJECTION TO VENUE. THIS GUARANTY IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK,

INCLUDING §5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES. THE PERFORMANCE GUARANTOR, THE DEPOSITOR, THE ISSUER, THE TRUSTEE AND THE COLLATERAL AGENT EACH HEREBY AGREES TO THE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

SECTION 9. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

SECTION 10. Amendments, Etc. No amendment or waiver of any provision of this Guaranty or consent to any departure by the Performance Guarantor therefrom shall be effective unless the same shall be in writing and signed by the Depositor, the Issuer, the Trustee and the Collateral Agent, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 11. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telex communication and communication by facsimile copy) and mailed, telexed, transmitted or delivered, as to each party hereto, at its address set forth under its name on the signature pages hereof or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by telex, when telexed against receipt of answerback, or (c) notice by facsimile copy, when verbal communication of receipt is obtained.

SECTION 12. No Waiver; Remedies. No failure on the part of any Guarantied Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 13. Termination of Guaranty. The Performance Guarantor's obligations hereunder shall continue in full force and effect until the date that is one year and one day after the Termination Date, provided that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if at any time payment or other satisfaction of any of the Obligations is rescinded or must otherwise be restored or returned in connection with any

Insolvency Proceeding with respect to any Seller, the Master Servicer or any other Person, or otherwise, as though such payment had not been made or other satisfaction occurred, whether or not any Guarantied Party is in possession of this Guaranty. To the extent permitted by law, no invalidity, irregularity or unenforceability by reason of the Bankruptcy Code or any insolvency or other similar law, or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect the Obligations shall impair, affect, be a defense to or claim against the obligations of the Performance Guarantor under this Guaranty.

SECTION 14. Successors and Assigns. This Guaranty shall be binding upon Wyndham Worldwide Corporation and its successors and permitted assigns, and the Performance Guarantor shall not assign any of its rights or obligations hereunder without the prior written consent of the Guarantied Parties. The benefits of this Guaranty shall inure to the benefit of, and be enforceable by, the Guarantied Parties, their respective successors, transferees and assigns and each holder of a Note issued under the Indenture and Servicing Agreement.

SECTION 15. Effect of Bankruptcy. To the extent permitted by law, this Guaranty shall survive the occurrence of any Insolvency Proceeding with respect to any Seller, the Master Servicer or any other Person. To the extent permitted by law, no automatic stay under the Bankruptcy Code or other federal, state or other applicable bankruptcy, insolvency or reorganization statutes to which any Seller or the Master Servicer is subject shall postpone the obligations of the Performance Guarantor under this Guaranty.

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IN WITNESS WHEREOF, the Performance Guarantor has caused this Guaranty to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WYNDHAM WORLDWIDE CORPORATION,
as Performance Guarantor

By: /s/ Virginia M. Wilson
Name: Virginia M. Wilson
Title: Executive Vice President and Chief Financial Officer

Address: 1 Campus Drive
Parsippany, NJ 07054
Attention:

Telephone: (973) 496-2455
Telecopier: (973) 496-2456

Acknowledged and accepted as of
this 7th day of July, 2006:

SIERRA DEPOSIT COMPANY, LLC,
as Depositor

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

Address: 10750 West Charleston Blvd.
Suite 130, Mailstop 2067
Las Vegas, Nevada 89135

Telephone: (702) 304-4216
Telecopier: (702) 304-4211

SIERRA TIMESHARE CONDUIT RECEIVABLES FUNDING COMPANY, LLC,
as Issuer

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

Address: 10750 West Charleston Blvd.
Suite 130, Mailstop 2046
Las Vegas, Nevada 89135

Telephone: (702) 227-3107
Telecopier: (702) 304-4211

U.S. BANK NATIONAL ASSOCIATION, successor to Wachovia Bank, National Association,
as Trustee and as Collateral Agent

By: /s/ Patricia O'Neill
Name: Patricia O'Neill
Title: Vice President

Address: 401 South Tryon Street
NC-1179
12th Floor
Charlotte, NC 28288-1179
Attention: Structured Finance Trust Services

Telephone: (704) 374-4981
Telecopier: (704) 383-6039

hereunder and but for the Executive's agreement to comply with such restrictions, the Company would not have entered into this Agreement.

SECTION IX
TAX PROVISIONS

The Executive acknowledges and agrees that the Company may directly or indirectly withhold from any payments under this Agreement all federal, state, city or other taxes that will be required pursuant to any law or governmental regulation.

Anything in this Agreement or in any other plan, program or agreement to the contrary notwithstanding and except as set forth below, in the event that (i) the Executive becomes entitled to any benefits or payments under Section VII hereof and (ii) it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section IX) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section X, if it shall be determined that the Executive is entitled to a Gross-Up Payment, but that the Payments do not exceed 110% of the greatest amount (the "Reduced Amount") that could be paid to the Executive such that the receipt of Payments would not give rise to any Excise Tax, then no Gross-Up Payment shall be made to the Executive and the Payments, in the aggregate, shall be reduced to the Reduced Amount. All determinations required to be made under this Section X, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Deloitte & Touche LLP or such other certified public accounting firm as may be designated by the Company.

SECTION X
EFFECT OF PRIOR AGREEMENTS

Upon the Effective Date, this Agreement will supersede and replace each prior employment or consultant agreement between the Company (and/or its affiliates, including without limitation, Cendant, Fairfield Resorts, and their respective predecessors) and the Executive.

SECTION XI
CONSOLIDATION, MERGER OR SALE OF ASSETS

Nothing in this Agreement will preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation which assumes this Agreement and all obligations and undertakings of the Company hereunder. Upon such a consolidation, merger or sale of assets the term the "Company" as used herein will mean the other corporation and this Agreement will continue in full force and effect, subject to Executive's rights and remedies hereunder due to a Change in Control of the Company.

SECTION XII
MODIFICATION

This Agreement may not be modified or amended except in writing signed by the parties. No term or condition of this Agreement will be deemed to have been waived except in writing by the party charged with waiver. A waiver will operate only as to the specific term or condition waived and will not constitute a waiver for the future or act on anything other than that which is specifically waived.

SECTION XIII
REPRESENTATIONS

The Company represents and warrants that this Agreement has been authorized by all necessary corporate action of the Company and is a valid and binding agreement of the Company enforceable against it in accordance with its terms.

SECTION XIV
INDEMNIFICATION AND MITIGATION

The Company will indemnify the Executive (including after the termination of his employment) to the fullest extent permitted under the Certificate of Incorporation and By-Laws of the Company. The Executive will not be required to

mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor will the amount of any such payment be reduced by any compensation earned by the Executive as the result of employment by another employer after the date the Executive's employment hereunder terminates.

SECTION XV
GOVERNING LAW

This Agreement has been executed and delivered in the State of New Jersey and its validity, interpretation, performance and enforcement will be governed by the internal laws of that state.

SECTION XVI
ARBITRATION

A. Any controversy, dispute or claim arising out of or relating to this Agreement or the breach hereof which cannot be settled by mutual agreement (other than with respect to the matters covered by Section VIII for which the Company may, but will not be required to, seek injunctive relief) will be finally settled by binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state arbitration law) as follows: Any party who is aggrieved will deliver a notice to the other party setting forth the specific points in dispute. Any points remaining in dispute twenty (20) days after the giving of such notice may be submitted to arbitration in New York, New York, to the American Arbitration Association, before a single arbitrator appointed in accordance with the arbitration rules of the American Arbitration Association, modified only as herein expressly provided. After the aforesaid twenty (20) days, either party, upon ten (10) days notice to the other, may so submit the points in dispute to arbitration. The arbitrator may enter a default decision against any party who fails to participate in the arbitration proceedings.

B. The decision of the arbitrator on the points in dispute will be final, unappealable and binding, and judgment on the award may be entered in any court having jurisdiction thereof.

C. The legal fees and expenses of the party prevailing in such arbitration (up to a maximum of $118,000), and the fees and expenses of the arbitrator shall be paid by the non-prevailing parties. In the event that neither party prevails, the fees and expenses of the arbitrator will be borne equally by each party, and each party will bear the fees and expenses of its own attorney.

D. The parties agree that this Section XVI has been included to rapidly and inexpensively resolve any disputes between them with respect to this Agreement, and that this Section XVI will be grounds for dismissal of any court action commenced by either party with respect to this Agreement, other than post-arbitration actions seeking to enforce an arbitration award. In the event that any court determines that this arbitration procedure is not binding, or otherwise allows any litigation regarding a dispute, claim, or controversy covered by this Agreement to proceed, the parties hereto hereby waive any and all right to a trial by jury in or with respect to such litigation.

E. The parties will keep confidential, and will not disclose to any person, except as may be required by law, the existence of any controversy hereunder, the referral of any such controversy to arbitration or the status or resolution thereof.

SECTION XVII
SURVIVAL

Sections VIII, IX, X, XI, XII, XIV, XV and XVI will continue in full force in accordance with their respective terms notwithstanding any termination of the Period of Employment.

SECTION XVIII
SEPARABILITY

All provisions of this Agreement are intended to be severable. In the event any provision or restriction contained herein is held to be invalid or unenforceable in any respect, in whole or in part, such finding will in no way affect the validity or enforceability of any other provision of this Agreement. The parties hereto further agree that any such invalid or unenforceable provision will be deemed modified so that it will be enforced to the greatest extent permissible under law, and to the extent that any court of competent jurisdiction determines any restriction herein to be unreasonable in any respect, such court may limit this Agreement to render it reasonable in the light of the circumstances in which it was entered into and specifically enforce this Agreement as limited.
******

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

WYNDHAM WORLDWIDE
CORPORATION

By: Stephen P. Holmes
Title: Chief Executive Officer

FRANZ S. HANNING

Exhibit 10.34

EXECUTION COPY

INDENTURE AND SERVICING AGREEMENT

Dated as of July 11, 2006

by and among

SIERRA TIMESHARE 2006-1 RECEIVABLES FUNDING, LLC,

as Issuer

and

WYNDHAM CONSUMER FINANCE, INC.,

as Servicer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Trustee

and

U.S. BANK NATIONAL ASSOCIATION,

as Collateral Agent

INDENTURE AND SERVICING AGREEMENT

THIS INDENTURE AND SERVICING AGREEMENT dated as of July 11, 2006 is by and among **SIERRA TIMESHARE 2006-1 RECEIVABLES FUNDING, LLC**, a limited liability company organized under the laws of the State of Delaware, as issuer, **WYNDHAM CONSUMER FINANCE, INC.,** a Delaware corporation, as Servicer, **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as trustee and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, as collateral agent. This Indenture may be supplemented and amended from time to time in accordance with Article XV hereof.

RECITALS

The Issuer has duly authorized the execution and delivery of this Indenture to provide for the issuance of its loan backed notes as provided herein.

All covenants and agreements made by the Issuer herein are for the benefit and security of the Trustee, acting on behalf of the Noteholders, the Insurer and the Swap Counterparty.

The Issuer is entering into this Indenture, and the Trustee is accepting the trusts created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. All things necessary have been done to make the Notes, when executed by the Issuer and authenticated and delivered by the Trustee as provided herein, the valid obligations of the Issuer and to make this Indenture a valid agreement of the Issuer, enforceable in accordance with its terms.

NOW THEREFORE, in consideration of the mutual agreements herein contained, each party agrees as follows for the benefit of the other parties and for the benefit of the Noteholders, the Insurer and the Swap Counterparty.

GRANTING CLAUSES

The Issuer hereby Grants to the Collateral Agent, for the benefit and security of the Trustee, acting on behalf of the Noteholders, the Insurer and the Swap Counterparty, all of the Issuer's right, title and interest, whether now owned or hereafter acquired, in, to and under the following:

(a) all Pledged Loans and all Collections, together with all other Pledged Assets;

(b) the Collection Account and all money, investment property, instruments and other property credited to, carried in or deposited in the Collection Account;

(c) all money, investment property, instruments and other property credited to, carried in or deposited in a Lockbox Account or any other bank or similar account into which Collections are deposited, to the extent such money, investment property, instruments and other property constitutes Collections;

(d) the Reserve Account and all money, investment property, instruments and other property credited to, carried in or deposited in the Reserve Account;

(e) the Interest Rate Swap;

(f) all rights, remedies, powers, privileges and claims of the Issuer under or with respect to the Term Purchase Agreement, the Sale and Assignment Agreement and the Master Loan Purchase Agreements, including, without limitation, all rights of the Issuer to enforce all payment obligations of the Depositor, Sierra 2002 and each Seller and all rights to collect all monies due and to become due to the Issuer from the Depositor, Sierra 2002 or any Seller under or in connection with the Term Purchase Agreement, the Sale and Assignment Agreement or the Master Loan Purchase Agreements (including without limitation all interest and finance charges for late payments and proceeds of any liquidation or sale of Pledged Loans or resale of Vacation Ownership Interests or Vacation Credits and all other Collections on the Pledged Loans) and all other rights of the Issuer to enforce the Term Purchase Agreement, the Sale and Assignment Agreement and the Master Loan Purchase Agreements;

(g) all Assigned Rights with respect to the Pledged Loans and the Pledged Assets including, without limitation, all rights to enforce payment obligations of the Depositor, Sierra 2002 and each Seller and all rights to collect all monies due and to become due to the Issuer from the Depositor, Sierra 2002 or any Seller under or in connection with the Pledged Loans (including without limitation all interest and finance charges for late payments accrued thereon and proceeds of any liquidation or sale of Pledged Loans or resale of Vacation Ownership Interests or Vacation Credits and all other Collections on the Pledged Loans);

(h) all certificates and instruments, if any, from time to time representing or evidencing any of the foregoing property described in clauses (a) through (g) above;

(i) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing;

(j) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas and other minerals, consisting of, arising from, or relating to, any of the foregoing;

(k) all proceeds of the foregoing property described in clauses (a) through (j) above, any security therefor, and all interest, dividends, cash, instruments,

financial assets and other investment property and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for or on account of the sale, condemnation or other disposition of, any or all of the then existing Collateral, and including all payments under insurance policies (whether or not a Seller or an Originator, the Depositor, Sierra 2002, the Issuer, the Collateral Agent or the Trustee is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the Collateral; and

(l) all proceeds of the foregoing.

The property described in the preceding sentence is collectively referred to as the "Collateral." The Grant of the Collateral to the Collateral Agent is for the benefit of the Trustee to secure the Notes equally and ratably without prejudice, priority or distinction among any Notes by reason of difference in time of issuance or otherwise, except as otherwise expressly provided in this Indenture and to secure (i) the payment of all amounts due on the Notes in accordance with their respective terms, (ii) the payment of all other sums payable by the Issuer under this Indenture, the Notes, the Premium Letter and the Insurance Agreement and (iii) compliance by the Issuer with the provisions of this Indenture, the Notes, the Premium Letter and the Insurance Agreement. This Indenture is a security agreement within the meaning of the UCC.

The Collateral Agent and the Trustee acknowledge the Grant of the Collateral, and the Collateral Agent accepts the Collateral in trust hereunder in accordance with the provisions hereof and agrees to perform the duties herein to the end that the interests of the Noteholders and the Insurer may be adequately and effectively protected.

The Trustee and the Collateral Agent each acknowledges that it has entered into the Collateral Agency Agreement pursuant to which the Collateral Agent acts as agent for the benefit of the Trustee for the purpose of maintaining a security interest in the Collateral. The Trustee and the Noteholders are bound by the terms of the Collateral Agency Agreement by the Trustee's execution thereof on their behalf.

RELEASE OF CENDANT

The Issuer, the Servicer, the Trustee, the Collateral Agent, the Noteholders and the Note Owners hereby on and as of the Separation Effective Date and for all times thereafter release Cendant from any and all obligations under the Performance Guaranty. Cendant is an express third-party beneficiary of this paragraph.

The parties hereto and each Noteholder and Note Owner acknowledge and agree that, notwithstanding any other provision of this Indenture, the 2002 Performance Guaranty, or any other agreement, (i) the 2002 Performance Guaranty does not guaranty any obligation of WCF, Trendwest, or the Issuer with respect to any item of Collateral, and (ii) no party hereto, Noteholder or Note Owner shall have any rights under the 2002 Performance Guaranty with respect to any obligation of WCF, Trendwest, or the Issuer relating to any item of Collateral. Cendant is an express third-party beneficiary of this paragraph.

ARTICLE I

DEFINITIONS

Section 1.1 Definitions

Whenever used in this Indenture, the following words and phrases shall have the following meanings:

"Acceptable Replacement Swap Counterparty" shall mean a swap counterparty the long-term and short-term senior unsecured ratings of which are at least "Aa3" and "P-1" by Moody's and "A" and "A-1" by S&P.

"Account" shall mean the Collection Account or the Reserve Account and "Accounts" shall mean the Collection Account and the Reserve Account.

"Accrued Interest" shall mean, with respect to each Class of Notes, an amount equal to the sum of (i) the interest accrued during the related Interest Accrual Period at the applicable Note Interest Rate on the Principal Amount of such Class of Notes as of the immediately preceding Payment Date (or, in the case of the initial Payment Date, the Principal Amount as of the Closing Date) and (ii) any amounts payable pursuant to clause (i) above for such Class of Notes from all prior Payment Dates remaining unpaid, if any, plus, to the extent permitted by law, interest thereon for each Interest Accrual Period for such Class of Notes at the applicable Note Interest Rate.

"Administrative Services Agreement" shall mean either the Administrative Services Agreement dated as of August 29, 2002 by and between the Depositor and the Administrator or the Administrative Services Agreement dated as of June 27, 2006 by and between the Issuer and the Administrator, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms of the respective agreements.

"Administrator" shall mean, with respect to the Administrative Services Agreements, WCF, as administrator with respect to the Depositor and the Issuer, respectively, or any other entity which becomes the Administrator under the terms of the applicable Administrative Services Agreement.

"Affiliate" shall mean, when used with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person, and "control" means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Aggregate Default Rate" shall mean as of any Determination Date, a percentage obtained by dividing (i) the sum of the outstanding principal balance of each Pledged Loan (each such principal balance determined as of the day immediately preceding the date on which such Pledged Loan became a Defaulted Loan) that became a Defaulted Loan during the period commencing with the Cut-Off Date and ending at the end of the prior Due Period by (ii) the Aggregate Loan Balance as of the Cut-Off Date.

"Aggregate Loan Balance" shall mean, as of any time, the sum of the outstanding principal balances due under or in respect of all Pledged Loans, excluding Defaulted Loans.

"Aggregate Principal Amount" shall mean the sum of the Principal Amounts for all Classes of Notes.

"Agreement" shall mean this Indenture and Servicing Agreement as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms.

"Assigned Rights" shall mean all rights of the Depositor with respect to the Pledged Loans and related Transferred Assets including, but not limited to, the right to sell Defective Loans to the Sellers or to cause the Sellers to purchase Defective Loans from the Issuer; provided, however, that the Assigned Rights do not include any rights in, to or under the 2002 Performance Guaranty.

"Assignment of Mortgage" shall mean any assignment (including any collateral assignment) of any Mortgage.

"Authentication Agent" shall mean a Person designated by the Trustee to authenticate Notes on behalf of the Trustee.

"Authorized Officer" shall mean, with respect to the Issuer, any officer who is authorized to act for the Issuer in matters relating to the Issuer, and with respect to the Trustee or any other bank or trust company acting as trustee of an express trust or as custodian or authenticating agent, a Responsible Officer. Each party may receive and accept a certification of the authority of any other party as conclusive evidence of the authority of any person to act, and such certification may be considered as in full force and effect until receipt by such other party of written notice to the contrary.

"Available Funds" for any Payment Date shall mean an amount equal to the sum of (i) all payments (including prepayments—which include prepayments related to Timeshare Upgrades) of principal, interest and fees (which, for the sake of clarity, excludes maintenance fees assessed with respect to POAs) collected from or on behalf of the Obligors during the related Due Period on the Pledged Loans; (ii) any Servicer Advances made on or prior to the Payment Date with respect to payments due from the Obligors on the Pledged Loans during the related Due Period; (iii) all amounts received during the related Due Period as the Release Price paid to the Trustee for the release from the Lien of this Indenture securing the Notes of any Pledged Loan that has become a Defaulted Loan; (iv) all Net Liquidation Proceeds from the disposition of Pledged Assets securing Defaulted Loans received during the related Due Period; (v) the amounts received during the related Due Period by the Trustee as the Release Price in connection with the release of a Defective Loan; (vi) all other proceeds of the Collateral received by the Trustee or the Servicer during the related Due Period; (vii) the amount in excess of the Reserve Required Amount, if any, withdrawn from the Reserve Account in accordance with subsection 3.5(c) of this Indenture and deposited in the Collection Account on such Payment Date; and (viii) all amounts received by the Issuer under the Interest Rate Swap in connection with such Payment Date.

"Bankruptcy Code" shall mean the United States Bankruptcy Code, Title 11 of the United States Code, as amended.

"Bankruptcy Trustee" shall have the meaning assigned to that term in the Insurance Policy.

"Benefit Plan" shall mean any "employee pension benefit plan" as defined in ERISA which is subject to Title IV of ERISA (other than a "multiemployer plan," as defined in Section 4001 of ERISA) and to which the Issuer, any eligible Seller or any ERISA Affiliate of the Issuer has liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA for any time within the preceding five years or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

"Business Day" shall mean any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in New York, New York, Las Vegas, Nevada, Chicago, Illinois, Charlotte, North Carolina or the city in which the Corporate Trust Office of the Trustee is located, which currently is Minneapolis, Minnesota, are authorized or obligated by law or executive order to be closed.

"Calculation Date" shall mean the close of business on the last Business Day of the related Due Period.

"Cash Accumulation Event" shall mean the occurrence of any of the following events:

(i) on any Determination Date, the average of the Delinquency Ratios for the three immediately preceding Due Periods is greater than 5.0%;

(ii) on any Determination Date, the average of the Default Percentages for the four immediately preceding Due Periods is greater than the applicable Default Percentage Threshold; or

(iii) on any Determination Date, the Aggregate Default Rate is greater than 23%.

A Cash Accumulation Event described in (i) above shall continue until the average of the Delinquency Ratios for the three immediately preceding Due Periods is equal to or less than 5.0% for three consecutive Determination Dates. A Cash Accumulation Event described in clause (ii) above shall continue until the average of the Default Percentages for the four immediately preceding Due Periods is equal to or less than the applicable Default Percentage Threshold for three consecutive Determination Dates. A Cash Accumulation Event described in clause (iii) above will continue until the Notes have been paid in full.

"Cendant" shall mean Cendant Corporation (a Delaware corporation) or any successor thereof.

"Certificate of Authentication" shall have the meaning set forth in Section 2.2.

"Class" shall mean the Class A-1 Notes or the Class A-2 Notes.

"Class A-1 Notes" shall mean any of the $325,000,000 5.84% Vacation Timeshare Loan Backed Notes, Series 2006-1, Class A-1, due 2018.

"Class A-2 Notes" shall mean any of the $225,000,000 Floating Rate Vacation Timeshare Loan Backed Notes, Series 2006-1, Class A-2, due 2018.

"Class Percentages" shall mean for each Class, at any time, the percentage equivalent of a fraction the numerator of which is the Principal Amount of such Class and the denominator of which is the Aggregate Principal Amount of all Classes.

"Clearing Agency" shall mean an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Agency Custodian" shall mean the entity maintaining possession of the Global Notes for the Clearing Agency.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Clearstream" shall mean Clearstream, Luxembourg, société anonyme, a professional depository incorporated under the laws of Luxembourg, and its successors.

"Closing Date" shall mean July 11, 2006.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall have the meaning specified in the Granting Clause of this Indenture.

"Collateral Agency Agreement" shall mean the Collateral Agency Agreement dated as of January 15, 1998 by and between Fleet National Bank as predecessor Collateral Agent, Fleet Securities, Inc. as deal agent and the secured parties named therein, as subsequently amended, including as amended by the Tenth Amendment to the Collateral Agency Agreement dated as of July 11, 2006 and all prior amendments, by and among the Collateral Agent, the Trustee and other secured parties, as such Collateral Agency Agreement may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Collateral Agent" shall mean U.S. Bank National Association in its capacity as collateral agent under this Indenture and the Collateral Agency Agreement or any successor collateral agent appointed under the Collateral Agency Agreement.

"Collection Account" shall mean the account described in Section 3.4 hereof and established for the deposit of Collections and other amounts as provided in this Indenture.

"Collections" shall mean, with respect to any Pledged Loan, all funds, cash collections and other cash proceeds of such Pledged Loan paid by or on behalf of the Obligor after the Cut-Off Date, including without limitation (i) all Scheduled Payments or recoveries made in the form of money, checks and like items to, or a wire transfer or an automated clearinghouse

transfer received in, any of the Lockbox Accounts or received by the Issuer or the Servicer in respect of such Pledged Loan, (ii) all amounts received by the Issuer, the Servicer or the Trustee in respect of any Insurance Proceeds relating to such Pledged Loan or the related Vacation Ownership Interest and (iii) all amounts received by the Issuer, the Servicer or the Trustee in respect of any proceeds of a condemnation of property in any Resort, which proceeds relate to such Pledged Loan or the related Vacation Ownership Interest.

"Control Party" shall mean, (a) unless an Insurer Default has occurred and is continuing, the Insurer and (b) during the continuation of an Insurer Default, Noteholders representing 66 2/3% of the Aggregate Principal Amount of the Notes.

"Corporate Trust Office" shall mean the office of the Trustee at which at any particular time its corporate trust business is administered, which office at the date of the execution of this Indenture is located at Sixth & Marquette, MAC N9311-161, Minneapolis, MN 55479, Attention: Corporate Trust Services – Asset-Backed Administration.

"Credit Card Account" shall mean an arrangement whereby an Obligor makes Scheduled Payments under a Loan via pre-authorized debit to a Major Credit Card.

"Credit Standards and Collection Policies" shall mean the individual credit standards established by FRI and Trendwest and the collection policies established by WCF, attached hereto as Exhibit H and as amended from time to time in accordance with the restrictions of this Indenture.

"Custodial Agreement" shall mean the Sixth Amended and Restated Custodial Agreement dated as of July 11, 2006 by and among the Issuer, Sierra 2002, Sierra 2003-1, Sierra 2003-2, the Depositor, WCF, Trendwest, U.S. Bank National Association, as Custodian, the Trustee and the Collateral Agent, the Sierra 2002 Trustee, the Sierra 2003-1 Trustee, the Sierra 2003-2 Trustee, the Sierra 2004-1 Trustee and the Sierra 2005-1 Trustee, as the same may be further amended, supplemented or otherwise modified from time to time hereafter in accordance with its terms.

"Custodian" shall mean, at any time, the custodian under the Custodial Agreement.

"Customary Practices" shall, with respect to the servicing and administration of any Pledged Loans, have the meaning assigned to that term in the Purchase Agreement under which such Loan was transferred from the Seller to the Depositor.

"Cut-Off Date" shall mean, with respect to the Pledged Loans, the close of business on May 31, 2006.

"Debt" of any Person shall mean (a) indebtedness of such Person for borrowed money, (b) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) obligations of such Person to pay the deferred purchase price of property or services, (d) obligations of such Person as lessee under leases which have been or should be, in accordance with GAAP, recorded as capital leases, (e) obligations secured by any lien, security interest or other charge upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, (f) obligations of such

Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (e) above, and (g) liabilities of such Person in respect of unfunded vested benefits under Benefit Plans covered by Title IV of ERISA.

"Debtor Relief Laws" shall mean the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, arrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"Defaulted Loan" shall mean any Pledged Loan (a) for which any portion of a Scheduled Payment is delinquent more than 119 days, (b) with respect to which the Servicer shall have determined in good faith that the related Obligor will not resume making Scheduled Payments, (c) for which the related Obligor shall have become the subject of a proceeding under a Debtor Relief Law or (d) for which cancellation or foreclosure actions have been commenced.

"Default Percentage" shall mean, for any Due Period, the percentage equivalent of a fraction the numerator of which is the sum of the outstanding principal balance of each Pledged Loan (each such principal balance determined as of the day immediately preceding the date on which such Pledged Loan became a Defaulted Loan) that became a Defaulted Loan during such Due Period, and the denominator of which is the Aggregate Loan Balance as of the last day of such Due Period.

"Default Percentage Threshold" shall mean, for any Determination Date, 1.00%.

"Defective Loan" shall mean any Pledged Loan with an uncured material breach (with all breaches that give rise to actual rescission being deemed material on a Pledged Loan by Pledged Loan basis) of any representation or warranty of the Issuer set forth in Section 5.2 of this Indenture.

"Definitive Notes" shall have the meaning set forth in Section 2.11.

"Delinquency Ratio" shall mean, for any Due Period, a fraction the numerator of which is the sum of the outstanding principal balance of each Pledged Loan (each such principal balance determined as of the last day of such Due Period) which is a Delinquent Loan as of the last day of such Due Period and the denominator of which is the Aggregate Loan Balance as of the last day of such Due Period.

"Delinquent Loan" shall mean a Pledged Loan for which all or a portion of the Scheduled Payments are more than 60 days delinquent, other than a Pledged Loan that is a Defaulted Loan.

"Depositor" shall mean Sierra Deposit Company, LLC, a Delaware limited liability company.

"Depository Agreement" shall mean the agreement among the Issuer, the Trustee and The Depository Trust Company.

"Determination Date" shall mean, with respect to any Payment Date, the fifth Business Day preceding such Payment Date.

"Distribution Compliance Period" shall have the meaning specified in Rule 902 of Regulation S under the Securities Act.

"Due Period" shall mean, for the Payment Date occurring in August 2006, the two full calendar months preceding such Payment Date, and for each other Payment Date, the immediately preceding calendar month.

"DWAC" shall have the meaning set forth in subsection 2.13(a).

"Eligible Account" means either (a) a segregated account (including a securities account) with an Eligible Institution or (b) a segregated trust account with the corporate trust department of a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any domestic branch of a foreign bank), having corporate trust powers and acting as trustee for funds deposited in such account, so long as any of the securities of such depository institution shall have a credit rating from each Rating Agency in one of its generic rating categories which signifies investment grade.

"Eligible Loan" shall have the meaning assigned to that term in Section 5.2.

"Eligible Institution" shall mean any depository institution the short term unsecured senior indebtedness of which is rated at least "Fl" by Fitch, "A-l" by S&P or "P-l" by Moody's, and the long term unsecured indebtedness of which is rated at least "A" by Fitch, "A" by S&P or "A-2" by Moody's.

"Equity Percentage" shall mean, with respect to a Loan, the percentage equivalent of a fraction the numerator of which is the excess of (A) the Timeshare Price of the related Vacation Ownership Interest relating to the Loan paid or to be paid by an Obligor over (B) the outstanding principal balance of such Loan at the time of sale of such Vacation Ownership Interest to such Obligor (less the amount of any valid check presented by such Obligor at the time of such sale that has cleared the payment system), and the denominator of which is the Timeshare Price of the related Vacation Ownership Interest, provided that any cash down payments or principal payments made on any initial Loan that have been fully prepaid as part of a Timeshare Upgrade and financed down payments under such initial Loan financed over a period not exceeding six months from the date of origination of such Loan that have actually been paid within such six-month period shall be included in clause (A) above for purposes of calculating the numerator of such fraction.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as such Person; or (ii) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with such Person.

"Euroclear Operator" shall mean Euroclear Bank S.A./N.V., as operator of the Euroclear System, and its successor and assigns in such capacity.

"Euroclear Participants" shall mean the participants of the Euroclear System, for which the Euroclear System holds securities.

"Event of Default" shall mean the events designated as Events of Default under Section 11.1 of this Indenture.

"Exchange Act" shall mean the U. S. Securities Exchange Act of 1934, as amended.

"Exchange Date" shall have the meaning specified in subsection 2.9(d).

"Extra Principal Distribution Amount," shall mean, on any Payment Date, the lesser of (i) the amount by which Available Funds exceeds the amount required to be distributed on such Payment Date pursuant to clauses FIRST through NINTH, inclusive, of the Priority of Payments and (ii) the Overcollateralization Deficiency Amount on such Payment Date.

"Fairfield Loan" shall mean a Pledged Loan which was sold to the Depositor under the Fairfield Master Loan Purchase Agreement.

"Fairfield Master Loan Purchase Agreement" shall mean the Master Loan Purchase Agreement dated as of August 29, 2002, as amended or amended and restated from time to time, by and between WCF, as Seller and the Depositor, as Purchaser and FRI and various other entities from time to time party thereto, together with the Series 2002-1 Supplement thereto also dated as of August 29, 2002, as amended or amended and restated from time to time and the Series 2006-1 Supplement thereto, dated as of July 11, 2006, as amended from time to time.

"Fairfield Originator" shall mean FRI, Fairfield Myrtle Beach, Inc., Kona Hawaiian Vacation Ownership, LLC, Shawnee Development, Inc., Sea Gardens Beach and Tennis Resort, Inc., Vacation Break Resorts, Inc., Vacation Break Resorts at Star Island, Inc., Palm Vacation Group, Ocean Ranch Vacation Group, or any other Subsidiary of Wyndham (other than Trendwest) that originates Loans in accordance with the Credit Standards and Collection Policies for sale to WCF.

"Fairfield Resort" shall mean a resort developed by FRI or its subsidiaries or in which FRI or its subsidiaries sell Vacation Ownership Interests.

"FairShare Plus Agreement" shall mean the Amended and Restated FairShare Vacation Plan Use Management Trust Agreement effective as of January 1, 1996 by and between FRI, and certain of its subsidiaries and third party developers, as the same may be further amended, supplemented or otherwise modified from time to time hereafter in accordance with its terms.

"FairShare Plus" shall mean the program pursuant to which the occupancy and use of a Vacation Ownership Interest is assigned to the trust created by the FairShare Plus Agreement in exchange for annual symbolic points that are used to establish the location, timing, length of stay and unit type of a vacation, including without limitation systems relating to reservations, accounting and collection, disbursement and enforcement of assessments in respect of contributed units.

"Financing Statements" shall mean, collectively, the UCC financing statements and the amendments thereto to be authorized and delivered in connection with any of the transactions contemplated hereby or any of the other Transaction Documents.

"Fitch" shall mean Fitch, Inc. or any successor thereto.

"Fixed Amount" shall mean, for any Payment Date, an amount equal to the fixed amount payable by the Issuer to the Swap Counterparty for such date pursuant to the Interest Rate Swap.

"Fixed Week" shall mean a Vacation Ownership Interest representing a fee simple interest in a lodging unit at a Resort that entitles the related Obligor to occupy such lodging unit for a specified one-week period each year.

"Floating Amount" shall mean, for any Payment Date an amount equal to the floating amount payable by the Swap Counterparty to the Issuer for such date pursuant to the Interest Rate Swap.

"FMB" shall mean Fairfield Myrtle Beach, Inc., a Delaware corporation.

"Foreign Clearing Agency" shall mean Clearstream and the Euroclear Operator.

"FRI" shall mean Fairfield Resorts, Inc., a Delaware corporation.

"Fractional Interest" shall mean a fractional ownership interest as tenant in common in an individual lodging unit in a Resort.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Global Notes" shall mean the Rule 144A Global Note and the Regulation S Global Note.

"Grant" shall mean, as to any asset or property, to pledge, assign and grant a security interest in such asset or property. A Grant of any item of Collateral shall include all rights, powers and options of the Granting party thereunder or with respect thereto, including without limitation the immediate and continuing right to claim, collect, receive and give receipt for principal, interest and other payments in respect of such item of Collateral, principal and interest payments and receipts in respect of the Permitted Investments, Insurance Proceeds, purchase prices and all other monies payable thereunder and all income, proceeds, products, rents and profits thereof, to give and receive notices and other communications, to make waivers or other agreements, to exercise all such rights and options, to bring Proceedings in the name of the Granting party or otherwise, and generally to do and receive anything which the Granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Green Loan" shall mean a Loan the proceeds of which are used to finance the purchase of a Green Vacation Ownership Interest.

"Green Vacation Ownership Interest" shall mean a Vacation Ownership Interest for which construction on the related Resort has not yet begun or is subject to completion.

"Indenture" shall mean this Agreement.

"Independent Director" shall have the meaning assigned to the term in subsection 6.1(m).

"Initial Principal Amount" shall mean the aggregate amount of $550,000,000 of the Notes composed of the initial principal amounts of $325,000,000 of the Class A-1 Notes and $225,000,000 of the Class A-2 Notes at the time such Notes were issued.

"Initial Purchasers" shall mean Credit Suisse Securities (USA) LLC, Greenwich Capital Markets, Inc., Banc of America Securities LLC, Calyon Securities (USA) Inc., Citigroup Capital Markets, Inc. and Scotia Capital (USA), Inc.

"Insolvency Event" shall mean, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any Debtor Relief Law, or the filing of a petition against such Person in an involuntary case under any Debtor Relief Law, which case remains unstayed and undismissed within 30 days of such filing, or the appointing of a receiver, conservator, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the ordering of the winding-up or liquidation of such Person's business; or (b) the commencement by such Person of a voluntary case under any Debtor Relief Law, or the consent by such Person to the entry of an order for relief in an involuntary case under any such Debtor Relief Law, or the consent by such Person to the appointment of or taking possession by a receiver, conservator, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due or the admission by such Person of its inability to pay its debts generally as they become due.

"Insolvency Proceeding" shall mean any proceeding relating to an Insolvency Event.

"Installment Contract" shall mean an installment sale contract as defined in the applicable Purchase Agreement.

"Insurance Agreement" shall mean the Insurance and Reimbursement Agreement dated as of July 11, 2006 by and among the Insurer, the Issuer, the Servicer, the Depositor, the Sellers, Cendant, Wyndham Worldwide and the Trustee, as the same may be further amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Insurance Policy" shall mean the Financial Guaranty Insurance Policy, policy number 48242, issued by the Insurer in favor of the Trustee for the benefit of the Noteholders, which policy has an effective date of July 11, 2006.

"Insurance Premium" shall have the meaning assigned to that term in the Premium Letter.

"Insurance Proceeds" shall have the meaning assigned to that term in the applicable Purchase Agreement.

"Insurer" shall mean MBIA Insurance Corporation, a New York stock insurance company.

"Insurer Default" shall mean (i) the occurrence of an Insolvency Event with respect to the Insurer, or (ii) the failure of the Insurer to make a payment as and when due under the Insurance Policy.

"Interest Accrual Period" shall mean, with respect to the Notes for any Payment Date, the period beginning on and including the immediately preceding Payment Date and ending on and excluding such Payment Date, except that the first Interest Accrual Period will begin on and include July 11, 2006 and end on and exclude the August 2006 Payment Date.

"Interest Rate Swap" shall mean the ISDA Master Agreement, together with the Schedule thereto, the "Credit Support Annex" and the "Confirmation For U.S. Dollar Interest Rate Swap Transaction Under 1992 Master Agreement," each dated as of June 27, 2006 between the Issuer and the Swap Counterparty, as such Interest Rate Swap may be amended, modified or replaced.

"Investment Company Act" shall mean the U.S. Investment Company Act of 1940, as amended.

"Issuer" shall mean Sierra Timeshare 2006-1 Receivables Funding, LLC, a Delaware limited liability company and its successors and assigns.

"Issuer Order" shall mean a written order or request dated and signed in the name of the Issuer by an Authorized Officer of the Issuer.

"Kona Loan" shall mean any Loan which was acquired by FRI from Kona Hawaiian Vacation Ownership, LLC.

"LIBOR" shall mean, for any Interest Accrual Period, the London interbank offered rate for one-month United States dollar deposits determined by the Trustee on the LIBOR Determination Date for such Interest Accrual Period in accordance with the provisions of Section 2.4.

"LIBOR Determination Date" shall mean, with respect to each Interest Accrual Period, the second London Business Day immediately preceding the first day of such Interest Accrual Period.

"Lien" shall mean any mortgage, security interest, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the

filing of any financing statement under the UCC (other than any such financing statement filed for informational purposes only) or comparable law of any jurisdiction to evidence any of the foregoing.

"LLC Agreement" shall mean the Limited Liability Company Agreement of Sierra Timeshare 2006-1 Receivables Funding, LLC dated as of June 27, 2006 as amended, supplemented, restated or otherwise modified from time to time in accordance with its terms.

"Loan" shall mean each loan, installment contract, contract for deed or contract or note secured by a mortgage, deed of trust, vendor's lien or retention of title originated or acquired by a Seller and relating to the sale of one or more Vacation Ownership Interests.

"Loan Balance" shall mean the outstanding principal balance due under or in respect of a Pledged Loan (including a Defaulted Loan (until it becomes a Released Pledged Loan)).

"Loan Documents" shall, with respect to any Pledged Loan, have the meaning assigned to that term in the Purchase Agreement under which such Pledged Loan was transferred from the Seller to the Depositor.

"Loan File" shall, with respect to any Pledged Loan, have the meaning assigned to that term in the Purchase Agreement under which such Pledged Loan was transferred from the Seller to the Depositor.

"Loan Rate" shall mean the annual rate at which interest accrues on any Pledged Loan, as modified from time to time in accordance with the terms of any related Credit Standards and Collection Policies.

"Loan Schedule" shall mean the Loan Schedule containing information about the Pledged Loans, which Loan Schedule is delivered electronically by the Issuer to the Trustee as of the Closing Date and as such schedule is amended by delivery electronically by the Issuer to the Trustee of information relating to the release of Pledged Loans or the Grant of Qualified Substitute Loans.

"Lockbox Account" shall mean any of the accounts established pursuant to a Lockbox Agreement.

"Lockbox Agreement" shall mean any agreement substantially in the form of Exhibit F by and between the Issuer, the Trustee, the Servicer and the applicable Lockbox Bank, which agreement sets forth the rights of the Issuer, the Trustee and the applicable Lockbox Bank, with respect to the disposition and application of the Collections deposited in the applicable Lockbox Account, including without limitation the right of the Trustee to direct the Lockbox Bank to remit all Collections directly to the Trustee.

"Lockbox Bank" shall mean any of the commercial banks holding one or more Lockbox Accounts.

"London Business Day" shall mean a day on which banks are open for dealing in foreign currency and exchange in London and New York City.

"Lot" shall mean a fully or partially developed parcel of real estate.

"Major Credit Card" shall mean a credit card issued by any VISA USA, Inc., MasterCard International Incorporated, American Express Company, Discover Bank, Diners Club International Ltd. or JCB credit card affiliate or member entity.

"Majority Holders" shall mean with respect to all Notes issued and outstanding, the holders of greater than fifty percent of the Aggregate Principal Amount of all Notes.

"Master Loan Purchase Agreement" shall mean the Fairfield Master Loan Purchase Agreement or the Trendwest Master Loan Purchase Agreement.

"Material Adverse Effect" shall mean, with respect to any Person and any event or circumstance, a material adverse effect on:

(a) the business, properties, operations or condition (financial or otherwise) of such Person;

(b) the ability of such Person to perform its respective obligations under any of the Transaction Documents to which it is a party;

(c) the validity or enforceability of, or collectibility of amounts payable under, this Indenture (if such Person is a party to this Indenture) or any of the Transaction Documents to which it is a party;

(d) the status, existence, perfection or priority of any Lien arising through or under such Person under any of the Transaction Documents to which it is a party; or

(e) the value, validity, enforceability or collectibility of the Pledged Loans or any of the other Pledged Assets.

"Member" shall have the meaning assigned thereto in the LLC Agreement.

"Monthly Collateral Agent Fee" shall mean, in respect of any Due Period (or portion thereof), the amount due to the Collateral Agent for fees related to the Collateral for the Series 2006-1 Notes calculated in accordance with Schedule 3 attached hereto.

"Monthly Custodian Fee" shall mean, in respect of any Due Period (or portion thereof), the amount due to the Custodian under the Custodial Agreement for fees related to the Pledged Loans and related Pledged Assets, such amounts to be calculated in accordance with Schedule 3 attached hereto.

"Monthly Principal" shall mean on any Payment Date, the sum of (i) the principal portion of Scheduled Payments collected during the related Due Period on the Pledged Loans; (ii) the principal portion of Servicer Advances, if any, with respect to the related Due Period; (iii) the principal amount of any prepayments (including prepayments relating to Timeshare Upgrades) collected on any Pledged Loan during the related Due Period, (iv) principal proceeds from the purchase by the Sellers of any Pledged Loans that have become Defaulted Loans during the

related Due Period; and (v) the principal proceeds of any repurchase of a Defective Loan funded by a Seller or the Performance Guarantor or any deposit in respect of a Defective Loan by the Issuer during the related Due Period.

"Monthly Servicer Fee" shall mean, in respect of any Due Period (or portion thereof), an amount equal to one-twelfth of the product of (a) 1.10% and (b) the Aggregate Loan Balance of the Pledged Loans at the beginning of such Due Period; or if a Successor Servicer has been appointed and accepted the appointment or if the Trustee is acting as Servicer a negotiated higher fee, subject to the consent of the Insurer or, if an Insurer Default has occurred and is continuing, Noteholders representing greater than 50% of the Aggregate Principal Amount of the Notes.

"Monthly Servicing Report" shall mean each monthly report prepared by the Servicer as provided in Section 8.1.

"Monthly Trustee Fee" shall mean, in respect of any Due Period, an amount equal to $1,000.00 as an administration fee.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor thereto.

"Mortgage" shall mean any mortgage, deed of trust, purchase money deed of trust or deed to secure debt encumbering the related Vacation Ownership Interest, granted by the related Obligor to the Originator of a Loan to secure payments or other obligations under such Loan.

"Net Liquidation Proceeds" shall mean, with respect to any Defaulted Loan which is a Pledged Loan and which has not been released from the Lien of this Indenture, the proceeds of the sale, liquidation or other disposition of the Defaulted Loan or the Pledged Assets or other collateral securing such Defaulted Loan.

"Net Swap Payment" shall mean, for any Payment Date, the amount, if any, by which the Fixed Amount for such date exceeds the Floating Amount for such date.

"Net Swap Receipt" shall mean, for any Payment Date, the amount, if any, by which the Floating Amount for such date exceeds the Fixed Amount for such date.

"Nominee" shall have the meaning set forth in the Purchase Agreements.

"Non-U.S. Certificate" shall have the meaning set forth in subsection 2.12(b).

"Noteholder" or "Holder" shall mean the Person in whose name a Note is registered in the Note Register.

"Note Interest Rate" shall mean with respect to each Class of Notes, the respective rate per annum set forth below:

Class of Notes	Note Interest Rate
Class A-1 Notes	5.84%
Class A-2 Notes	One-month LIBOR as determined from time to time plus 0.15%

"Note Owner" shall mean, with respect to a Note, the Person who is the owner of a beneficial interest in such Note, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly as a participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Note Purchase Agreement" shall mean the Note Purchase Agreement dated June 27, 2006 among the Issuer, the Sellers, the Depositor and the Initial Purchasers named therein.

"Note Register" shall have the meaning specified in Section 2.6.

"Note Registrar" shall have the meaning specified in Section 2.6.

"Notes" shall mean the Sierra Timeshare 2006-1 Receivables Funding, LLC Vacation Timeshare Loan Backed Notes, Series 2006-1.

"Notice for Payment" shall have the meaning assigned to that term in the Insurance Policy.

"Obligor" shall mean, with respect to any Pledged Loan, the Person or Persons obligated to make Scheduled Payments thereon.

"Offering Circular" shall mean the final Offering Circular dated June 27, 2006 relating to the Notes.

"Officer's Certificate" shall mean, unless otherwise specified in this Indenture, a certificate delivered to the Trustee signed by any Vice President or more senior officer of the Issuer or the Servicer, as the case may be, or, in the case of a Successor Servicer, a certificate signed by any Vice President or more senior officer or the financial controller (or an officer holding an office with equivalent or more senior responsibilities) of such Successor Servicer, and delivered to the Trustee.

"Operating Agreement" shall mean the Eleventh Amended and Restated Operating Agreement dated as of July 11, 2006 by and between FRI, FMB, WCF, Kona Hawaiian Vacation Ownership, LLC the VB Subsidiaries and Trendwest as described therein, as the same may be further amended, supplemented or otherwise modified from time to time hereafter in accordance with its terms.

"Opinion of Counsel" shall mean a written opinion of counsel who may be counsel for, or an employee of, the Person providing the opinion and who shall be reasonably acceptable to the Trustee and the Insurer.

"Order" shall have the meaning assigned thereto in subsection 3.8(b).

"Originator" shall have the meaning, with respect to any Pledged Loan, assigned to such term in the applicable Purchase Agreement or, if such term is not so defined, the entity which originates or acquires Loans and transfers such Loans directly or through a Seller to the Depositor.

"Overcollateralization Amount," shall mean on any Payment Date, the excess, if any, of (i) the Aggregate Loan Balance as of the last day of the related Due Period over (ii) the Aggregate Principal Amount on such Payment Date, after taking into account any distributions of principal to the Noteholders on such Payment Date.

"Overcollateralization Deficiency Amount" shall mean, for any Payment Date, the excess, if any, of (i) the Required Overcollateralization Amount on such Payment Date over (ii) the Pro Forma Overcollateralization Amount on such Payment Date.

"Overcollateralization Release Amount," shall mean (i) on any Payment Date on or after the Stepdown Date, if neither a Cash Accumulation Event nor a Rapid Amortization Event has occurred and is then continuing, an amount equal to the excess, if any, of (a) the Pro Forma Overcollateralization Amount on such Payment Date over (b) the Required Overcollateralization Amount on such Payment Date; provided that such amount will not exceed the Monthly Principal for such Payment Date and (ii) on any other Payment Date, zero.

"PAC" shall mean an arrangement whereby an Obligor makes Scheduled Payments under a Pledged Loan via pre-authorized debit.

"Paying Agent" shall mean the Trustee or any successor thereto, in its capacity as paying agent.

"Payment Date" shall mean the 20th day of each calendar month, or, if such 20h day is not a Business Day, the next succeeding Business Day, commencing in August 2006.

"Performance Guarantor" shall mean (i) prior to the Separation Effective Date, Cendant and (ii) on and after the Separation Effective Date, Wyndham Worldwide.

"Performance Guaranty" shall mean that Performance Guaranty dated as of July 11, 2006 made by Cendant and Wyndham Worldwide in favor of the Issuer, the Depositor, the Trustee and the Collateral Agent, as amended from time to time.

"Permanent Regulation S Global Note" shall have the meaning assigned thereto in subsection 2.12(a).

"Permitted Encumbrance" with respect to any Pledged Loan has the meaning assigned to that term under the Purchase Agreement pursuant to which such Loan has been sold to the Depositor.

"Permitted Investments" shall mean (i) U.S. Government Obligations having maturities on or before the first Payment Date after the date of acquisition; (ii) time deposits and certificates of deposit having maturities on or before the first Payment Date after the date of acquisition, maintained with or issued by any commercial bank having capital and surplus in excess of $500,000,000 and having a short term senior unsecured debt rating of at least "A-1" by S&P and "P-l" by Moody's and "F1" by Fitch if rated by Fitch; (iii) repurchase agreements having maturities on or before the first Payment Date after the date of acquisition for underlying securities of the types described in clauses (i) and (ii) above or clause (iv) below with any institution having a short term senior unsecured debt rating of at least "P-1" by Moody's and "A-1" by S&P and "F1" by Fitch if rated by Fitch; (iv) commercial paper maturing on or before the first Payment Date after the date of acquisition and having a short term senior unsecured debt rating of at least "P-1" by Moody's and

"A-1+" by S&P and "F1" by Fitch if rated by Fitch; and (v) money market funds rated "Aaa" by Moody's and rated "AAAm" or "AAAm-G" by S&P and which invest solely in any of the foregoing (without regard to maturity), including any such funds in which the Trustee or an Affiliate of the Trustee acts as an investment advisor or provides other investment related services; provided, however, that no obligation of any Seller, the Depositor or the Performance Guarantor shall constitute a Permitted Investment and provided further, that no interest only obligation and no investment purchased by the Issuer or the Trustee at a premium shall constitute Permitted Investments.

"Person" shall mean any person or entity including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity or other entity or organization of any nature, whether or not a legal entity.

"Pledged Assets" with respect to each Pledged Loan, shall mean all right, title and interest of the Depositor in, to and under such Pledged Loan from time to time and the related Transferred Assets and all of the Depositor's rights under the related Purchase Agreement, and in and to the Collections and the proceeds of any of the foregoing.

"Pledged Loans" shall mean the Loans listed on the Loan Schedule.

"POA" shall mean each property owners' association or similar timeshare owner body for a Vacation Ownership Interest Regime or Resort or portion thereof, in each case established pursuant to the declarations, articles or similar charter documents applicable to each such Vacation Ownership Interest Regime, Resort or portion thereof.

"Points" shall mean, with respect to any lodging unit at a Vacation Ownership Interest Regime, the number of points of symbolic value assigned to such unit pursuant to FairShare Plus.

"Policy Claim Amount" shall have the meaning assigned thereto in subsection 3.8(b).

"Post Office Box" shall mean each post office box to which Obligors are directed to mail payments in respect of the Pledged Loans.

"Predecessor Note" shall mean, with respect to any particular Note, every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purpose of this definition, any Note authenticated and delivered under Section 2.7 in lieu of a mutilated, lost, destroyed or stolen Note shall evidence the same debt as the mutilated, lost, destroyed or stolen Note.

"Preference Amount" shall have the meaning assigned thereto in subsection 3.8(b).

"Premium Letter" shall have the meaning assigned to that term in the Insurance Agreement.

"Principal Amount" shall mean, the Initial Principal Amount of a Class, less principal payments previously paid to such Class as of such date and which payments have not been subsequently rescinded or recaptured.

"Principal Distribution Amount" shall mean, for any Payment Date, an amount equal to the sum, without duplication, of the Monthly Principal for such Payment Date plus the outstanding principal balance of all Pledged Loans that became Defaulted Loans during the related Due Period that were not repurchased by a Seller, as reduced by the Overcollateralization Release Amount, if any, for such Payment Date.

"Priority of Payments" shall mean the application of Available Funds in accordance with Section 3.1.

"Pro Forma Overcollateralization Amount" shall mean, on any Payment Date, the excess, if any, of (i) the Aggregate Loan Balance as of the last day of the related Due Period over (ii) (x) the Aggregate Principal Amount on such Payment Date, before taking into account any distributions of principal to the Noteholders on such Payment Date, minus (y) an amount equal to the sum of (i) the Monthly Principal for such Payment Date and, without duplication, (ii) the outstanding principal balance of all Pledged Loans that became Defaulted Loans during the related Due Period that were not repurchased by a Seller.

"Proceeding" shall have the meaning specified in Section 11.3.

"Purchase Agreement" shall mean a Master Loan Purchase Agreement between a Seller and the Depositor pursuant to which the Seller sells Loans and related assets to the Depositor.

"QIB" shall have the meaning set forth in subsection 2.6(c).

"Qualified Substitute Loan" shall mean a substitute Loan that is an Eligible Loan on the applicable date of substitution and that on such date of substitution (i) has a coupon rate not less than the coupon rate of the Pledged Loan for which it is to be substituted, (ii) has a remaining term to stated maturity not greater than the remaining term to maturity of the Pledged Loan for which it is to be substituted, and (iii) is a Fairfield Loan if the Loan for which it is to be substituted is a Fairfield Loan or is a Trendwest Loan if the Loan for which it is to be substituted is a Trendwest Loan.

"Rapid Amortization Events" shall mean: (i) an Insolvency Event has occurred with respect to the Issuer; (ii) if on any two consecutive Payment Dates, either (A) the sum of Available Funds plus, without duplication, amounts on deposit in the Reserve Account are not sufficient to pay all Accrued Interest due on the Notes, or (B) after application of all Available Funds in accordance with the Priority of Payments, the Overcollateralization Amount would be less than the Required Overcollateralization Amount; (iii) if on any Payment Date, after application of all Available Funds in accordance with the Priority of Payments on such Payment Date, the sum of the Aggregate Loan Balance plus the amount on deposit in the Reserve Account would be less than the Aggregate Principal Amount; or (iv) the Control Party has provided written notice to the Trustee that an event described in subsection 11.1(a), (b), (d), (e) or (f) has occurred and is continuing and that such event has been designated a Rapid Amortization Event by the Control Party whether or not such event has also been declared an Event of Default. The

Rapid Amortization Events described in (ii), (iii) and (iv) above will continue to be in effect until such time, if ever, that the Control Party has consented to the termination of the Rapid Amortization Event.

"Rated Final Maturity Date" shall mean the Payment Date occurring in May 2018.

"Rating Agency" shall mean each of Fitch, S&P or Moody's as appropriate and their respective successors in interest.

"Rating Agency Condition" shall mean, with respect to any action taken or to be taken, that each Rating Agency shall have notified the Issuer and the Trustee in writing that such action will not result in a reduction, downgrade, suspension or withdrawal of the rating then assigned to any outstanding Class of Notes.

"Receipt" and "Received" shall have the meanings assigned thereto in subsection 3.8(b).

"Record Date" shall mean, for any Payment Date, (i) for Notes in book-entry form, the close of business on the Business Day immediately preceding such Payment Date and (ii) for Definitive Notes, the close of business on the last Business Day of the month preceding the month in which such Payment Date occurs.

"Records" shall, with respect to any Pledged Loan, have the meaning assigned thereto in the applicable Purchase Agreement.

"Reference Banks" shall mean leading banks selected by the Servicer and engaged in transactions in Eurodollar deposits in the international Eurocurrency market (i) with an established place of business in London and (ii) which have been designated as such by the Servicer.

"Regulation S Certificate" shall have the meaning assigned thereto in subsection 2.9(d).

"Regulation S Global Note" shall mean either the Temporary Regulation S Global Note or the Permanent Regulation S Global Note.

"Reimbursement Amount" shall mean, on any Payment Date, the sum of (i) all Policy Claim Amounts previously received by the Trustee from the Insurer and not previously repaid to the Insurer pursuant to this Agreement, plus (ii) interest (in accordance with the Insurance Agreement) accrued on each such Policy Claim Amount from the date the Trustee received the related Policy Claim Amount to, but not including, such Payment Date that has not been previously repaid to the Insurer.

"Release Date" shall mean, with respect to any Pledged Loan, the date on which such Pledged Loan is released from the Lien of this Indenture.

"Release Price" shall mean an amount equal to the outstanding Loan Balance of the Pledged Loan as of the close of business on the Calculation Date immediately preceding the date on which the release is to be made, plus accrued and unpaid interest thereon to the date of such release; provided that for purposes of calculating the Release Price with respect to any Trendwest Timeshare Upgrade the Release Price will be calculated without regard to the upgrade.

"Released Pledged Loan" shall mean any Loan which was included as a Pledged Loan, but which has been released from the Lien of this Indenture pursuant to the terms hereof.

"Required Overcollateralization Amount," shall mean, as of any Payment Date, an amount equal to (i) prior to the Stepdown Date, 10.5% of the Aggregate Loan Balance as of the Cut-Off Date, and (ii) on and after the Stepdown Date, (A) if no Cash Accumulation Event has occurred and is continuing, the greater of (x) 0.50% of the Aggregate Loan Balance as of the Cut-Off Date and (y) 21.0% of the Aggregate Loan Balance as of the last day of the related Due Period and (B) if a Cash Accumulation Event has occurred and is continuing, the Required Overcollateralization Amount as determined on the immediately preceding Payment Date; provided that if a Rapid Amortization Event has occurred and is then continuing, the Required Overcollateralization Amount will be equal to the Aggregate Loan Balance as of the last day of the related Due Period.

"Reserve Account" shall mean the account established pursuant to Section 3.5 of this Indenture.

"Reserve Account Draw Amount" shall have the meaning set forth in subsection 3.5(b).

"Reserve Required Amount" shall mean (a) as of the Closing Date, 1.0% of the Aggregate Loan Balance as of the Cut-Off Date, and (b) at any time after the Closing Date, (i) if no Cash Accumulation Event has occurred and is continuing 2.0% of the Aggregate Loan Balance at such time; and (ii) if a Cash Accumulation Event has occurred and is continuing, the product of (A) the Aggregate Loan Balance as of the last day of the immediately preceding Due Period and (B) the greater of (x) 10.0% or (y) 2 times the Delinquency Ratio for such Due Period; provided that in no event will the Reserve Required Amount be less than 0.50% of the Aggregate Loan Balance as of the Cut-Off Date; provided further, that in no event will the Reserve Required Amount be greater than the Aggregate Principal Amount.

"Resort" shall mean a Fairfield Resort or a Trendwest Resort.

"Responsible Officer" shall mean any officer assigned to the Corporate Trust Office (or any successor thereto), including any Vice President, Assistant Vice President, Trust Officer, any Assistant Secretary, any trust officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers, in each case having direct responsibility for the administration of this Indenture.

"Rule 144A" shall have the meaning set forth in subsection 2.6(c).

"Rule 144A Global Note" shall have the meaning assigned thereto in Section 2.11.

"S&P" shall mean Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. or any successor thereto.

"Sale" shall have the meaning specified in Section 11.13(a).

"Sale and Assignment Agreement" shall mean the Sale and Assignment Agreement dated as of July 11, 2006 entered into by Sierra 2002 and the Depositor and pursuant to which Sierra 2002 sells and assigns to the Depositor all of Sierra 2002's right, title and interest in certain Pledged Loans and the Pledged Assets related thereto.

"Scheduled Final Maturity Date" shall mean the Payment Date occurring in May 2016.

"Scheduled Payment" shall mean the scheduled monthly payment of principal and interest on a Pledged Loan.

"Securities Act" shall mean the U.S. Securities Act of 1933, as amended.

"Seller" shall mean WCF or Trendwest or, in either case, any successor thereto.

"Senior Priority Swap Termination Amount" shall mean any unpaid amount owing to the Swap Counterparty in respect of Termination Payments relating to a termination of the Interest Rate Swap arising from (a) the Swap Counterparty not receiving any Net Swap Payment owing to it, (b) bankruptcy, insolvency or similar event of the Issuer or (c) the liquidation of all of the Pledged Loans (excluding Defaulted Loans) pursuant to this Indenture.

"Separation Effective Date" shall mean the date on which Wyndham Worldwide and its subsidiaries cease to be subsidiaries of Cendant.

"Series Termination Date" shall mean the Termination Date.

"Servicer" shall mean WCF, in its capacity as Servicer pursuant to this Indenture or, after any Service Transfer, the Successor Servicer.

"Servicer Advance" shall mean amounts, if any, advanced by the Servicer, at its option, to cover any shortfall between (i) the Scheduled Payments on the Pledged Loans (other than Defaulted Loans) for a Due Period and (ii) the amounts actually deposited in the Collection Account on account of such Scheduled Payments on or prior to the Payment Date immediately following such Due Period.

"Servicer Default" shall mean the defaults specified in Section 12.1.

"Service Transfer" shall have the meaning set forth in Section 12.1.

"Servicing Officer" shall mean any officer of the Servicer involved in, or responsible for, the administration and servicing of the Loans whose name appears on a list of servicing officers furnished to the Trustee by the Servicer, as such list may be amended from time to time.

"Shawnee Loan" shall mean any Loan which was acquired by FRI from Shawnee Development, Inc.

"Sierra 2002" shall mean Sierra Timeshare Conduit Receivables Funding, LLC, a Delaware limited liability company formerly known as Cendant Timeshare Conduit Receivables Funding, LLC.

"Sierra 2002 Trustee" shall mean the trustee under the terms of the Master Indenture and Servicing Agreement dated as of August 29, 2002 and the Series 2002-1 supplement thereto, each of which is among the trustee named therein, WCF and Sierra 2002.

"Sierra 2003-1" shall mean Sierra 2003-1 Receivables Funding Company, LLC, a Delaware limited liability company.

"Sierra 2003-1 Trustee" shall mean the trustee under the terms of the Indenture and Servicing Agreement dated as of March 31, 2003 which is among the trustee named therein, WCF and Sierra 2003-1.

"Sierra 2003-2" shall mean Sierra 2003-2 Receivables Funding Company, LLC, a Delaware limited liability company.

"Sierra 2003-2 Trustee" shall mean the trustee under the terms of the Indenture and Servicing Agreement dated as of December 5, 2003 among the trustee named therein, WCF and Sierra 2003-2.

"Sierra 2004-1" shall mean Sierra Timeshare 2004-1 Receivables Funding, LLC, a Delaware limited liability company.

"Sierra 2004-1 Trustee" shall mean the trustee under the terms of the Indenture and Servicing Agreement dated as of May 27, 2004 among the trustee named therein, WCF and Sierra 2004-1.

"Sierra 2005-1" shall mean Sierra Timeshare 2005-1 Receivables Funding, LLC, a Delaware limited liability company.

"Sierra 2005-1 Trustee" shall mean the trustee under the terms of the Indenture and Servicing Agreement dated as of August 11, 2005 among the trustee named therein, WCF and Sierra 2005-1.

"Stepdown Date" shall mean the later to occur of the Payment Date in July 2008 or the Payment Date on which the Aggregate Loan Balance as of the last day of the related Due Period is less than 50% of the Aggregate Loan Balance as of the Cut-Off Date.

"Subsidiary" shall mean, as to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned by such Person.

"Substitution Adjustment Amount" shall mean, with respect to any Qualified Substitute Loan or Qualified Substitute Loans to be substituted for a Defective Loan or a Defaulted Loan, the amount, if any, by which the aggregate principal balance of all such Qualified Substitute Loans as of the date of substitution is less than the aggregate principal balance of all such Defective Loans or Defaulted Loans each determined as of the Calculation Date immediately prior to the date of substitution.

"Successor Servicer" shall have the meaning set forth in Section 12.2.

"Swap Counterparty" shall mean Bank of America, N.A. and any entity which is a replacement swap counterparty as provided in Section 3.6.

"Swap Rating Agency Condition" shall mean, with respect to any action a condition that is satisfied when Fitch is notified of such action by or on behalf of the Issuer, and S&P and Moody's have notified the Issuer and the Trustee that such action will not result in a reduction, downgrade, qualification (if applicable), or withdrawal of the rating that has been assigned by such Rating Agency to the Class A-2 Notes.

"Telerate Page 3750" shall mean the display page currently so designated on the Moneyline Telerate Service (or such other page as may replace such page on such service for the purpose of displaying comparable rates or prices).

"Temporary Regulation S Global Note" shall have the meaning assigned thereto in Section 2.11.

"Term Purchase Agreement" shall mean the Series 2006-1 Term Purchase Agreement dated as of July 11, 2006 between the Depositor as seller of the Pledged Loans and the Issuer.

"Termination Date" shall have the meaning specified in Section 14.1.

"Termination Notice" shall have the meaning specified in Section 12.1.

"Termination Payments" shall mean payments required to be made by the Issuer to the Swap Counterparty under the terms of the Interest Rate Swap as a result of a termination of the Interest Rate Swap.

"Termination Receipts" shall mean payments required to be made by the Swap Counterparty to the Issuer under the terms of the Interest Rate Swap as a result of a termination of the Interest Rate Swap.

"Timeshare Price" shall mean the original price of the Vacation Ownership Interest paid by an Obligor, plus any accrued and unpaid interest and other amounts owed by the Obligor.

"Timeshare Upgrade" shall have the meaning assigned thereto in the applicable Purchase Agreement.

"Title Clearing Agreement" shall have the meaning assigned thereto in the Fairfield Master Loan Purchase Agreement.

"Transaction Documents" shall mean, collectively, this Indenture, the Term Purchase Agreement, the Sale and Assignment Agreement, the Purchase Agreements, the assignment agreements executed by the Sellers and related to the periodic sale of Pledged Loans, the Custodial Agreement, the Performance Guaranty, the Lockbox Agreements, the Title Clearing Agreements, the Collateral Agency Agreement, the Administrative Services Agreements, the Insurance Policy, the Insurance Agreement, the Financing Statements and all other agreements, documents and instruments delivered pursuant thereto or in connection therewith, and "Transaction Document" shall mean any of them.

"Transferred Assets" shall, with respect to each Pledged Loan, have the meaning set forth in the Purchase Agreement under which such Loan was transferred to the Depositor.

"Trendwest" shall mean Trendwest Resorts, Inc., an Oregon corporation, a wholly-owned indirect subsidiary of Wyndham, and its successors and assigns.

"Trendwest Loan" shall mean a Pledged Loan which was initially sold to the Depositor under the Trendwest Master Loan Purchase Agreement.

"Trendwest Master Loan Purchase Agreement" shall mean that Master Loan Purchase Agreement dated as of August 29, 2002, as amended or amended and restated from time to time, by and between Trendwest and the Depositor and with respect to the Series 2006-1 Supplement, WCF, together with the Series 2002-1 Supplement thereto also dated as of August 29, 2002, as amended or amended and restated from time to time and the Series 2006-1 Supplement thereto, dated as of July 11, 2006, as amended from time to time.

"Trendwest Originator" shall mean Trendwest.

"Trendwest Resort" shall mean a resort developed by Trendwest or in which Trendwest sells Vacation Ownership Interests.

"Trendwest Timeshare Upgrade" shall mean a Trendwest Loan with respect to which the Obligor purchases a Timeshare Upgrade.

"Trustee" shall mean Wells Fargo Bank, National Association or its successor in interest, or any successor trustee appointed as provided in this Indenture.

"Trustee Fee Letter" shall mean the schedule of fees attached as Schedule 1, and all amendments thereof and supplements thereto.

"2002 Performance Guaranty" shall mean that Performance Guaranty dated as of August 29, 2002 made by Cendant in favor of the Depositor, Sierra 2002 and the Sierra 2002 Trustee.

"UCC" shall mean the Uniform Commercial Code, as amended from time to time, as in effect in any applicable jurisdiction.

"UDI" shall mean an undivided interest in fee simple (as tenants in common with all other undivided interest owners) in a lodging unit or group of lodging units at a Resort.

"U.S. Government Obligations" shall mean (i) obligations of, or obligations guaranteed as to principal and interest by, the U.S. Government or any agency or instrumentality thereof, when these obligations are backed by the full faith and credit of the United States and (ii) certain obligations of government-sponsored agencies that are not backed by the full faith credit of the United States which are limited to: Federal Home Loan Mortgage Corp. debt obligations; Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks, and Banks for

Cooperatives) consolidated system-wide bonds and notes; Federal Home Loan Banks consolidated debt obligations; Federal National Mortgage Association debt obligations; Student Loan Marketing Association debt obligations which mature before September 30, 2008; Financing Corp. debt obligations; and Resolution Funding Corp. debt obligations.

"Vacation Credits" shall mean ownership interests in WorldMark that entitle the owner thereof to use the Resorts owned by WorldMark.

"Vacation Ownership Interest" shall mean the underlying ownership interest that is the subject of a Loan, which ownership interest may be either a Fixed Week, a UDI, the Points with respect thereto under FairShare Plus, Vacation Credits or Fractional Interests.

"Vacation Ownership Interest Regime" shall mean any of the various interval ownership regimes located at a Resort, each of which is an arrangement established under applicable state law whereby all or a designated portion of a development is made subject to a declaration permitting the transfer of Vacation Ownership Interests therein, which Vacation Ownership Interests shall, in the case of Fixed Weeks and UDIs, constitute real property under the applicable local law of each of the jurisdictions in which such regime is located.

"VB Subsidiaries" shall mean Sea Gardens Beach and Tennis Resorts, Inc., Vacation Break Resorts, Inc. and Vacation Break Resorts at Star Island, Inc.

"WCF" shall mean Wyndham Consumer Finance, Inc., a Delaware corporation and its successors and assigns.

"WorldMark" shall mean WorldMark, The Club, a California not-for-profit mutual benefit corporation.

"Wyndham Worldwide" shall mean Wyndham Worldwide Corporation, a Delaware corporation or any successor thereof.

Section 1.2 Other Definitional Provisions.

(a) Terms used in this Indenture and not otherwise defined herein such terms shall have the meanings ascribed to them in the Term Purchase Agreement.

(b) All terms defined in this Indenture shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(c) As used in this Indenture and in any certificate or other document made or delivered pursuant hereto, accounting terms not defined in Section 1.1, and accounting terms partly defined in Section 1.1 to the extent not defined, shall have the respective meanings given to them under GAAP as in effect from time to time. To the extent that the definitions of accounting terms herein or in any certificate or other document made or delivered pursuant hereto are inconsistent with the meanings of such terms under GAAP, the definitions contained herein or in any such certificate or other document shall control.

(d) Any reference to each Rating Agency shall only apply to any specific rating agency if such rating agency is then rating any outstanding Class of Notes.

(e) Unless otherwise specified, references to any amount as on deposit or outstanding on any particular date shall mean such amount at the close of business on such day.

(f) Terms used herein that are defined in the New York Uniform Commercial Code and not otherwise defined herein shall have the meanings set forth in the New York Uniform Commercial Code, unless the context requires otherwise.

(g) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Indenture shall refer to this Indenture as a whole and not to any particular provision of this Indenture; and Article, Section, subsection, Schedule and Exhibit references contained in this Indenture are references to Articles, Sections, subsections, Schedules and Exhibits in or to this Indenture unless otherwise specified.

Section 1.3 Intent and Interpretation of Documents

The arrangement established by this Indenture, the Term Purchase Agreement, the Sale and Assignment Agreement, the Purchase Agreements, the Custodial Agreements, the Collateral Agency Agreement and the other Transaction Documents is intended not to be a taxable mortgage pool for federal income tax purposes, and is intended to constitute a sale of the Loans by the applicable Seller to the Depositor for commercial law purposes. Each of the Depositor and the Issuer are and are intended to be a legal entity separate and distinct from each Seller for all purposes other than tax purposes. This Indenture and the other Transaction Documents shall be interpreted to further these intentions.

ARTICLE II

THE NOTES

Section 2.1 Designation.

(a) There is hereby created a series of Notes of the Issuer to be issued pursuant to this Indenture and which are hereby designated as "Sierra Timeshare 2006-1 Receivables Funding, LLC Vacation Timeshare Loan Backed Notes, Series 2006-1," the "Series 2006-1 Notes" or the "Notes." The Issuer will issue notes in two classes as follows: (i) $325,000,000 5.84% Vacation Timeshare Loan Backed Notes, Series 2006-1, Class A-1, due 2018 and (ii) $225,000,000 Floating Rate Vacation Timeshare Loan Backed Notes, Series 2006-1, Class A-2, due 2018.

(b) The terms of the Notes shall be as set forth in this Indenture.

Section 2.2 Form Generally. The Notes and the Trustee's or Authentication Agent's certificate of authentication thereon (the "Certificate of Authentication") shall be in substantially the forms set forth in Exhibit A with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may, consistent herewith, be determined by the Authorized Officers of the Issuer executing such

Notes as evidenced by their execution of such Notes. Any portion of the text of any Note may be set forth on the reverse or subsequent pages thereof, with an appropriate reference thereto on the face of the Note.

The Notes shall be typewritten, word processed, printed, lithographed or engraved or produced by any combination of these methods, all as determined by the officers executing such Notes, as evidenced by their execution of such Notes.

Section 2.3 [Reserved].

Section 2.4 Determination of LIBOR.

On each LIBOR Determination Date, the Trustee shall determine LIBOR on the basis of the rate for deposits in United States dollars for a one-month period which appears on Telerate Page 3750 or as reported by Bloomberg Financial Markets Commodities News (or by another source selected by the Trustee with notice to the Control Party) as of 11:00 a.m., London time, on such date. If such rate does not appear on Telerate Page 3750, the rate for that LIBOR Determination Date will be determined on the basis of the rates at which deposits in United States dollars are offered by the Reference Banks at approximately 11:00 a.m., London time, on that day to prime banks in the London interbank market for a one-month period. If on such LIBOR Determination Date two or more Reference Banks provide such offered quotations, LIBOR for such related Interest Accrual Period will be the arithmetic mean of such offered quotations (rounded upwards if necessary to the nearest whole multiple of 0.0001%). If on such LIBOR Determination Date fewer than two Reference Banks provide such offered quotations, LIBOR for the related Interest Accrual Period will be the arithmetic mean (rounded upwards if necessary to the nearest whole multiple of 0.0001%) of the one-month U.S. dollar lending rates that three New York City banks selected by the Trustee are quoting at approximately 11:00 a.m. (New York City time) on the relevant LIBOR Determination Date to leading European banks.

The establishment of LIBOR on each LIBOR Determination Date by the Trustee and the Trustee's calculation of the rate of interest applicable to the Class A-2 Notes for the related Interest Accrual Period will (in the absence of manifest error) be final and binding. The Trustee shall, upon the establishment of LIBOR on each LIBOR Determination Date, notify the Issuer and the Servicer of the rate.

Section 2.5 Execution, Authentication and Delivery. The Notes shall be executed on behalf of the Issuer by any of its Authorized Officers. The signature of any such Authorized Officer on the Notes may be manual or facsimile.

Notes bearing the manual or facsimile signature of individuals who were at the time of execution of such Notes Authorized Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

The Trustee shall, upon written order of the Issuer, authenticate and deliver Notes for original issue in an aggregate principal amount of $550,000,000, comprising $325,000,000 principal amount of Class A-1 Notes and $225,000,000 principal amount of Class A-2 Notes. The Trustee shall be entitled to rely upon such written order as authority to so authenticate and deliver the Notes without further inquiry of any Person.

Each Note shall be dated the date of its authentication. Beneficial interests in the Notes may be purchased in minimum denominations of $500,000 and in integral multiples of $1,000 in excess thereof.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for herein executed by the Trustee by the manual signature of one of its authorized signatories, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

Section 2.6 Registration; Registration of Transfer and Exchange; Transfer Restrictions. (a) The Issuer shall cause to be kept a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers of Notes. The Trustee shall be the initial "Note Registrar" for the purpose of registering Notes and transfers of Notes as herein provided. Upon any resignation of any Note Registrar, the Issuer shall promptly appoint a successor or, if it elects not to make such an appointment, assume the duties of Note Registrar.

If a Person other than the Trustee is appointed by the Issuer as Note Registrar, the Issuer will give the Trustee, the Insurer and the Swap Counterparty prompt written notice of the appointment of such Note Registrar and of the location, and any change in the location, of the Note Registrar, and the Trustee shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof, and the Trustee shall have the right to rely upon a certificate executed on behalf of the Note Registrar as to the names and addresses of the Holders of the Notes and the principal amounts and number of such Notes.

Upon surrender for registration of transfer of any Note at the office of the Note Registrar as provided in this Section 2.6, if the requirements of Section 8-401(a) of the UCC are met, the Issuer shall execute, and upon receipt of such surrendered Note the Trustee shall authenticate and the Noteholder shall obtain from the Trustee, in the name of the designated transferee or transferees, one or more new Notes in any authorized denominations, of a like aggregate principal amount.

At the option of the Holder, Notes may be exchanged for other Notes in any authorized denominations, of the same Class and of a like aggregate principal amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, if the requirements of Section 8-401(a) of the UCC are met, the Issuer shall execute, and upon receipt of such surrendered Note and an Issuer Order to authenticate the Note, the Trustee shall authenticate and the Noteholder shall obtain from the Trustee, the Notes which the Noteholder making the exchange is entitled to receive.

All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing, and such other documents as the Trustee may require.

No service charge shall be made to a Holder for any registration of transfer or exchange of Notes, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge or expense that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to subsection 15.1(e) not involving any transfer.

The preceding provisions of this section notwithstanding, the Issuer shall not be required to make, and the Note Registrar need not register, transfers or exchanges of Notes (i) for a period of 20 days preceding the due date for any payment with respect to the Notes or (ii) after the Trustee sends a notice of redemption with respect to such Note in accordance with Section 2.18.

(b) The Notes have not been registered under the Securities Act or any state securities law. None of the Issuer, the Note Registrar or the Trustee is obligated to register the Notes under the Securities Act or any other securities or "Blue Sky" laws or to take any other action not otherwise required under this Indenture to permit the transfer of any Note without registration.

(c) No transfer of any Note or any interest therein (including, without limitation, by pledge or hypothecation) shall be made except in compliance with the restrictions on transfer set forth in this Section 2.6 (including the applicable legend to be set forth on the face of each Note as provided in Exhibit A to this Indenture) and in Section 2.12 and Section 2.13 in a transaction exempt from the registration requirements of the Securities Act and applicable state securities or "Blue Sky" laws (i) to a person (A) that the transferor reasonably believes is a "qualified institutional buyer" (a "QIB") within the meaning thereof in Rule 144A under the Securities Act ("Rule 144A") in the form of beneficial interests in the Rule 144A Global Note, and (B) that is aware that the resale or other transfer is being made in reliance on Rule 144A or (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, in the form of beneficial interests in the applicable Regulation S Global Note.

(d) Each Note Owner, by its acceptance of its beneficial interest in a Note, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(i) It understands and acknowledges that the Notes will be offered and may be resold by each Initial Purchaser (A) in the United States to QIBs pursuant to Rule 144A in the form of beneficial interests in the Rule 144A Global Note or (B) outside the United States to non U.S. Persons pursuant to Regulation S under the Securities Act, initially in the form of beneficial interests in the Temporary Regulation S Global Note. As set forth in Section 2.13, beneficial interests in the Temporary Regulation S Global Note may be exchanged for beneficial interests in the Permanent Regulation S Global Note.

(ii) It understands that the Notes have not been and will not be registered under the Securities Act or any state or other applicable securities law and that the Notes, or any interest or participation therein, may not be offered, sold, pledged or otherwise transferred unless registered pursuant to, or exempt from registration under, the Securities Act and any state or other applicable securities law.

(iii) It acknowledges that none of the Issuer or the Initial Purchasers or any person representing the Issuer or the Initial Purchasers has made any representation to it with respect to the Issuer or the offering or sale of any Notes, other than the information contained in the Offering Circular, which has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning the Issuer, the Depositor, the Insurer and the Notes as it has deemed necessary in connection with its decision to purchase the Notes.

(iv) It acknowledges that the Notes will bear a legend to the following effect unless the Issuer determines otherwise, consistent with applicable law:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAW. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT THIS NOTE, OR ANY INTEREST OR PARTICIPATION HEREIN, MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) TO THE ISSUER, (2) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (A "QIB") PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF A QIB, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, OR (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT. EACH NOTE OWNER BY ACCEPTING A BENEFICIAL INTEREST IN THIS NOTE, UNLESS SUCH PERSON ACQUIRED THIS NOTE IN A TRANSFER DESCRIBED IN CLAUSE (3) ABOVE, IS DEEMED TO REPRESENT THAT IT IS EITHER A QIB PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF ANOTHER QIB.

PRIOR TO PURCHASING ANY NOTES, PURCHASERS SHOULD CONSULT COUNSEL WITH RESPECT TO THE AVAILABILITY AND CONDITIONS OF EXEMPTION FROM THE RESTRICTION ON RESALE OR TRANSFER. THE ISSUER HAS NOT AGREED TO REGISTER THE NOTES UNDER THE SECURITIES ACT, TO QUALIFY THE NOTES UNDER THE SECURITIES LAWS OF ANY STATE OR TO PROVIDE REGISTRATION RIGHTS TO ANY PURCHASER.

AS SET FORTH HEREIN, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF."

(v) If it is acquiring any Note, or any interest or participation therein, as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgments, representations and agreements contained herein on behalf of each such account.

(vi) It (A)(i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A and if it is acquiring such Notes or any interest or participation therein for the account of another QIB, such other QIB is aware that the sale is being made in reliance on Rule 144A and (iii) is acquiring such Notes or any interest or participation therein for its own account or for the account of a QIB, or (B) is not a U.S. person and is purchasing such Notes or any interest or participation therein in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S.

(vii) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirements of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes, or any interest or participation therein as described in the Offering Circular and pursuant to the provisions of this Indenture.

(viii) It agrees that if in the future it should offer, sell or otherwise transfer such Note or any interest or participation therein, it will do so only (A) to the Issuer, (B) pursuant to Rule 144A to a person it reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, purchasing for its own account or for the account of a QIB, whom it has informed that such offer, sale or other transfer is being made in reliance on Rule 144A or (C) in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act.

(ix) If it is acquiring such Note or any interest or participation therein in an "offshore transaction" (as defined in Regulation S under the Securities Act), it acknowledges that the Notes will initially be represented by the Temporary Regulation S Global Note and that transfers thereof or any interest or participation therein are restricted as set forth in this Indenture. If it is a QIB, it acknowledges that the Notes offered in reliance on Rule 144A will be represented by a Rule 144A Global Note and that transfers thereof or any interest or participation therein are restricted as set forth in this Indenture.

(x) It understands that the Temporary Regulation S Global Note will bear a legend to the following effect unless the Issuer determines otherwise, consistent with applicable law:

"THIS GLOBAL NOTE IS A TEMPORARY GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NEITHER THIS TEMPORARY GLOBAL NOTE NOR ANY INTEREST HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW. NO BENEFICIAL OWNERS OF THIS TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF PRINCIPAL OR INTEREST HEREON UNLESS THE REQUIRED CERTIFICATIONS HAVE BEEN DELIVERED PURSUANT TO THE TERMS OF THE INDENTURE REFERRED TO BELOW."

(xi) With respect to any foreign purchaser claiming an exemption from United States income or withholding tax, it has delivered to the Trustee a true and complete Form W-8BEN or W-8ECI, indicating such exemption or any successor or other forms and documentation as may be sufficient under the applicable regulations for claiming such exemption.

(xii) It acknowledges that the Depositor, the Issuer, the Initial Purchasers and others will rely on the truth and accuracy of the foregoing acknowledgments, representations and agreements, and agrees that if any of the foregoing acknowledgments, representations and agreements deemed to have been made by it are no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers.

(xiii) It acknowledges that transfers of the Notes or any interest or participation therein shall otherwise be subject in all respects to the restrictions applicable thereto contained in this Indenture.

(xiv) Either (A) it is not (i) an employee benefit plan that is subject to Title I of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the Code, or (iii) an entity the underlying assets of which are considered to include "plan assets" of, and it is not purchasing the Notes on behalf of, any such plan, account or arrangement; or (B) its purchase, holding and subsequent disposition of the Notes either (i) will not constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code or (ii) are exempt from the prohibited transaction provisions of ERISA and Section 4975 of the Code in accordance with one or more available statutory, class or individual prohibited transaction exemptions. It will not transfer the Notes to any person or entity, unless such person or entity could itself truthfully make the foregoing representations and covenants as presented in this clause (xiv).

Any transfer, resale, pledge or other transfer of the Notes contrary to the restrictions set forth above and elsewhere in this Indenture shall be deemed void ab initio by the Issuer and the Trustee. As used in this Section 2.6, the terms "United States" and "U.S. persons" have the respective meanings given them in Regulation S under the Securities Act.

(e) It understands and acknowledges that the Issuer has structured this Indenture and the Notes with the intention that the Notes will qualify under applicable tax law as indebtedness of the Issuer, and the Issuer and each Noteholder by acceptance of its Note agree to treat the Notes (or interests therein) as indebtedness for purposes of federal, state, local and foreign income or franchise taxes or any other applicable tax.

(f) Notwithstanding anything to the contrary contained herein, each Note and this Indenture may be amended or supplemented to modify the restrictions on and procedures for resale and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or in practices relating to the resale or transfer of restricted securities generally (provided, however, that no such amendment or supplement shall in any way impact the Interest Rate Swap). Each Noteholder shall, by its acceptance of such Note, have agreed to any such amendment or supplement.

Section 2.7 Mutilated, Destroyed, Lost or Stolen Notes. If (i) any mutilated Note is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) in the case of a destroyed, lost or stolen Note, there is delivered to the Trustee such security or indemnity as may be required by it to hold the Issuer and the Trustee harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Trustee that such Note has been acquired by a protected purchaser, and provided that the requirements of Section 8-405 of the UCC are met, the Issuer shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note; provided, however, that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become or within twenty (20) days shall become due and payable, or shall have been called for redemption, instead of issuing a replacement Note, the Issuer may pay such destroyed, lost or stolen Note when so due or payable or upon the redemption date without surrender thereof. If, after the delivery of such replacement Note or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a protected purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer and the Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assignee of such Person, except a protected purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, claim, liability, cost or expense incurred by the Issuer or the Trustee, its agents and/or counsel, in connection therewith.

Upon the issuance of any replacement Note under this Section 2.7, the Issuer may require the payment by the Holder of such Note of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee, its agents and/or counsel) connected therewith.

Except as set forth in the first paragraph of this Section 2.7, every replacement Note issued pursuant to this Section 2.7 in replacement of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 2.7 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.8 Persons Deemed Owner. Prior to due presentment for registration of transfer of any Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name any Note is registered (as of the day of determination) as the owner of such Note for the purpose of receiving payments of principal of and interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary.

Section 2.9 Payment of Principal and Interest; Defaulted Interest.

(a) The Notes of each Class shall accrue interest from and including the Closing Date at the Note Interest Rate for that Class. Interest on the Class A-1 Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Class A-2 Notes will be calculated on the basis of a 360-day year and the actual number of days that elapsed during the related Interest Accrual Period. Interest shall be due and payable on August 21, 2006 and each Payment Date thereafter until all principal amounts on the Notes have been repaid. The amount of interest due and payable on the Notes with respect to each Payment Date shall be an amount equal to the Accrued Interest with respect to such Payment Date. Any installment of interest or principal, if any, or any other amount, payable on any Note which is punctually paid or duly provided for by the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Note (or one or more Predecessor Notes) is registered on the Record Date, by check mailed first-class, postage prepaid to such Person's address as it appears on the Note Register on such Record Date, (i) except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payment will be made by wire transfer in immediately available funds to the account designated by such nominee, and (ii) except for (A) the final installment of principal payable with respect to such Note on a Payment Date and (B) the redemption price for any Note called for redemption pursuant to Section 2.18, in each case which shall be payable as provided below; provided, however, that the Insurer will be subrogated to the rights of each Noteholder to receive payments of principal and interest, as applicable, with respect to distributions on the Notes to the extent of any payment by the Insurer under the Insurance Policy and the Insurer will be reimbursed therefor, together with interest thereon as provided in the Insurance Agreement, in accordance with Sections 3.1 and 11.7.

(b) To the extent of Available Funds, principal shall be due and payable on the Notes as provided in Section 3.1(a) or if a Rapid Amortization Event has occurred and is continuing as provided in Section 3.1(b), and the principal amount of the Notes to the extent not previously paid, shall be due and payable on the Rated Final Maturity Date. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable, if not previously paid, on the date on which an Event of Default described in Section 11.1 shall have occurred and be continuing, if the Notes have been declared to be immediately due and payable as provided in Section 11.1. Principal payments on the Notes shall be made pro rata to the Noteholders entitled thereto. The Insurer will be subrogated to the rights of each Noteholder to receive payments of

principal with respect to distributions on the Notes to the extent of any payment by the Insurer under the Insurance Policy and the Insurer will be reimbursed therefor, together with interest thereon as provided in the Insurance Agreement, in accordance with Sections 3.1 and 11.7.

Notices in connection with redemptions of Notes shall be mailed or sent by facsimile to Noteholders, the Insurer and the Swap Counterparty as provided in Section 15.5.

(c) If the Issuer defaults in a payment of interest on the Notes when such interest becomes due and payable on any Payment Date, the Issuer shall pay defaulted interest (plus interest on such defaulted interest to the extent lawful) at the applicable Note Interest Rate in any lawful manner. Unless the interest shall have been paid by the Insurer, the Issuer may pay such defaulted interest to the persons who are Noteholders on a subsequent special record date, which date shall be fixed or caused to be fixed by the Issuer and shall be at least three Business Days prior to the payment date. The Issuer shall fix or cause to be fixed any such payment date, and, prior to the third Business Day prior to any such special record date, the Issuer shall mail or transmit by facsimile to each Noteholder, the Insurer and the Swap Counterparty a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

(d) Holders of a beneficial interest in Notes sold in reliance on Regulation S as Temporary Regulation S Global Notes are prohibited from receiving payments or from exchanging beneficial interests in such Temporary Regulation S Global Notes for Permanent Regulation S Global Notes until the later of (i) the expiration of the Distribution Compliance Period (the "Exchange Date") and (ii) the furnishing of a certificate, substantially in the form of Exhibit C attached hereto, certifying that the beneficial owner of the Temporary Regulation S Global Note is a non-U.S. person (a "Regulation S Certificate") as provided in Section 2.12.

Section 2.10 Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall, following its receipt thereof, be promptly canceled by the Trustee. The Issuer may at any time deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall, following its receipt thereof, be promptly canceled by the Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section 2.10, except as expressly permitted by this Indenture. All canceled Notes shall be returned to the Issuer.

Section 2.11 Global Notes. The Notes, upon original issuance, will be issued in global form (i) to QIBs in transactions exempt from the registration requirements of the Securities Act in reliance on Rule 144A, as a single note in fully registered form, without interest coupons (the "Rule 144A Global Note"), authenticated and delivered in substantially the forms attached hereto included in Exhibit A and/or (ii) as a single note in "offshore transactions" (within the meaning of Regulation S), in fully registered form, without interest coupons (the "Temporary Regulation S Global Note"), authenticated and delivered in substantially the forms attached hereto included in Exhibit A. Such Notes shall be delivered to The Depository Trust Company, the initial Clearing Agency, by, or on behalf of, the Issuer and shall initially be registered on the Note Register in the name of Cede & Co., the nominee of the initial Clearing Agency, and no Note Owner will receive a Definitive Note representing such Note Owner's interest in such Note, except as provided in Section 2.15. Unless and until definitive, fully registered Notes (the "Definitive Notes") have been issued to Note Owners pursuant to Section 2.15:

(i) the provisions of this Section 2.11 shall be in full force and effect;

(ii) the Note Registrar and the Trustee shall be entitled to deal with the Clearing Agency for all purposes of this Indenture (including the payment of principal of and interest on the Notes and the giving of instructions or directions hereunder) as the sole holder of the Notes (except to the extent that the Insurer is entitled to such payments), and shall have no obligation to the Note Owners;

(iii) to the extent that the provisions of this Section 2.11 conflict with any other provisions of this Indenture, the provisions of this Section 2.11 shall control;

(iv) the rights of Note Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Note Owners and the Clearing Agency and/or the Clearing Agency Participants in accordance with the Depository Agreement. Unless and until Definitive Notes are issued pursuant to Section 2.15, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit payments of principal of and interest on the Notes to such Clearing Agency Participants;

(v) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders of Notes evidencing a specified percentage of the Aggregate Principal Amount of the Notes, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Note Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage of the Aggregate Principal Amount of the Notes and has delivered such instructions to the Trustee; and

(vi) the Notes may not be transferred as a whole except by the Clearing Agency to a nominee of the Clearing Agency or by a nominee of the Clearing Agency to the Clearing Agency or another nominee of the Clearing Agency or by the Clearing Agency or any such nominee to a successor Clearing Agency or a nominee of such successor Clearing Agency.

Section 2.12 Regulation S Global Notes.

(a) Notes issued in reliance on Regulation S under the Securities Act will initially be in the form of a Temporary Regulation S Global Note. Any beneficial interest in a Note evidenced by the Temporary Regulation S Global Note is exchangeable for a beneficial interest in a Note in fully registered, global form, without interest coupons, authenticated and delivered in substantially the form with respect to each Class attached hereto in Exhibit A (the "Permanent Regulation S Global Note"), upon the later of (i) the Exchange Date and (ii) the furnishing of a Regulation S Certificate.

(b) (i) On or prior to the Exchange Date, each owner of a beneficial interest in a Temporary Regulation S Global Note shall deliver to Euroclear or Clearstream (as applicable) a

Regulation S Certificate; provided, however, that any owner of a beneficial interest in a Temporary Regulation S Global Note on the Exchange Date or on any Payment Date that has previously delivered a Regulation S Certificate hereunder shall not be required to deliver any subsequent Regulation S Certificate (unless the certificate previously delivered is no longer true as of such subsequent date, in which case such owner shall promptly notify Euroclear or Clearstream, as applicable, thereof and shall deliver an updated Regulation S Certificate). Euroclear and/or Clearstream, as applicable, shall deliver to the Paying Agent or the Trustee a certificate substantially in the form of Exhibit C (a "Non-U.S. Certificate") attached hereto promptly upon the receipt of each such Regulation S Certificate, and no such owner (or transferee from such owner) shall be entitled to receive a beneficial interest in a Permanent Regulation S Global Note or any payment of or principal of interest on or any other payment with respect to its beneficial interest in a Temporary Regulation S Global Note prior to the Paying Agent or the Trustee receiving such Non-U.S. Certificate from Euroclear or Clearstream with respect to the portion of the Temporary Regulation S Global Note owned by such owner (and, with respect to a beneficial interest in the Permanent Regulation S Global Note, prior to the Exchange Date).

(c) Any payments of principal of, interest on or any other payment on a Temporary Regulation S Global Note received by Euroclear or Clearstream with respect to any portion of such Regulation S Global Note owned by a Note Owner that has not delivered the Regulation S Certificate required by this Section 2.12 shall be held by Euroclear and Clearstream solely as agents for the Paying Agent and the Trustee. Euroclear and Clearstream shall remit such payments to the applicable Note Owner (or to a Euroclear or Clearstream member on behalf of such Note Owner) only after Euroclear or Clearstream has received the requisite Regulation S Certificate. Until the Paying Agent or the Trustee has received a Non-U.S. Certificate from Euroclear or Clearstream, as applicable, that it has received the requisite Regulation S Certificate with respect to the ownership of a beneficial interest in any portion of a Temporary Regulation S Global Note, the Paying Agent or the Trustee may revoke the right of Euroclear or Clearstream, as applicable, to hold any payments made with respect to such portion of such Temporary Regulation S Global Note. If the Paying Agent or the Trustee exercises its right of revocation pursuant to the immediately preceding sentence, Euroclear or Clearstream, as applicable, shall return such payments to the Paying Agent or the Trustee and the Trustee shall hold such payments in the Collection Account until Euroclear or Clearstream, as applicable, has provided the necessary Non-U.S. Certificates to the Paying Agent or the Trustee (at which time the Paying Agent shall forward such payments to Euroclear or Clearstream, as applicable, to be remitted to the Note Owner that is entitled thereto on the records of Euroclear or Clearstream (or on the records of their respective members)).

Each Note Owner with respect to a Temporary Regulation S Global Note shall exchange its beneficial interest therein for a beneficial interest in a Permanent Regulation S Global Note on or after the Exchange Date upon furnishing to Euroclear or Clearstream (as applicable) the Regulation S Certificate and upon receipt by the Paying Agent or the Trustee, as applicable, of the Non-U.S. Certificate thereof from Euroclear or Clearstream, as applicable, in each case pursuant to the terms of this Section 2.12. On and after the Exchange Date, upon receipt by the Paying Agent or the Trustee of any Non-U.S. Certificate from Euroclear or Clearstream described in the immediately preceding sentence (i) with respect to the first such certification, the Issuer shall execute, upon receipt of an order to authenticate, and the Trustee shall

authenticate and deliver to the Clearing Agency Custodian the applicable Permanent Regulation S Global Note and (ii) with respect to the first and all subsequent certifications, the Clearing Agency Custodian shall exchange on behalf of the applicable owners the portion of the applicable Temporary Regulation S Global Note covered by such certification for a comparable portion of the applicable Permanent Regulation S Global Note. Upon any exchange of a portion of a Temporary Regulation S Global Note for a comparable portion of a Permanent Regulation S Global Note, the Clearing Agency Custodian shall endorse on the schedules affixed to each such Regulation S Global Note (or on continuations of such schedules affixed to each such Regulation S Global Note and made parts thereof) appropriate notations evidencing the date of transfer and (x) with respect to the Temporary Regulation S Global Note, a decrease in the principal amount thereof equal to the amount covered by the applicable certification and (y) with respect to the Permanent Regulation S Global Note, an increase in the principal amount thereof equal to the principal amount of the decrease in the Temporary Regulation S Global Note pursuant to clause (x) above.

Section 2.13 Special Transfer Provisions.

(a) If a holder of a beneficial interest in the Rule 144A Global Note wishes at any time to exchange its beneficial interest in the Rule 144A Global Note for a beneficial interest in the Regulation S Global Note, or to transfer a beneficial interest in the Rule 144A Global Note to a person who wishes to take delivery thereof in the form of a beneficial interest in the Regulation S Global Note, such holder may, subject to the rules and procedures of the Clearing Agency and to the requirements set forth in the following sentence, exchange or cause the exchange or transfer or cause the transfer of the beneficial interest for an equivalent beneficial interest in the Regulation S Global Note. Upon receipt by the Trustee of (1) instructions given in accordance with the Clearing Agency's procedures from or on behalf of a Note Owner of the Rule 144A Global Note, directing the Trustee (via the Clearing Agency's Deposit/Withdrawal of Custodian System ("DWAC")), as transfer agent, to credit or cause to be credited a beneficial interest in the Regulation S Global Note in an amount equal to the beneficial interest in the Rule 144A Global Note to be exchanged or transferred, (2) a written order in accordance with the Clearing Agency's procedures containing information regarding the Euroclear or Clearstream account to be credited with such increase and the name of such account, and (3) a certificate given by such Note Owner stating that the exchange or transfer of such beneficial interest has been made pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, the Trustee, as transfer agent, shall promptly deliver appropriate instructions to the Clearing Agency (via DWAC), its nominee, or the custodian for the Clearing Agency, as the case may be, to reduce or reflect on its records a reduction of the Rule 144A Global Note by the aggregate principal amount of the beneficial interest in the Rule 144A Global Note to be so exchanged or transferred from the relevant participant, and the Trustee, as transfer agent, shall promptly deliver appropriate instructions (via DWAC) to the Clearing Agency, its nominee, or the custodian for the Clearing Agency, as the case may be, concurrently with such reduction, to increase or reflect on its records an increase of the principal amount of such Regulation S Global Note by the aggregate principal amount of the beneficial interest in the Rule 144A Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the person specified in such instructions (who may be Euroclear Bank S.A./N.V., as operator of Euroclear or Clearstream or another agent member of Euroclear, or Clearstream, or both, as the case may be, acting for and on behalf of them) a beneficial interest in such Regulation S Global

Note equal to the reduction in the principal amount of the Rule 144A Global Note. Notwithstanding anything to the contrary, the Trustee may conclusively rely upon the completed schedule set forth in the certificate representing the Notes.

(b) If a holder of a beneficial interest in the Regulation S Global Note wishes at any time to exchange its beneficial interest in the Regulation S Global Note for a beneficial interest in the Rule 144A Global Note, or to transfer a beneficial interest in the Regulation S Global Note to a person who wishes to take delivery thereof in the form of beneficial interest in the Rule 144A Global Note, such holder may, subject to the rules and procedures of Euroclear or Clearstream and the Clearing Agency, as the case may be, and to the requirements set forth in the following sentence, exchange or cause the exchange or transfer or cause the transfer of such beneficial interest for an equivalent beneficial interest in the Rule 144A Global Note. Upon receipt by the Trustee, as transfer agent, of (1) instructions given in accordance with the procedures of Euroclear or Clearstream and the Clearing Agency, as the case may be, from or on behalf of a Note Owner of the Regulation S Global Note directing the Trustee, as transfer agent, to credit or cause to be credited a beneficial interest in the Rule 144A Global Note in an amount equal to the beneficial interest in the Regulation S Global Note to be exchanged or transferred, (2) a written order given in accordance with the procedures of Euroclear or Clearstream and the Clearing Agency, as the case may be, containing information regarding the account with the Clearing Agency to be credited with such increase and the name of such account, and (3) prior to the expiration of the Distribution Compliance Period, a certificate given by such Note Owner stating that the person transferring such beneficial interest in such Regulation S Global Note reasonably believes that the person acquiring such beneficial interest in the Rule 144A Global Note is a QIB and is obtaining such beneficial interest for its own account or the account of a QIB in a transaction meeting the requirements of Rule 144A under the Securities Act and any applicable securities laws of any state of the United States or any other jurisdiction, the Trustee, as transfer agent, shall promptly deliver (via DWAC) appropriate instructions to the Clearing Agency, its nominee, or the custodian for the Clearing Agency, as the case may be, to reduce or reflect on its records a reduction of the Regulation S Global Note by the aggregate principal amount of the beneficial interest in such Regulation S Global Note to be exchanged or transferred, and the Trustee, as transfer agent, shall promptly deliver (via DWAC) appropriate instructions to the Clearing Agency, its nominee, or the custodian for the Clearing Agency, as the case may be, concurrently with such reduction, to increase or reflect on its records an increase of the principal amount of the Rule 144A Global Note by the aggregate principal amount of the beneficial interest in the Regulation S Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the person specified in such instructions a beneficial interest in the Rule 144A Global Note equal to the reduction in the principal amount of the Regulation S Global Note. After the expiration of the Distribution Compliance Period, the certification requirement set forth in clause (3) of the second sentence of this subsection 2.13(b) will no longer apply to such exchanges and transfers. Notwithstanding anything to the contrary, the Trustee may conclusively rely upon the completed schedule set forth in the certificate representing the Notes.

(c) Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and become a beneficial interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such a beneficial interest.

(d) Until the later of the Exchange Date and the provision of the certifications required by Section 2.9(d), beneficial interests in a Regulation S Global Note may only be held through Euroclear Bank S.A./N.V., as operator of Euroclear or Clearstream, or another agent member of Euroclear and Clearstream acting for and on behalf of them. During the Distribution Compliance Period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Rule 144A Global Note only in accordance with the certification requirements described above.

Section 2.14 Notices to Clearing Agency. Whenever a notice or other communication to the Holders of the Notes is required under this Indenture, unless and until Definitive Notes shall have been issued to Note Owners pursuant to Section 2.15, the Trustee shall give all such notices and communications specified herein to be given to Holders of the Notes to the Clearing Agency, and shall have no obligation to the Note Owners.

Section 2.15 Definitive Notes. If (i) the Issuer advises the Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities with respect to the Notes, and the Issuer is unable to locate a qualified successor, or (ii) to the extent permitted by law, the Issuer, at its option advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency, or (iii) after the occurrence of an Event of Default or a Servicer Default, Note Owners of beneficial interests aggregating a majority of the Aggregate Principal Amount of the Notes advise the Issuer and the Clearing Agency in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Note Owners, then the Clearing Agency shall notify all Note Owners and the Trustee of the occurrence of any such event and of the availability of Definitive Notes to Note Owners. Upon surrender to the Trustee of the word-processed Note or Notes representing the Global Notes by the Clearing Agency, accompanied by registration instructions, the Issuer shall execute and the Trustee shall authenticate the Definitive Notes in accordance with the instructions of the Clearing Agency. None of the Issuer, the Note Registrar or the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Notes to Note Owners, the Trustee shall recognize the Holders of such Definitive Notes as Noteholders.

Section 2.16 Payments on the Notes.

(a) Subject to the availability of funds and to the Priority of Payments, the Notes will provide for (i) the payment of Accrued Interest on each Payment Date until the earlier of the date on which all Notes are paid in full and the Rated Final Maturity Date and (ii) (A) absent the occurrence and continuation of a Rapid Amortization Event, the payment of the Principal Distribution Amount on each Payment Date until the earlier of the date on which all Notes are paid in full and the Rated Final Maturity Date or (B) if a Rapid Amortization Event has occurred and is continuing, the payment of all Available Funds remaining after the application of clause "EIGHTH" in subsection 3.1(a) in respect of principal until the earlier of the date on which all Notes are paid in full and the Rated Final Maturity Date. All outstanding principal of the Notes will be due and payable (unless paid on an earlier date) on the Rated Final Maturity Date. On the

Rated Final Maturity Date Noteholders will be entitled to the Reserve Draw Amount for such date, if any and all remaining Available Funds necessary to reduce the Aggregate Principal Amount of the Notes to zero.

(b) Interest and principal payable in respect of the Notes of any Class on any Payment Date shall be paid to the Holders of the Notes of such Class as of the related Record Date; provided, however, that the Insurer will be subrogated to the rights of each Noteholder to receive payments of principal and interest, as applicable, with respect to distributions on the Notes to the extent of any payment by the Insurer under the Insurance Policy and the Insurer will be reimbursed therefor, together with interest thereon as provided in the Insurance Agreement in accordance with Sections 3.1 and 11.7.

(c) All reductions in the principal amount of a Note (or one or more predecessor Notes) effected by payments of installments of principal made on any Payment Date shall be binding upon all future Holders of such Note and of any Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, whether or not such payment is noted on such Note; provided, however, that any installment of principal that (i) is subsequently rescinded or recaptured or (ii) is paid by the Insurer as a result of a draw under the Insurance Policy shall not be considered paid by the Issuer.

(d) Notwithstanding any other provision of this Indenture, principal of, interest on and all other amounts payable on or in respect of the Notes will constitute limited recourse obligations of the Issuer secured by, and payable from and to the extent of available proceeds of, the Collateral and any amounts paid by the Insurer pursuant to claims made under the Insurance Policy. The Holders of the Notes shall have recourse to the Issuer only to the extent of the Collateral, and following realization of the Collateral and all amounts available to the Trustee under the Insurance Policy, any claims of the Holders of the Notes shall be extinguished and shall not revive thereafter. Neither the Issuer, nor any of its respective agents, members, partners, beneficiaries, officers, directors, employees or any Affiliate of any of them or any of their respective successors or assigns or any other Person or entity shall be personally liable for any amounts payable, or performance due, under the Notes or this Indenture. It is understood that the foregoing provisions of this paragraph shall not (i) prevent recourse to the Collateral for the sums due or to become due under any security, instrument or agreement which is secured by the Collateral, or (ii) constitute a waiver, release or discharge of any indebtedness or obligation evidenced by the Notes or secured by this Indenture until such Collateral has been realized whereupon any outstanding indebtedness or obligation shall be extinguished. It is further understood that the foregoing provisions of this paragraph shall not limit the right of any Person to name the Issuer as party defendant in any action, suit or in the exercise of any other remedy under the Notes or in this Indenture, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against the Issuer.

(e) For so long as any of the Notes are admitted on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market, or listed on any other stock exchange, to the extent required by the rules of such exchange, the Issuer or, upon Issuer Order, the Trustee, in the name and at the expense of the Issuer, shall notify such stock exchange in the event that the Notes do not receive scheduled payments of principal or interest on any

Payment Date and the Servicer at the expense of the Issuer will arrange for publication of such information in a daily newspaper in Luxembourg or as otherwise required by such stock exchange.

Section 2.17 [Reserved].

Section 2.18 Clean-Up Call. The Notes are subject to redemption by the Issuer on any Payment Date on or after the date on which the Aggregate Loan Balance as of the end of the related Due Period is 10% or less of the Aggregate Loan Balance as of the Cut-Off Date. The redemption price will be equal to the Aggregate Principal Amount plus accrued and unpaid interest to the date of redemption; provided that any Termination Payments due to the Swap Counterparty under the Interest Rate Swap plus all amounts then due and owing to the Insurer under the Insurance Agreement will be required to be paid concurrently with or prior to any such redemption.

At any time after the Issuer has delivered notice of an optional redemption, the Issuer will deposit or cause to be deposited funds into the Collection Account sufficient to pay all principal and interest due or to become due on the Notes in connection with such redemption, plus related costs and expenses incurred or to be incurred by the Trustee, plus all amounts then due and owing to the Swap Counterparty and to the Insurer under the Insurance Agreement. The Trustee will invest the funds in the Collection Account in specific investments pursuant to this Indenture and will apply such funds deposited into the Collection Account and earnings on such funds to the payment in full of all principal and interest due on the Notes and amounts owing to the Swap Counterparty and the Insurer. Upon the full and final payment of the Notes and all interest thereon and upon payment of all amounts due to the Swap Counterparty and the Insurer, and at the written direction of the Issuer, the Collateral Agent will release its lien on the Collateral.

Section 2.19 Authentication Agent.

(a) The Trustee may appoint one or more Authentication Agents with respect to the Notes which shall be authorized to act on behalf of the Trustee in authenticating the Notes in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Notes. Whenever reference is made in this Indenture to the authentication of Notes by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication on behalf of the Trustee by an Authentication Agent and a certificate of authentication executed on behalf of the Trustee by an Authentication Agent. Each Authentication Agent must be acceptable to the Issuer and the Servicer.

(b) Any institution succeeding to the corporate agency business of an Authentication Agent shall continue to be an Authentication Agent without the execution or filing of any paper or any further act on the part of the Trustee or such Authentication Agent.

(c) An Authentication Agent may at any time resign by giving notice of resignation to the Trustee, the Swap Counterparty and to the Issuer. The Trustee may at any time terminate the agency of an Authentication Agent by giving notice of termination to such Authentication Agent and to the Issuer, the Insurer, the Swap Counterparty and the Servicer. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an Authentication Agent shall cease to be acceptable to the Trustee or the Issuer, the Trustee may promptly appoint a successor Authentication

Agent. Any successor Authentication Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authentication Agent. No successor Authentication Agent shall be appointed unless acceptable to the Issuer and the Servicer.

(d) The Issuer agrees to pay to each Authentication Agent from time to time reasonable compensation for its services under this Section 2.19.

(e) The provisions of Sections 13.1 and 13.3 shall be applicable to any Authentication Agent.

(f) Pursuant to an appointment made under this Section 2.19, the Notes may have endorsed thereon, in lieu of or in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in substantially the following form:

"This is one of the Notes described in the within-mentioned Agreement.

_____

_____
as Authentication Agent
for the Trustee

By: _____
Authorized Signatory"

Section 2.20 Appointment of Paying Agent. The Paying Agent shall make payments to Noteholders from the Collection Account or other applicable Account pursuant to the provisions of this Indenture and shall report the amounts of such distributions to the Issuer. Any Paying Agent shall have the revocable power to withdraw funds from the Collection Account or other applicable Account for the purpose of making the distributions referred to above. The Issuer (with the prior written consent of the Insurer) may revoke such power and remove the Paying Agent if the Issuer determines in its sole discretion that the Paying Agent shall have failed to perform its obligations under this Indenture in any material respect. The Issuer (with the prior written consent of the Insurer) reserves the right at any time to vary or terminate the appointment of a Paying Agent for the Notes, and to appoint additional or other Paying Agents, provided that it will at all times maintain the Trustee as a Paying Agent. In the event that any Paying Agent shall resign, the Issuer (with the prior written consent of the Insurer) may appoint a successor to act as Paying Agent. Any reference in this Indenture to the Paying Agent shall include any co-paying agent unless the context requires otherwise.

Section 2.21 Confidentiality. The Trustee and the Collateral Agent hereby agree not to disclose to any Person any name or address of any Obligor under any Pledged Loan or other information contained in the Loan Schedule or the data transmitted to the Trustee or the

Collateral Agent hereunder, except (i) as may be required by law, rule, regulation or order applicable to it or in response to any subpoena or other valid legal process, (ii) as may be necessary in connection with any request of any federal or state regulatory authority having jurisdiction over it or the National Association of Insurance Commissioners, (iii) in connection with the performance of its duties hereunder, (iv) to a Successor Servicer appointed pursuant to Section 12.2, (v) in enforcing the rights of Noteholders and (vi) as requested by any Person in connection with the financing statements filed pursuant to the Transaction Documents. The Trustee and the Collateral Agent hereby agree to take such measures as shall be reasonably requested by the Issuer of it to protect and maintain the security and confidentiality of such information. The Trustee and the Collateral Agent shall use reasonable efforts to provide the Issuer with written notice five days prior to any disclosure pursuant to this Section 2.21.

Nothing in the foregoing paragraph should, however, be construed to limit the ability of the Trustee, the Insurer and the Collateral Agent (and their respective Affiliates, employees, officers, directors, agents and advisors) to disclose to any and all Persons, without limitation of any kind, the tax structure and tax treatment (as such terms are used in sections 6011, 6111, and 6112 of the Code and the regulations promulgated thereunder) of the Notes, and all materials of any kind (including opinions or other tax analyses) that have been provided to the Trustee, the Insurer or the Collateral Agent related to such tax structure and tax treatment. In this regard, the Trustee, the Insurer and the Collateral Agent acknowledge and agree that disclosure of the tax structure or tax treatment of the Notes is not limited in any way by an express or implied understanding or agreement, oral or written (whether or not such understanding or agreement is legally binding). Furthermore, the Trustee, the Insurer and the Collateral Agent acknowledge and agree that they do not know or have reason to know that the use or disclosure of information relating to the tax structure or tax treatment of the Notes is limited in any other manner (such as where the Notes are claimed to be proprietary or exclusive) for the benefit of any other Person. Neither the Trustee nor the Collateral Agent shall be permitted to disclose the tax structure and tax treatment of the Notes to the extent that such disclosure would constitute a violation of federal or state securities laws.

Section 2.22 144A Information. So long as the Issuer is not subject to Section 13 or 15(d) of the Exchange Act, upon the request of a Holder of Notes, the Issuer shall promptly furnish or cause to be furnished to such Holder and to a prospective purchaser of such Note designated by such Holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the Notes in accordance with the terms hereof (such information being contemplated to consist of a copy of the Offering Circular together with all Monthly Servicing Reports delivered to the Issuer since the Closing Date).

ARTICLE III

PAYMENTS, SECURITY AND ALLOCATIONS

Section 3.1 Priority of Payments, Rapid Amortization.

(a) The Trustee shall apply, based on written instruction to the Trustee from the Servicer, on each Payment Date, (i) Available Funds for that Payment Date on deposit in the Collection Account, (ii) pursuant to Section 3.5(b), the Reserve Account Draw Amount, if any, for that Payment Date and (iii) proceeds of any claims on the Insurance Policy to make the following payments and in the following order of priority (provided that claims on the Insurance Policy shall be used solely to pay interest and principal on the Notes):

FIRST, to the Trustee the Monthly Trustee Fees and expenses of the Trustee to the extent not paid by the Servicer, plus accrued and unpaid Monthly Trustee Fees and expenses for prior Payment Dates; provided, however, that (i) any payments to the Trustee as reimbursement for expenses of the Trustee related to the transfer of servicing to a successor servicer and payable in priority FIRST will be limited to payments of $100,000 per calendar quarter and $340,000 in the aggregate, and (ii) payments to the Trustee as reimbursement for any other expenses of the Trustee will be limited to $10,000 per calendar year as long as no Event of Default has occurred, and the Notes have not been accelerated, or the Collateral sold, pursuant to this Indenture;

SECOND, to the Servicer, the Monthly Servicer Fee plus any unreimbursed Servicer Advances made in respect of any prior Payment Dates, plus any accrued and unpaid Monthly Servicer Fees;

THIRD, to the Swap Counterparty, the Net Swap Payment, if any;

FOURTH, to the extent not paid by the Servicer, to the Custodian the Monthly Custodian Fee, plus any accrued and unpaid Monthly Custodian Fees for prior Payment Dates, not to exceed an amount on such Payment Date equal to one-twelfth of 0.06% of the Aggregate Loan Balance as of the beginning of the related Due Period;

FIFTH, to the extent not paid by the Servicer, to the Collateral Agent, the Monthly Collateral Agent Fee, plus any accrued and unpaid Monthly Collateral Agent Fees for prior Payment Dates;

SIXTH, as long as no Insurer Default has occurred and is continuing, to the Insurer, any accrued and unpaid Insurance Premium;

SEVENTH, to the holders of the Class A-1 Notes, Accrued Interest on the Class A-1 Notes, and to the holders of the Class A-2 Notes, Accrued Interest on the Class A-2 Notes; to the extent that there are insufficient funds to pay both such amounts in full, such amounts shall be paid pro rata in proportion to their respective Class Percentages;

EIGHTH, to the Insurer, any Reimbursement Amounts then due and owing to the Insurer;

NINTH, (A) if no Rapid Amortization Event has occurred and is continuing, (i) first, to the Noteholders, the Principal Distribution Amount, allocated among the Classes pro rata based on their respective Class Percentages and (ii) second, to the Swap Counterparty, the unpaid Senior Priority Swap Termination Amount, if any; otherwise (B) if a Rapid Amortization Event has occurred and is continuing, all remaining Available Funds will be paid to the Noteholders and the Swap Counterparty according to subsection 3.1(b);

TENTH, to the Noteholders of each Class, the Extra Principal Distribution Amount, pro rata in proportion to their respective Class Percentages;

ELEVENTH, if the amount on deposit in the Reserve Account is less than the Reserve Required Amount, to the Reserve Account the remaining amount of Available Funds to the extent needed to increase the amount on deposit in the Reserve Account to the Reserve Required Amount;

TWELFTH, (i) first, to the Insurer, any other amounts due to the Insurer pursuant to the Insurance Agreement and (ii) second, to the Trustee, any other amounts due to the Trustee under this Indenture;

THIRTEENTH, to the Swap Counterparty, any amounts owing to the Swap Counterparty in respect of a termination of the Interest Rate Swap not paid pursuant to clause NINTH, above; and

FOURTEENTH, to the Issuer, any remaining Available Funds free and clear of the lien of this Indenture.

(b) Rapid Amortization. If a Rapid Amortization Event occurs and is continuing, on each Payment Date all Available Funds remaining after application of clause "EIGHTH" in subsection (a) above shall be applied to pay principal of the Notes and the Senior Priority Swap Termination Amount, if any, as follows: (i) to the holders of the Class A-1 Notes the lesser of (a) the amount allocated to the Class A-1 Notes when all Available Funds are allocated pro rata between the Class A-1 Notes and the Class A-2 Notes in proportion to their respective Principal Amounts and (b) the Principal Amount of the Class A-1 Notes and (ii) to the holders of the Class A-2 Notes and the Swap Counterparty, the lesser of (a) the amount allocated to the Class A-2 Notes when all Available Funds are allocated pro rata between the Class A-1 Notes and the Class A-2 Notes in proportion to their respective Principal Amounts and (b) the Principal Amount of the Class A-2 Notes and the Senior Priority Swap Termination Amount, if any, pro rata in proportion to the Principal Amount of the Class A-2 Notes and the unpaid Senior Priority Swap Termination Amount, respectively, until such amounts are reduced to zero; in addition, if the Payment Date is the Rated Final Maturity Date, all Reserve Account Draw Amounts for such date will be allocated pro rata between the Class A-1 Notes and Class A-2 Notes, in proportion to their respective Principal Amounts until the outstanding Principal Amounts have been reduced to zero.

Funds remaining on any Payment Date after making the payments described in the preceding paragraph while a Rapid Amortization Event shall be in effect, shall be applied as provided in provisions TENTH through FOURTEENTH in subsection 3.1(a) above.

(c) Application of Monies Collected During Event of Default. If the Notes have been accelerated following an Event of Default and such acceleration and its consequences have not been rescinded and annulled, and the Trustee has sold the Collateral, the proceeds collected by the Trustee pursuant to Article XI or otherwise with respect to such Notes shall be applied as provided in Section 11.7.

Section 3.2 Information Provided to Trustee. The Servicer shall promptly provide the Trustee in writing with all information necessary to enable the Trustee to make the payments and deposits required pursuant to Section 3.1 as required by Section 8.1 and the Trustee shall be entitled to rely thereon.

Section 3.3 Payments. On each Payment Date, the Trustee, as Paying Agent, shall distribute to the Holders and the other parties entitled thereto the amounts due and payable under this Indenture and the Notes.

Section 3.4 Collection Account.

(a) Collection Account. The Trustee, for the benefit of the Noteholders, the Insurer and the Swap Counterparty, shall establish and maintain in the name of the Trustee, a segregated account designated as the "Sierra Timeshare 2006-1 Receivables Funding, LLC Series 2006-1 Collection Account" bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Noteholders, the Insurer and the Swap Counterparty pursuant to this Indenture. Deposits made into the Collection Account shall be limited to amounts deposited therein on the Closing Date, amounts paid to the Issuer under the terms of the Interest Rate Swap, Collections and other Available Funds and earnings on the Collection Account. If, at any time, the Collection Account ceases to be an Eligible Account, the Trustee (or the Servicer on its behalf) shall within 10 Business Days establish a new Collection Account as an Eligible Account and shall transfer any property in the Collection Account to the new Collection Account. So long as the Trustee is an Eligible Institution, the Collection Account may be maintained with it in an Eligible Account.

(b) Withdrawals. The Trustee shall have the sole and exclusive right to withdraw or order a transfer of funds from the Collection Account, in all events in accordance with the terms and provisions of this Indenture and the information most recently delivered to the Trustee pursuant to Section 8.1; provided, however, that the Trustee shall be authorized to accept and act upon instructions from the Servicer regarding withdrawals or transfers of funds from the Collection Account, in all events in accordance with the provisions of this Indenture and the information most recently delivered pursuant to Sections 3.1 and 8.1. In addition, notwithstanding anything in the foregoing to the contrary, the Trustee shall be authorized to accept instructions from the Servicer on a daily basis regarding withdrawals or order transfers of funds from the Collection Account, to the extent such funds either (i) have been mistakenly deposited into the Collection Account (including without limitation funds representing assessments or dues payable by Obligors to property owners associations or other entities) or

(ii) relate to items subsequently returned for insufficient funds or as a result of stop payments. In the case of any withdrawal or transfer pursuant to the foregoing sentence, the Servicer shall provide the Trustee, the Insurer and the Swap Counterparty with notice of such withdrawal or transfer, together with reasonable supporting details, on the next Monthly Servicing Report to be delivered by the Servicer following the date of such withdrawal or transfer (or in such earlier written notice as may be required by the Trustee from the Servicer from time to time). Notwithstanding anything therein to the contrary, the Trustee shall be entitled to make withdrawals or order transfers of funds from the Collection Account, in the amount of all reasonable and appropriate out-of-pocket costs and expenses incurred by the Trustee in connection with any misdirected funds described in clause (i) and (ii) of the second foregoing sentence. Within two Business Days of receipt, the Servicer shall transfer all Collections and other proceeds of the Collateral processed by the Servicer to the Trustee for deposit into the Collection Account. The Trustee shall deposit or cause to be deposited into the Collection Account upon receipt the Release Price in respect of releases of Pledged Loans by the Issuer. On each Payment Date, the Trustee shall apply amounts in the Collection Account to make the payments and disbursements described in Section 3.1 and this Section 3.4.

(c) Administration of the Collection Account. Funds in the Collection Account shall, at the direction of the Servicer, at all times be invested in Permitted Investments; provided, however, that all Permitted Investments shall mature on the Business Day preceding each Payment Date, in order to ensure that funds on deposit therein will be available on such Payment Date. Subject to the restrictions set forth in the first sentence of this subsection 3.4(c), the Servicer shall instruct the Trustee in writing regarding the investment of funds on deposit in the Collection Account. All investment earnings on such funds shall be deemed to be available to the Trustee for the uses specified in this Indenture. The Trustee shall be fully protected in following the investment instructions of the Servicer, and shall have no obligation for keeping the funds fully invested at all times or for making any investments other than in accordance with such written investment instructions. If no investment instructions are received from the Servicer, the Trustee is authorized to invest the funds in Permitted Investments described in clause (v) of the definition thereof. In no event shall the Trustee be liable for any investment losses incurred in connection with the investment of funds on deposit in the Collection Account by the Trustee pursuant to this Indenture.

(d) Irrevocable Deposit. Any deposit made into the Collection Account hereunder shall, except as otherwise provided herein, be irrevocable and the amount of such deposit and any money, instruments, investment property or other property on deposit in, carried in or credited to the Collection Account hereunder and all interest thereon shall be held in trust by the Trustee and applied solely as provided herein.

(e) Source. All amounts delivered to the Trustee shall be accompanied by information in reasonable detail and in writing specifying the source and nature of the amounts.

Section 3.5 Reserve Account.

(a) Creation and Funding of the Reserve Account. The Trustee shall establish and maintain in the name of the Trustee, an Eligible Account designated as the "Sierra Timeshare 2006-1 Receivables Funding, LLC Reserve Account" bearing a designation clearly indicating

that the funds deposited therein are held for the benefit of the Noteholders, the Insurer and the Swap Counterparty pursuant to this Indenture. The Reserve Account shall be under the sole dominion and control of the Trustee; however, if so directed by the Servicer, the Reserve Account may be an Eligible Account in the name of the Trustee opened at another Eligible Institution. If, at any time, the Reserve Account ceases to be an Eligible Account, the Trustee (or the Servicer on its behalf) shall within 10 Business Days establish a new Reserve Account as an Eligible Account and shall transfer any property in the Reserve Account to such new Reserve Account. So long as the Trustee is an Eligible Institution, the Reserve Account may be maintained with it in an Eligible Account.

A deposit shall be made to the Reserve Account on the Closing Date in an amount equal to the Reserve Required Amount and, on each Payment Date, deposits shall be made to the Reserve Account to the extent provided in provision ELEVENTH of subsection 3.1(a).

(b) Withdrawals from the Reserve Account. If Available Funds are not sufficient to pay (i) on each Payment Date prior to the Rated Final Maturity Date, those amounts described in provisions FIRST through NINTH(A)(i) of subsection 3.1(a) or (ii) on the Rated Final Maturity Date, those amounts described in provisions FIRST through NINTH(A)(i) of subsection 3.1(a) and all unpaid Principal Amounts on the Notes, the Trustee, at the direction of the Servicer, shall withdraw from the Reserve Account the lesser of the amounts sufficient to make such payments and the balance in the Reserve Account (the "Reserve Account Draw Amount"). On the Rated Final Maturity Date, the Noteholders will be entitled to the Reserve Account Draw Amount for such date, if any.

(c) Release of Funds from Reserve Account. On each Payment Date, the Trustee shall withdraw all cash on deposit in the Reserve Account in excess of the Reserve Required Amount and deposit such amount in the Collection Account, for application on such Payment Date as Available Funds in accordance with Section 3.1 of this Indenture.

(d) Termination of Reserve Account. Any funds remaining in the Reserve Account after all Notes (including both principal and interest thereon) have been paid in full and in cash and all other obligations of the Issuer under this Indenture and the Notes, including all amounts owing to the Insurer and the Swap Counterparty, have been paid in full and in cash shall be remitted by the Trustee to the Issuer free and clear of the lien of this Indenture.

(e) Administration of the Reserve Account. Funds in the Reserve Account shall be invested in Permitted Investments as directed by the Servicer;provided, however, that all Permitted Investments shall mature on or before the next Payment Date. Subject to the restrictions set forth in the first sentence of this subsection (e), the Servicer shall instruct the Trustee in writing regarding the investment of funds on deposit in the Reserve Account. The Trustee shall be fully protected in following the investment instructions of the Servicer, and shall have no obligation for keeping the funds fully invested at all times or for making any investments other than in accordance with such written investment instructions. If no investment instructions are received from the Servicer, the Trustee is authorized to invest the funds in Permitted Investments described in clause (v) of the definition thereof. In no event shall the Trustee be liable for any investment losses incurred in connection with the investment of funds on deposit in the Reserve Account by the Trustee pursuant to this Indenture.

(f) Deposit Irrevocable. Any deposit made into the Reserve Account hereunder shall, except as otherwise provided herein, be irrevocable and the amount of such deposit and any money, instruments, investment property, or other property credited to, carried in, or deposited in the Reserve Account hereunder and all interest thereon shall be held in trust by the Trustee and applied solely as provided herein.

Section 3.6 Interest Rate Swap.

(a) The Issuer shall enter into the Interest Rate Swap, certain terms of which are set forth herein for the convenience of the parties thereto for incorporation therein by reference, with the Swap Counterparty on the Closing Date. The Interest Rate Swap shall have a termination date which is the earlier of the Payment Date occurring in May 2018 or when the notional amount thereunder has been reduced to zero, subject to early termination in accordance with the terms of the Interest Rate Swap. The Interest Rate Swap shall have a notional amount for each Interest Accrual Period equal to the Principal Amount of the Class A-2 Notes as of the close of business on the first day of such Interest Accrual Period. Under the Interest Rate Swap, the Issuer shall be the fixed rate payer and shall pay a fixed rate of 5.874% and the Swap Counterparty shall be the floating rate payer and shall pay a floating rate of one-month LIBOR as determined from time to time plus 0.15%. Pursuant to the terms of the Interest Rate Swap, the Swap Counterparty shall pay to the Trustee, on behalf of the Issuer, on each Payment Date, the Net Swap Receipt, if any, plus the amount of any Net Swap Receipt due but not paid with respect to any previous Payment Date. The Trustee shall deposit such Net Swap Receipts, if any, into the Collection Account and shall apply such amounts as Available Funds pursuant to subsection 3.1 of this Indenture. In addition, in accordance with the terms of the Interest Rate Swap, the Issuer shall pay to the Swap Counterparty the Net Swap Payment, if any, for such Payment Date, plus the amount of any Net Swap Payment due but not paid on any previous Payment Date, from amounts available pursuant to provision THIRD of subsection 3.1(a).

(b) Following the termination of the Interest Rate Swap pursuant to the terms thereof, the Swap Counterparty shall pay to the Trustee for the benefit of the Issuer the amount of the Termination Receipt, if any, to be paid by the Swap Counterparty pursuant to the Interest Rate Swap. The Trustee shall, promptly upon receipt of any such Termination Receipt, if any, at the written direction of the Servicer, deposit such Termination Receipt into the Collection Account to be applied as Available Funds.

(c) Following the termination of the Interest Rate Swap pursuant to the terms thereof, the Issuer shall pay to the Swap Counterparty the amount of the Termination Payment, if any, to be made by the Issuer pursuant to the Interest Rate Swap to the extent of funds available therefore under provision NINTH of subsection 3.1(a) or Section 11.7, if applicable, or provision THIRTEENTH of subsection 3.1(a) or provision ELEVENTH of Section 11.7, if applicable, or if a Rapid Amortization Event has occurred and is continuing, as provided in subsection 3.1(b).

(d) The Interest Rate Swap shall provide that if a Ratings Event (as defined below) shall occur and be continuing with respect to the Swap Counterparty, then the Swap Counterparty shall (A) within five Business Days of such Ratings Event, give notice to the Issuer and the Insurer of the occurrence of such Ratings Event, and (B) use reasonable efforts to transfer (at its own cost) the Swap Counterparty's rights and obligations under the Interest Rate

Swap to another party, which is an Acceptable Replacement Swap Counterparty, with such amendments to the Interest Rate Swap as have been approved by the Insurer (acting in a commercially reasonable manner), and subject to the Swap Rating Agency Condition. If a Ratings Event occurs, the Issuer, to the extent it has been notified of such event, shall notify the Trustee, the Insurer and the Servicer. Unless such a transfer by the Swap Counterparty has occurred within 20 Business Days after the occurrence of a Ratings Event, the Issuer shall demand that the Swap Counterparty post Eligible Collateral, as defined in the Interest Rate Swap, to secure the Issuer's exposure or potential exposure to the Swap Counterparty and the Eligible Collateral shall be provided in accordance with a credit support annex as provided in the Interest Rate Swap. Valuation and posting of Eligible Collateral shall be made as of each Payment Date or more frequently as provided in the Interest Rate Swap. Notwithstanding the addition of the credit support annex and the posting of Eligible Collateral, the Swap Counterparty shall continue to use reasonable efforts to transfer its rights and obligations under the Interest Rate Swap to an Acceptable Replacement Swap Counterparty; provided, however, that the Swap Counterparty's obligations to find a transferee and to post Eligible Collateral shall remain in effect only for so long as a Ratings Event is continuing.

(e) The Interest Rate Swap shall provide that a "Ratings Event" will occur with respect to the Swap Counterparty if the long-term and short-term senior unsecured deposit ratings of the Swap Counterparty cease to be at least "Aa3" and "P-1" by Moody's or are withdrawn by Moody's, or cease to be at least "A" and "A-1" by S&P, or at least "A" and "F1" by Fitch (to the extent such obligations are rated by S&P, Moody's or Fitch).

The Interest Rate Swap shall further provide that if the long-term and short-term senior unsecured deposit ratings of the Swap Counterparty cease to be at least "A2" and "P-1" by Moody's or at least "A-" and "A-1" by S&P, then the Swap Counterparty shall not be entitled to post Eligible Collateral, as defined in the Interest Rate Swap, but rather shall be required to use reasonable efforts to transfer the Swap Counterparty's rights and obligations under the Interest Rate Swap to an eligible transferee.

If the Interest Rate Swap is terminated for any reason and no successor swap is entered into, the Servicer shall solicit bids from one or more prospective replacement swap counterparties for the price of a replacement swap agreement with a notional amount equal to the outstanding principal amount of the Class A-2 Notes. With the consent of (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Noteholders of greater than 50% of the Aggregate Principal Amount of the Notes, and in either case upon written confirmation from each Rating Agency that the replacement swap agreement will not result in a downgrade or withdrawal of its then-current rating on any Class of Notes, the Issuer will enter into such replacement swap agreement. If (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Noteholders of greater than 50% of the Aggregate Principal Amount of the Notes does not consent to such replacement swap agreement, or written confirmation is not received from each Rating Agency, the Issuer will not enter into a replacement swap agreement.

Section 3.7 Custody of Permitted Investments and other Collateral.

The Trustee shall hold such of the Collateral (and any other collateral that may be granted to the Trustee) and the Permitted Investments (other than the Pledged Loans, the related Loan Files, or the related Vacation Ownership Interest) as consists of instruments, certificated securities, negotiable documents, money, goods, or tangible chattel paper in the State of New York or the State of Minnesota. The Trustee shall hold such of the Collateral (and any other collateral that may be granted to the Trustee) and the Permitted Investments (other than the Pledged Loans, the related Loan Files, or the related Vacation Ownership Interest) as constitutes investment property (other than certificated securities) through a securities intermediary, which securities intermediary shall agree with the Trustee and the Issuer that (I) such investment property shall at all times be credited to a securities account of the Trustee, (II) such securities intermediary shall treat the Trustee as entitled to exercise the rights that comprise each financial asset credited to such securities account, (III) all property credited to such securities account shall be treated as a financial asset, (IV) such securities intermediary shall comply with entitlement orders originated by the Trustee without the further consent of any other person or entity, (V) such securities intermediary will not agree with any person or entity other than the Trustee to comply with entitlement orders originated by any person or entity other than the Trustee, (VI) such securities accounts and the property credited thereto shall not be subject to any lien, security interest, encumbrance, or right of set-off in favor of such securities intermediary or anyone claiming through it (other than the Trustee), (VII) such agreement shall be governed by the laws of the State of New York, and (VIII) the State of New York shall be the "securities intermediary's jurisdiction" of such securities intermediary for purposes of the New York Uniform Commercial Code (the "NYUCC"). The Trustee shall hold such of the Collateral (and any other collateral that may be granted to the Trustee) and the Permitted Investments (other than the Pledged Loans, the related Loan Files, or the related Vacation Ownership Interest) as constitutes a deposit account through a bank, which bank shall agree in writing with the Trustee and the Issuer that (i) such bank shall comply with instructions originated by the Trustee directing disposition of the funds in the deposit account without further consent of any other person or entity, (ii) such bank will not agree with any person or entity other than the Trustee to comply with instructions originated by any person or entity other than the Trustee, (iii) such deposit account and the money deposited therein shall not be subject to any lien, security interest, encumbrance, or right of set-off in favor of such bank or anyone claiming through it (other than the Trustee), (iv) such agreement shall be governed by the laws of the State of New York, and (v) the State of New York shall be the "bank's jurisdiction" of such bank for purposes of Article 9 of the NYUCC. Terms used in this paragraph that are defined in the NYUCC and not otherwise defined herein shall have the meaning set forth in the NYUCC. Except as permitted by this paragraph, the Trustee shall not hold any part of the Collateral (or any other collateral that may be granted to the Trustee) or the Permitted Investments (other than the Pledged Loans, the related Loan Files, or the related Vacation Ownership Interest) through an agent or a nominee.

Section 3.8 The Policy.

(a) The Issuer hereby represents that (i) it has obtained the Insurance Policy in the name, and for the benefit and security, of the Trustee, acting on behalf of the Noteholders, (ii) it has entered into the Insurance Agreement which provides for the issuance of the Insurance Policy by the Insurer and (iii) the Insurance Policy permits the Trustee to draw on the Insurance Policy from time to time for the purposes set forth in this Agreement. The Insurer shall not be entitled to reimbursement for any draws, interest or fees with respect to the Insurance Policy, except as specifically provided herein.

(b) Pursuant to the Insurance Policy, (i) if on any Determination Date Available Funds and amounts on deposit in the Reserve Account are insufficient to pay the interest set forth in clause (i) of the definition of Accrued Interest (excluding interest on past due Accrued Interest) on the Notes in accordance with the Priority of Payments or Section 11.7, as applicable, on the immediately following Payment Date, then the Trustee will no later than 10:00 a.m. New York City time on the fourth Business Day prior to the Payment Date make a claim under the Insurance Policy in accordance with the procedures set forth in the Insurance Policy in an amount equal to such insufficiency and (ii) if on the Determination Date immediately preceding the Rated Final Maturity Date Available Funds and amounts on deposit in the Reserve Account are insufficient to reduce the Aggregate Principal Amount of the Notes to zero on the Rated Final Maturity Date, then the Trustee will no later than 10:00 a.m. New York City time on the fourth Business Day prior to the Payment Date make a claim under the Insurance Policy in an amount necessary to reduce the Aggregate Principal Amount of the Notes to zero on such Payment Date (the aggregate amounts demanded in (i) and (ii) pursuant to this sentence on any Payment Date, the "Policy Claim Amount.") Following receipt by the Insurer of such demand, the Insurer will pay the Policy Claim Amount by the later of (i) 12:00 noon, New York City time, on the applicable Payment Date and (ii) 12:00 noon, New York City time, on the fourth Business Day following receipt by the Insurer of the appropriate demand for payment.

The terms "Receipt" and "Received," with respect to the Insurance Policy, mean actual delivery to the Insurer prior to 11:00 a.m., New York City time, on a Business Day. Notices delivered either on a day that is not a Business Day or after 11:00 a.m., New York City time, on a Business Day, shall be deemed Received on the next succeeding Business Day. If any notice or certificate given under the Insurance Policy by the Trustee is not in proper form or is not properly completed, executed or delivered, it will be deemed not to have been Received, and the Insurer or the fiscal agent will promptly advise the Trustee of such deficiency and the Trustee may submit an amended notice.

Pursuant to the Insurance Policy, the Insurer shall pay any Insured Payment that is a Preference Amount no later than 12:00 Noon New York City time on the later of (i) the date on which such Insured Payment is due pursuant to the Order requiring such payment and (ii) the fourth Business Day following receipt on a Business Day by the Insurer in Armonk, New York (or such other location specified in writing by the Insurer to the Trustee) of a notice for payment relating to such Insured Payment of (i) a certified copy of a final, non-appealable order requiring the return of such Preference Amount (an "Order"), (ii) a certificate of the Trustee that the Order has been entered and is not subject to any stay, (iii) an opinion of counsel reasonably satisfactory to the Insurer, and upon which the Insurer shall be entitled to rely, stating that such Order is final

and is not subject to appeal, (iv) an assignment in such form as is reasonably required by the Insurer, irrevocably assigning to the Insurer all rights and claims of the Noteholders, if any, relating to or arising under the Notes against the Issuer or otherwise with respect to such Preference Amount, to the extent of such Preference Amount, (v) appropriate instruments to effect the appointment of the Insurer as agent for the Trustee and each Noteholder in any legal proceeding relating to such Preference Amount in a form reasonably satisfactory to the Insurer, and (vi) a notice for payment relating to such Preference Amount appropriately completed and executed by the Trustee. Such payments shall be disbursed to the Bankruptcy Trustee (or other Person, if applicable) named in the Order on behalf of the Noteholders and not to any Noteholder directly unless such Noteholder provides proof reasonably satisfactory to the Insurer that such Noteholder has returned such Preference Amount to such Bankruptcy Trustee (or other Person, if applicable), in which case such payment shall be disbursed to such Noteholder.

The term "Preference Amount" has the meaning assigned to that term in the Insurance Policy.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

Section 4.1 Representations and Warranties Regarding the Issuer. The Issuer hereby represents and warrants to the Trustee and the Collateral Agent on the date of execution of this Indenture as follows:

(a) Due Formation and Good Standing. The Issuer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, and has full power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under each of the Transaction Documents to which it is a party. The Issuer is duly qualified to do business and is in good standing as a foreign entity, and has obtained all necessary licenses and approvals, in each jurisdiction in which failure to qualify or to obtain such licenses and approvals would render any Pledged Loan unenforceable by the Issuer or would otherwise have a Material Adverse Effect.

(b) Due Authorization and No Conflict. The execution, delivery and performance by the Issuer of each of the Transaction Documents to which it is a party, and the consummation by the Issuer of each of the transactions contemplated hereby and thereby, including without limitation the acquisition of the Pledged Loans under the Term Purchase Agreement and the making of the Grants contemplated hereunder, have in all cases been duly authorized by the Issuer by all necessary action, do not contravene (i) the Issuer's certificate of formation or the LLC Agreement, (ii) any existing law, rule or regulation applicable to the Issuer, (iii) any contractual restriction contained in any material indenture, loan or credit agreement, lease, mortgage, deed of trust, security agreement, bond, note, or other material agreement or instrument binding on or affecting the Issuer or its property or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting the Issuer or its property (except where such contravention would not have a Material Adverse Effect), and do not result in or require the creation of any Lien upon or with respect to any of its properties (except as provided in such

Transaction Documents); and no transaction contemplated hereby requires compliance with any bulk sales act or similar law. Each of the other Transaction Documents to which the Issuer is a party have been duly executed and delivered by the Issuer.

(c) Governmental and Other Consents. All approvals, authorizations, consents, or orders of any court or governmental agency or body required in connection with the execution and delivery by the Issuer of any of the Transaction Documents to which the Issuer is a party, the consummation by the Issuer of the transactions contemplated hereby or thereby, the performance by the Issuer of and the compliance by the Issuer with the terms hereof or thereof, have been obtained, except where the failure so to do would not have a Material Adverse Effect on the Issuer.

(d) Enforceability of Transaction Documents. Each of the Transaction Documents to which the Issuer is a party has been duly and validly executed and delivered by the Issuer and constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its respective terms, except as enforceability may be subject to or limited by any Debtor Relief Law or by general principles of equity (whether considered in a suit at law or in equity).

(e) No Litigation. There are no proceedings or investigations pending or, to the best knowledge of the Issuer, threatened, against the Issuer before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (i) asserting the invalidity of this Indenture or any of the other Transaction Documents, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Indenture or any of the other Transaction Documents, (iii) seeking any determination or ruling that would adversely affect the performance by the Issuer of its obligations under this Indenture or any of the other Transaction Documents to which the Issuer is a party, (iv) seeking any determination or ruling that would adversely affect the validity or enforceability of this Indenture or any of the other Transaction Documents or (v) seeking any determination or ruling which would be reasonably likely to have a Material Adverse Effect on the Issuer.

(f) Use of Proceeds. All proceeds of the issuance of the Notes shall be used by the Issuer to acquire Loans from the Depositor under the Term Purchase Agreement, to pay costs related to the issuance of the Notes, to pay principal and/or interest on any Notes or to otherwise fund costs and expenses permitted to be paid under the terms of the Transaction Documents.

(g) Governmental Regulations. The Issuer is not (1) an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, or (2) a "public utility company" or a "holding company," a "subsidiary company" or an "affiliate" of any public utility company within the meaning of Section 2(a)(5), 2(a)(7), 2(a)(8) or 2(a)(11) of the Public Utility Holding Company Act of 1935, as amended.

(h) Margin Regulations. The Issuer is not engaged, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" (as each of the quoted terms is defined or used in any of Regulations T, U or X of the Board of Governors of the Federal Reserve System, as in effect from time to time). No part of the proceeds of any of the Notes has been used for so purchasing

or carrying margin stock or for any purpose which violates, or which would be inconsistent with, the provisions of any of Regulations T, U or X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

(i) Location of Issuer. The Issuer was formed on May 12, 2006 as a limited liability company under the laws of the State of Delaware and has at all times since such date remained as a limited liability company under the laws of the State of Delaware. From May 12, 2006 to the date of this Agreement, the Issuer's correct name has been and is Sierra Timeshare 2006-1 Receivables Funding, LLC.

(j) Lockbox Accounts. Except in the case of any Lockbox Account pursuant to which only collections in respect of loans subject to a PAC or Credit Card Account are deposited, the Issuer has filed or has caused to be filed a standing delivery order with the United States Postal Service authorizing each Lockbox Bank to receive mail delivered to the related Post Office Box. The account numbers of all Lockbox Accounts, together with the names, addresses, ABA numbers and names of contact persons of all the Lockbox Banks maintaining such Lockbox Accounts and the related Post Office Boxes, are specified in the exhibits to this Indenture. From and after the Closing Date, the Trustee shall hold all right and title to and interest in all of the monies, checks, instruments, depository transfers or automated clearing house electronic transfers and other items of payment and their proceeds and all monies and earnings, if any, thereon in the Lockbox Accounts. The Issuer has no other lockbox accounts for the collection of Scheduled Payments in respect of Pledged Loans except for the Lockbox Accounts.

(k) No Other Legal Names. The Issuer has not had any legal name other than the name set forth herein at any time since its formation.

(l) Subsidiaries. The Issuer has no Subsidiaries and does not own or hold, directly or indirectly, any capital stock or equity security of, or any equity interest in, any Person, other than Permitted Investments.

(m) Transaction Documents. The Term Purchase Agreement is the only agreement pursuant to which the Issuer purchases the Pledged Loans and the related Pledged Assets. The Issuer has furnished to the Trustee, the Insurer and the Collateral Agent, true, correct and complete copies of each Transaction Document to which the Issuer is a party, each of which is in full force and effect. Neither the Issuer nor any Affiliate thereof is in default of any of its obligations thereunder in any material respect. The Issuer is the lawful owner of, and has good title to, each Pledged Loan and all related Pledged Assets, free and clear of any Liens (other than the Lien of this Indenture and any Permitted Encumbrances on the related Vacation Ownership Interests), or has a first-priority perfected security interest therein. All such Pledged Loans and other related Pledged Assets are purchased without recourse to the Depositor except as described in the Term Purchase Agreement. The purchase by the Issuer under the Term Purchase Agreement constitutes either a sale or a first-priority perfected security interest, enforceable against creditors of the Depositor.

(n) Business. Since its formation, the Issuer has conducted no business other than the execution, delivery and performance of the Transaction Documents contemplated hereby, the

purchase of Loans thereunder, the issuance and payment of the Notes and such other activities as are incidental to the foregoing. The Issuer has incurred no Debt except that expressly incurred hereunder and under the other Transaction Documents.

(o) Ownership of the Issuer. One hundred percent (100%) of the outstanding equity interest in the Issuer is directly owned (both beneficially and of record) by the Depositor.

(p) Taxes. The Issuer has timely filed or caused to be timely filed all federal, state, and local and foreign tax returns which are required to be filed by it, and has paid or caused to be paid all taxes due and owing by it, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings timely instituted and diligently pursued and with respect to which the Issuer has set aside adequate reserves on its books in accordance with GAAP and which proceedings have not given rise to any Lien.

(q) Tax Classification. Since its formation, for federal income tax purposes, the Issuer (i) has been classified as a disregarded entity or partnership and (ii) has not been classified as an association taxable as a corporation or a publicly traded partnership.

(r) Solvency. The Issuer (i) is not "insolvent" (as such term is defined in the Bankruptcy Code); (ii) is able to pay its debts as they become due; and (iii) does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage.

(s) ERISA. The Issuer has not established and does not maintain or contribute to any Benefit Plan that is covered by Title IV of ERISA.

(t) No Adverse Selection. No selection procedures materially adverse to the Noteholders, the Trustee or the Collateral Agent have been employed in selecting the Pledged Loans for inclusion in the Collateral on the Closing Date.

Section 4.2 Representations and Warranties Regarding the Loan Files. The Issuer represents and warrants to each of the Trustee, the Collateral Agent, the Servicer and the Noteholders as to each Pledged Loan that:

(a) Possession. On or immediately prior to the Closing Date the Custodian will have possession of each original Pledged Loan and the related Loan File, and will have acknowledged such receipt and its undertaking to hold such documents for purposes of perfection of the Collateral Agent's interests in such original Pledged Loan and the related Loan File; provided, however, that the fact that any Loan Document not required to be in its respective Loan File under the terms of the respective Purchase Agreements is not in the possession of the Custodian in its respective Loan File does not constitute a breach of this representation; and provided that, possession of Loan Documents may be in the form of microfiche or other electronic copies of the Loan Documents to the extent provided in the Custodial Agreement.

(b) Marking Records. On or before the Closing Date, each of the Issuer and the Servicer shall have caused the portions of the computer files relating to the Pledged Loans Granted to the Collateral Agent on such date to be clearly and unambiguously marked to indicate that such Loans constitute part of the Collateral Granted by the Issuer in accordance with the terms of this Indenture.

The representations and warranties of the Issuer set forth in this Section 4.2 shall be deemed to be remade without further act by any Person on and as of each date of substitution with respect to each Loan Granted by the Issuer on and as of each such date. The representations and warranties set forth in this Section 4.2 shall survive any Grant of the respective Loans by the Issuer.

Section 4.3 Rights of Obligors and Release of Loan Files.

(a) Notwithstanding any other provision contained in this Indenture, including the Collateral Agent's, the Trustee's and the Noteholders' remedies pursuant hereto and pursuant to the Collateral Agency Agreement, the rights of any Obligor to any Vacation Ownership Interest subject to a Pledged Loan shall, so long as such Obligor is not in default thereunder, be superior to those of the Collateral Agent, the Trustee, the Insurer and the Noteholders, and none of the Collateral Agent, the Trustee, the Insurer or the Noteholders, so long as such Obligor is not in default thereunder, shall interfere with such Obligor's use and enjoyment of the Vacation Ownership Interest subject thereto.

(b) If pursuant to the terms of this Indenture, the Collateral Agent or the Trustee shall acquire through foreclosure the Issuer's interest in any portion of the Vacation Ownership Interest subject to a Pledged Loan, the Collateral Agent and the Trustee hereby specifically agree to release or cause to be released any Vacation Ownership Interest from any Lien hereunder upon completion of all payments and the performance of all the terms and conditions required to be made and performed by such Obligor under such Pledged Loan, and each of the Collateral Agent and the Trustee hereby consents to any such release by, or at the direction of, the Collateral Agent.

(c) At such time as an Obligor has paid in full the purchase price or the requisite percentage of the purchase price for deeding pursuant to a Pledged Loan and has otherwise fully discharged all of such Obligor's obligations and responsibilities required to be discharged as a condition to deeding, the Servicer shall notify the Trustee and the Collateral Agent by a certificate substantially in the form attached hereto as Exhibit B (which certificate shall include a statement to the effect that all amounts received in connection with such payment have been deposited in the Collection Account) of a Servicing Officer and shall request delivery to the Servicer from the Custodian of the related Loan Files. Upon receipt of such certificate and request or at such earlier time as is required by applicable law, the Trustee and the Collateral Agent (a) shall be deemed, without the necessity of taking any action, to have approved release by the Custodian of the Loan Files to the Servicer (in all cases in accordance with the provisions of the Custodial Agreement), (b) shall be deemed to approve the release by the Nominee of the related deed of title, and any documents and records maintained in connection therewith, to the Obligor as provided in the Title Clearing Agreement, provided that title to the Vacation Ownership Interest has not already been deeded to the Obligor and/or (c) shall execute such documents and instruments of transfer and assignment and take such other action as is necessary to release its interest in the Vacation Ownership Interest subject to deeding (in the case of any Pledged Loan which has been paid in full). The Servicer shall cause each Loan File or any

document therein so released which relates to a Pledged Loan for which the Obligor's obligations have not been fully discharged to be returned to the Custodian for the sole benefit of the Collateral Agent when the Servicer's need therefor no longer exists.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE ISSUER; ASSIGNMENT OF REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Trustee, the Collateral Agent and the Noteholders on the Closing Date as follows:

(a) Payment of principal and interest on the Notes and the prompt observance and performance by the Issuer of all of the terms and provisions of this Indenture are secured by the Collateral. Upon the issuance of the Notes and at all times thereafter so long as any Notes are outstanding, this Indenture creates a valid and continuing security interest (as defined in the applicable UCC) in the Collateral in favor of the Collateral Agent for the benefit of the Trustee, acting on behalf of the Noteholders, the Insurer and the Swap Counterparty to secure amounts payable under the Notes which security interest is perfected and prior to all other Liens (other than any Permitted Encumbrances) and is enforceable as such against all creditors of and purchasers from the Issuer; and

(b) the Pledged Loans and the documents evidencing such Pledged Loans constitute either "accounts," "chattel paper," "instruments" or "general intangibles" within the meaning of the applicable UCC.

Section 5.2 Eligible Loans. The Issuer hereby represents and warrants to the Trustee and the Collateral Agent that each of the Pledged Loans is an Eligible Loan. For purposes of this Indenture, the term "Eligible Loan" means a Loan purchased by the Issuer under the Term Purchase Agreement which has the following characteristics as of the Cut-Off Date:

(a) the related Vacation Ownership Interest has been purchased by an Obligor, and with respect to a Vacation Ownership Interest which is a Fixed Week, a UDI or which constitutes Points (it being understood in the case of a Vacation Ownership Interest which constitutes Points, that references in this clause (a) to a Vacation Ownership Interest shall be deemed to be references to the related Fixed Week or UDI deposited into FairShare Plus in exchange for such Points) (i) is not an interest in a Lot, (ii) except in the case of a Green Loan, a certificate of occupancy has been issued for the Resort related to such Vacation Ownership Interest, (iii) except in the case of a Green Loan, the unit related to the Vacation Ownership Interest is complete and ready for occupancy, is not in need of material maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural defects materially affecting its value, (iv) the Resort related to the Vacation Ownership Interest is not in need of maintenance or repair, except for ordinary, routine maintenance and repairs that are not substantial in nature or cost and contains no structural defects materially affecting its value, (v) there is no legal, judicial or

administrative proceeding pending, or to the Issuer's knowledge threatened, for the total condemnation of the Resort related to the Vacation Ownership Interest or partial condemnation of any portion of the property related to the Vacation Ownership Interest that would have a material adverse effect on the value of the Vacation Ownership Interest, (vi) the Resort related to the Vacation Ownership Interest is not located outside of the United States and (vii) is subject to declarations, covenants and restrictions of record;

(b) in the case of a Pledged Loan that is an Installment Contract, with respect to which the Issuer has a valid ownership or security interest in an underlying Vacation Ownership Interest, subject only to Permitted Encumbrances, unless the criteria in paragraph (c) are satisfied;

(c) with respect to Loans which are Fairfield Loans (i) if the related Vacation Ownership Interest has been deeded to the Obligor of the related Pledged Loan, then (A) the Issuer has a valid and enforceable first lien Mortgage on such Vacation Ownership Interest, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, (B) such Mortgage and related mortgage note have been assigned to the Collateral Agent, (C) such Mortgage and the related note have been transferred to the custody of the Custodian in accordance with the provisions of Section 6(c)(i) of the applicable Purchase Agreement and (D) if any Mortgage relating to such Pledged Loan is a deed of trust, a trustee duly qualified under applicable law to serve as such has been properly designated in accordance with applicable law and currently so serves or (ii) if the related Vacation Ownership Interest has not been deeded to the Obligor of the related Pledged Loan, then a nominee has legal title to such Vacation Ownership Interest and the Issuer has an equitable interest in such Vacation Ownership Interest underlying the related Pledged Loan;

(d) that was issued in a transaction that complied, and is in compliance, in all material respects with all requirements of applicable federal, state and local law, including applicable laws relating to usury, truth-in-lending, property sales, consumer credit protection and disclosure, except, with respect only to California Business and Professions Code Section 11018.10, as in effect prior to its repeal as of July 1, 2005, and California Business and Professions Code Section 11226, which became effective as of July 1, 2005, where such failure to comply would not have a Material Adverse Effect on the Sellers or a material adverse effect on the Pledged Loans;

(e) that requires the Obligor to pay the unpaid principal balance over an original term of not greater than 120 months;

(f) the Scheduled Payments on which are denominated and payable in United States dollars;

(g) is not a Defaulted Loan;

(h) the Scheduled Payments on which are not 30 days or more delinquent as of the Cut-Off Date;

(i) does not (i) finance the purchase of credit life insurance and (ii) finance, and was not originated in connection with, the Trendwest "Explorer" program, unless such Loan has been converted to a Loan in connection with the WorldMark program;

(j) with respect to which the related Vacation Ownership Interest (i) if the Loan is a Fairfield Loan (A) consists of a Fixed Week or a UDI and (B) if it consists of a Fixed Week, it has been converted or is convertible into a UDI or has become subject to FairShare Plus, which conversion or other modification does not or would not give rise to the extension of the maturity of any payments under such Fairfield Loan or is a Shawnee Loan or was originated during the transition period after the acquisition of Shawnee Development, Inc. (ii) if the Loan is a Trendwest Loan, consists of Vacation Credits or a Fractional Interest;

(k) that, if it is a Fairfield Loan (i) either (A) was transferred by FRI to WCF pursuant to the Operating Agreement, (B) in the case of any Pledged Loan originated by an Originator (other than any Pledged Loan originated by FRI or a Kona Loan), was transferred by such Originator to FRI pursuant to the Operating Agreement or (C) in the case of a Kona Loan was transferred to FRI under the terms of a July 2002 agreement or (ii) was purchased by WCF from Fairfield Receivables Corporation pursuant to an Assignment of Contracts and Mortgages, dated as of August 29, 2002;

(l) (i) if it is a Fairfield Loan, it was, except with respect to Kona Loans or Shawnee Loans, originated by a Fairfield Originator and, except for a transition period with respect to Shawnee Loans, has been consistently serviced by WCF, in each case in the ordinary course of its respective business and in accordance with Customary Practices and Credit Standards and Collection Policies, (ii) if it is a Kona Loan, it was originated by Kona Hawaiian Vacation Ownership, LLC and has since December 1, 2002 been consistently serviced by WCF, in each case, in the ordinary course of its respective business and in accordance with Customary Practices and Credit Standards and Collection Policies, (iii) if it is a Shawnee Loan, it was originated by Shawnee Development, Inc. and consistently serviced by WCF since March 13, 2006, or (iv) if it is a Trendwest Loan, was originated by Trendwest and has been consistently serviced by WCF or Trendwest, in each case in the ordinary course of its business and in accordance with WCF's or Trendwest's Customary Practices and Credit Standards and Collection Policies;

(m) has not been specifically reserved against by the Issuer or classified as uncollectible or charged off;

(n) arises from transactions in a jurisdiction in which (i) with respect to Fairfield Loans, FRI and each Subsidiary of FRI (other than the Depositor, and other special purpose entities created to issue notes) that conducts business in such jurisdiction is duly qualified to do business, except where the failure to so qualify will not adversely affect or impair the legality, validity, binding effect and enforceability of such Pledged

Loan and (ii) with respect to Trendwest Loans, Trendwest is duly qualified to do business, except where the failure to so qualify will not adversely affect or impair the legality, validity, binding effect and enforceability of such Pledged Loan;

(o) constitutes a legal, valid, binding and enforceable obligation of the related Obligor, except as such enforceability may be limited by Debtor Relief Laws and as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(p) is fully amortizing pursuant to a required schedule of substantially equal monthly payments of principal and interest;

(q) with respect to which, (i) the down payment has been made, (ii) neither statutory nor regulatively imposed rescission rights exist with respect to the related Obligor and (iii) no basis for such rights exists on the Cut-Off Date in the case of any Pledged Loan for which such rights are, at any time following the Cut-Off Date, granted or imposed;

(r) had an Equity Percentage of 10% or more at the time of the sale of the related Vacation Ownership Interest to the related Obligor (or, in the case of a Loan relating to a Timeshare Upgrade originated by Trendwest, an Equity Percentage of 10% or more of the value of all Vacation Credits owned by the related Obligor);

(s) with respect to which at least one Scheduled Payment has been made by the Obligor;

(t) in the case of a Green Loan, (i) satisfies each of the eligibility criteria set forth in paragraphs (a) through (s) above other than any such criteria that cannot be satisfied due solely to (A) the related Green Vacation Ownership Interest being an interest in a unit at a Resort that is not yet complete and ready for occupancy; (B) the Issuer not having a valid ownership interest in the related Green Vacation Ownership Interest; or (C) the related Green Vacation Ownership Interest not having been deeded to the Obligor or legal title not being held by the Nominee; and (ii) the Resort related to the Green Vacation Ownership Interest has a scheduled completion date no more than six months following the Cut-Off Date;

(u) the billing address of the Obligor is located in the United States; provided, however that the billing addresses of not more than 5% of the Obligors (by Loan Balance) may be located outside the United States; and

(v) is not and is not subsequently deemed to have been a Defective Loan as defined in the Master Loan Purchase Agreement pursuant to which it was sold by the applicable Seller to the Depositor.

Section 5.3 Assignment of Representations and Warranties and Rights Under the Performance Guaranty. The Issuer hereby assigns to the Trustee and the Collateral Agent all of its rights relating to the Pledged Loans and related Pledged Assets under the Term Purchase Agreement including the rights assigned to the Issuer by the Depositor of the Depositor's rights

to payment due from the related Seller for repurchases of Defective Loans (as such term is defined in the respective Purchase Agreements) resulting from the breach of representations and warranties under the respective Purchase Agreements. In addition, the Issuer hereby assigns to the Trustee and the Collateral Agent all of its rights under the Performance Guaranty including those rights the Issuer has as a named beneficiary of the Performance Guaranty and those rights it has acquired by assignment from the Depositor.

Section 5.4 Release of Defective Loans.

(a) Deposit of Release Price or Substitution of Qualified Substitute Loan. Subject to subsection (b) of this section, upon discovery by the Issuer or upon written notice from the Depositor or the Trustee that any Pledged Loan is a Defective Loan, the Issuer shall, within 90 days after the earlier of its discovery or receipt of notice thereof (i) if such Defective Loan constitutes a Defective Loan as defined in the Purchase Agreement pursuant to which the Depositor acquired such Defective Loan, direct the applicable Seller to perform its obligation under such Purchase Agreement to either (A) deposit the Release Price with the Trustee or (B) deliver to the Trustee one or more Qualified Substitute Loans in substitution for such Defective Loan and pay to the Trustee the Substitution Adjustment Amount, or (ii) if such Defective Loan does not constitute a Defective Loan as defined in the Purchase Agreement pursuant to which the Depositor acquired such Defective Loan, deposit the Release Price with the Trustee. If such Defective Loan constitutes a Defective Loan as defined in the Purchase Agreement pursuant to which the Depositor acquired such Defective Loan, then, notwithstanding any other provision of this Indenture, the Issuer shall have no obligation or liability with respect to such Defective Loan should the applicable Seller fail to perform its obligations under the Purchase Agreement with respect to such Defective Loan.

(b) Substitution. If under a Purchase Agreement, a Seller delivers a Qualified Substitute Loan for release of a Defective Loan, the Issuer shall execute a Supplemental Grant in substantially the form of Exhibit G hereto and deliver such Supplemental Grant to the Trustee and the Collateral Agent. Payments due with respect to Qualified Substitute Loans on or prior to the Calculation Date next preceding the date of substitution shall not be property of the Issuer, but, to the extent received by the Servicer, will be retained by the Servicer and remitted by the Servicer to the Seller on the next succeeding Payment Date. Payments due and other amounts received with respect to the Qualified Substitute Loans after the Calculation Date next preceding the date of substitution shall be property of the Issuer. Scheduled Payments due on a Defective Loan on or prior to the Calculation Date next preceding the date of substitution shall be property of the Issuer, and after such Calculation Date next preceding the date of substitution the Seller shall be entitled to retain all Scheduled Payments due thereafter and other amounts received in respect of such Defective Loan. The Issuer shall cause the Servicer to deliver a schedule of any Defective Loans so removed and Qualified Substitute Loans so substituted to the Trustee and such schedule shall be an amendment to the Loan Schedule. Upon such substitution, the Qualified Substitute Loan or Qualified Substitute Loans shall be subject to the terms of this Indenture in all respects, the Issuer shall be deemed to have made the representations, and warranties with respect to each Qualified Substitute Loan set forth in Section 5.1 and 5.2 of this Indenture, in each case as of the date of substitution, and the Issuer shall be deemed to have made a representation and warranty that each Loan so substituted is a Qualified Substitute Loan as of the date of substitution. The provisions of Section 5.4(a) shall apply to any Qualified

Substitute Loan as to which the Issuer has breached the Issuer's representations and warranties in Section 5.1 and 5.2 to the same extent as for any other Pledged Loan. In connection with the substitution of one or more Qualified Substitute Loans for one or more Defective Loans, the Servicer shall determine the Substitution Adjustment Amount. If such Defective Loan constitutes a Defective Loan as defined in the Purchase Agreement pursuant to which the Depositor acquired such Defective Loan, the Issuer shall direct the applicable Seller to perform its obligation under such Purchase Agreement to pay to the Trustee the Substitution Adjustment Amount in immediately available funds. Such Substitution Adjustment Amount shall be paid to the Trustee and treated as if it were a portion of the Release Price for the Defective Loan and included in Available Funds as such. If such Defective Loan constitutes a Defective Loan as defined in the Purchase Agreement pursuant to which the Depositor acquired such Defective Loan, then, notwithstanding any other provision of this Indenture, the Issuer shall have no obligation or liability to pay the Substitution Adjustment Amount with respect to such Defective Loan should the applicable Seller fail to perform its obligation under the Purchase Agreement to pay such Substitution Adjustment Amount to the Trustee.

(c) Release of Defective Loan. If a Seller repurchases a Pledged Loan as a Defective Loan or provides a Qualified Substitute Loan and the related Substitution Adjustment Amount, if any, for a Defective Loan, then the Issuer shall automatically and without further action sell, transfer, assign, set over and otherwise convey to such Seller, without recourse, representation or warranty, all of the Issuer's right, title and interest in and to the related Defective Loan, the related Vacation Ownership Interest, the Loan File relating thereto and any other related Pledged Assets, all monies due or to become due with respect thereto and all Collections with respect thereto (including payments received from Obligors after the Calculation Date next preceding the date of transfer, subject to the payment of any Substitution Adjustment Amount). The Issuer shall execute such documents, releases and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the applicable Seller to effect the conveyance of such Defective Loan, the related Vacation Ownership Interest, the related Loan File and any other related Pledged Assets pursuant to this Section 5.4(c).

Promptly after the repurchase of Defective Loans in respect of which the Release Price has been paid or a Qualified Substitute Loan has been provided, on such date, the Issuer shall direct the Servicer to delete such Defective Loans from the Loan Schedule.

The obligations of the Issuer set forth in Section 5.4(a) shall constitute the sole remedy against the Issuer with respect to any breach of the representations and warranties set forth in Section 5.2 available hereunder to the Trustee, the Collateral Agent or the Insurer.

ARTICLE VI

ADDITIONAL COVENANTS OF ISSUER

Section 6.1 Affirmative Covenants. The Issuer shall:

(a) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties, and all Pledged Loans and Transaction Documents to which it is a party (including without limitation the laws, rules and regulations of each state governing the sale of timeshare contracts).

(b) Preservation of Existence. Preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing as a foreign entity, and maintain all necessary licenses and approvals, in each jurisdiction in which it does business, except where the failure to preserve and maintain such existence, rights, franchises, privileges, qualifications, licenses and approvals would not have a Material Adverse Effect.

(c) Adequate Capitalization. Ensure that at all times it is adequately capitalized to engage in the transactions contemplated by this Indenture.

(d) Keeping of Records and Books of Account. Cause the Servicer to maintain and implement administrative and operating procedures (including without limitation an ability to recreate records evidencing the Pledged Loans in the event of the destruction or loss of the originals thereof) and keep and maintain, all documents, books, records and other information reasonably necessary or advisable for the collection of all Pledged Loans (including without limitation records adequate to permit the daily identification of all Collections with respect to, and adjustments of amounts payable under, each Pledged Loan).

(e) Performance and Compliance with Receivables and Loans. At its expense, timely and fully perform and comply in all material respects with all material provisions, covenants and other promises required to be observed by it under the Pledged Loans and other Pledged Assets.

(f) Credit Standards and Collection Policies. Comply in all material respects with the Credit Standards and Collection Policies and Customary Practices in regard to each Pledged Loan and the related Pledged Assets.

(g) Collections. (1) Instruct or cause all Obligors to be instructed to either:

(A) send all Collections directly to a Post Office Box for credit to a Lockbox Account or directly to a Lockbox Account, or

(B) in the alternative, make Scheduled Payments by way of pre-authorized debits from a deposit account of such Obligor pursuant to a PAC or from a credit card of such Obligor pursuant to a Credit Card Account from which Scheduled Payments shall be electronically transferred directly to a Lockbox Account immediately upon each such debit (provided that, for the avoidance of doubt, each Obligor may at any time cease to pay its Scheduled Payments directly to a Post Office Box or a Lockbox Account or pursuant to a PAC or Credit Card Account, so long as the Servicer promptly instructs such Obligor to commence one of the two alternative methods of funds transfer provided for in either of sub-clauses (A) or (B) of this clause (1)).

(2) In the case of funds transfers pursuant to a PAC or Credit Card Account, take, or cause each of the Servicer, a Lockbox Bank and/or the Trustee to take, all necessary and appropriate action to ensure that each such pre-authorized debit is credited directly to a Lockbox Account.

(3) If the Issuer shall receive any Collections or other proceeds of the Collateral, hold such Collections in trust for the benefit of the Trustee, the Noteholders, the Insurer and the Swap Counterparty and deposit such Collections into a Lockbox Account or the Collection Account within two Business Days following the Issuer's receipt thereof.

(h) Compliance with ERISA. Comply in all material respects with the provisions of ERISA, the Code, and all other applicable laws and the regulations and interpretations thereunder.

(i) Perfected Security Interest. Take such action with respect to each Pledged Loan as is necessary to ensure that the Collateral Agent maintains on behalf of the Trustee, a first priority perfected security interest in such Pledged Loan and the Pledged Assets relating thereto and all other Collateral, in each case free and clear of any Liens (other than the Lien created by this Indenture and in the case of any Vacation Ownership Interests, any Permitted Encumbrance).

(j) No Release. Not take any action and shall use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's material covenants or material obligations under any document, instrument or agreement included in the Collateral, or which would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such document, instrument or agreement except as expressly provided in this Indenture or such other instrument or document.

(k) Insurance and Condemnation.

(i) The Issuer shall do or cause to be done all things that it may accomplish with a reasonable amount of cost or effort to cause each of the POAs for each Resort to (A) maintain one or more policies of "all-risk" property and general liability insurance with financially sound and reputable insurers, providing coverage in scope and amount which (x) satisfies the requirements of the declarations (or any similar charter document) governing the POA for the maintenance of such insurance policies and (y) is at least consistent with the scope and amount of such insurance coverage obtained by prudent POAs and/or management of other similar developments in the same jurisdiction; and (B) apply the proceeds of any such insurance policies in the manner specified in the relevant declarations (or any similar charter document) governing the POA and/or any similar charter documents of such POA. For the avoidance of doubt, the parties hereto acknowledge that the ultimate discretion and control relating to the maintenance of any such insurance policies is vested in the POAs in accordance with the respective declaration (or any similar charter document) relating to each Vacation Ownership Interest Regime. If any POA fails to maintain the insurance described in clause (A) of this subsection (k), the Issuer shall, to the extent it has knowledge of such failure, promptly give notice of such failure to each Rating Agency.

(ii) The Issuer shall remit to the Collection Account the portion of any proceeds received by the Issuer pursuant to a condemnation of property in any Resort to the extent that such proceeds relate to any of the Vacation Ownership Interests.

(l) Custodian.

(i) On or before the Closing Date, the Issuer shall deliver or cause to be delivered directly to the Custodian for the benefit of the Collateral Agent pursuant to the Custodial Agreement the Loan File for each Pledged Loan. Such Loan File may be provided in microfiche or other electronic form to the extent permitted under the Custodial Agreement. The Issuer shall cause the Custodian to hold, maintain and keep custody of the Loan Files for the benefit of the Collateral Agent in a secure fire retardant location at an office of the Custodian, which location shall be reasonably acceptable to the Collateral Agent and the Trustee.

(ii) The Issuer shall cause the Custodian at all times to maintain control of the Loan Files for the benefit of the Collateral Agent on behalf of the Trustee in each case pursuant to the Custodial Agreement. Each of the Issuer and the Servicer may access the Loan Files at the Custodian's storage facility only for the purposes and upon the terms and conditions set forth herein and in the Custodial Agreement. Each of the Issuer and the Servicer may only remove documents from the Loan File for collection services and other routine servicing requirements from such facility in accordance with the terms of the Custodial Agreement, all as set forth and pursuant to the "Bailment Agreement" (as defined in and attached as an exhibit to the Custodial Agreement).

(iii) The Issuer shall at all times comply in all material respects with the terms of its obligations under the Custodial Agreement and shall not enter into any modification, amendment or supplement of or to, and shall not terminate, the Custodial Agreement, without the Collateral Agent's and Trustee's prior written consent.

(m) Separate Identity. Take all actions required to maintain the Issuer's status as a separate legal entity. Without limiting the foregoing, the Issuer shall:

(i) Maintain in full effect its existence, rights and franchises as a limited liability company under the laws of the state of its formation and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture and the other Transaction Documents to which the Issuer is a party and each other instrument or agreement necessary or appropriate to proper administration hereof and permit and effectuate the transactions contemplated hereby.

(ii) Except as provided herein, maintain its own deposit, securities and other account or accounts with financial institutions, separate from those of any Affiliate of the Issuer. The funds of the Issuer will not be diverted to any other Person or for other than the use of the Issuer, and, except as may be expressly permitted by this Indenture or any other Transaction Document to which the Issuer is a party, the funds of the Issuer shall not be commingled with those of any other Person.

(iii) Ensure that, to the extent that it shares the same officers or other employees as any of its members, managers or other Affiliates, the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with all such common officers and employees.

(iv) Ensure that, to the extent that it jointly contracts with any of its stockholders, members or managers or other Affiliates to do business with vendors or service providers or to share overhead expenses, the costs incurred in so doing shall be allocated fairly among such entities, and each such entity shall bear its fair share of such costs. To the extent that the Issuer contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods and services are provided, and each such entity shall bear its fair share of such costs.

(v) Ensure that all material transactions between the Issuer and any of its Affiliates shall be only on an arm's-length basis and shall not be on terms more favorable to either party than the terms that would be found in a similar transaction involving unrelated third parties. All such transactions shall receive the approval of the Issuer's board of directors including at least one Independent Director (defined below).

(vi) Maintain a principal executive and administrative office through which its business is conducted and a telephone number separate from those of its members, managers and other Affiliates. To the extent that the Issuer and any of its members, managers or other Affiliates have offices in contiguous space, there shall be fair and appropriate allocation of overhead costs (including rent) among them, and each such entity shall bear its fair share of such expenses.

(vii) Conduct its affairs strictly in accordance with its certificate of formation and limited liability company agreement and observe all necessary, appropriate and customary formalities, including, but not limited to, holding all regular and special meetings of the board of directors appropriate to authorize all actions of the Issuer, keeping separate and accurate minutes of such meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, intercompany transaction accounts. Regular meetings of the board of directors shall be held at least annually.

(viii) Ensure that its board of directors shall at all times include at least one Independent Director (for purposes hereof, "Independent Director" shall mean any member of the board of directors of the Issuer that is not and has not at any time been (x) an officer, agent, advisor, consultant, attorney, accountant, employee or shareholder of any Affiliate of the Issuer which is not a special purpose entity, (y) a director of any Affiliate of the Issuer other than an independent director of any Affiliate which is a special purpose entity or (z) a member of the immediate family of any of the foregoing).

(ix) Ensure that decisions with respect to its business and daily operations shall be independently made by the Issuer (although the officer making any particular decision may also be an officer or director of an Affiliate of the Issuer) and shall not be dictated by an Affiliate of the Issuer.

(x) Act solely in its own company name and through its own authorized members, managers, officers and agents, and no Affiliate of the Issuer shall be appointed to act as agent of the Issuer. The Issuer shall at all times use its own stationery and business forms and describe itself as a separate legal entity.

(xi) Except as contemplated by the Transaction Documents, ensure that no Affiliate of the Issuer shall loan money to the Issuer, and no Affiliate of the Issuer will otherwise guaranty debts of the Issuer.

(xii) Other than organizational expenses and as contemplated by the Transaction Documents, pay all expenses, indebtedness and other obligations incurred by it using its own funds.

(xiii) Except as provided herein and in any other Transaction Document, not enter into any guaranty, or otherwise become liable, with respect to or hold its assets or creditworthiness out as being available for the payment of any obligation of any Affiliate of the Issuer nor shall the Issuer make any loans to any Person.

(xiv) Ensure that any financial reports required of the Issuer shall comply with GAAP and shall be issued separately from, but may be consolidated with, any reports prepared for any of its Affiliates so long as such consolidated reports contain footnotes describing the effect of the transactions between the Issuer and such Affiliate and also state that the assets of the Issuer are not available to pay creditors of the Affiliate.

(xv) Ensure that at all times it is adequately capitalized to engage in the transactions contemplated in its certificate of formation and its limited liability company agreement.

(xvi) Take all actions on its part as are necessary to comply with each assumption contained in the true sale and substantive consolidation opinions given as of the date hereof.

(n) Computer Files. Mark or cause to be marked each Pledged Loan in its computer files as described in Section 4.2(b).

(o) Taxes. File or cause to be filed, and cause each of its Affiliates with whom it shares consolidated tax liability to file, all federal, state, and foreign local tax returns which are required to be filed by it, except where the failure to file such returns could not reasonably be expected to have a Material Adverse Effect. The Issuer shall pay or cause to be paid all taxes due and owing by it, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings and with respect to which the Issuer or the applicable Affiliate shall have set aside adequate reserves on its books in accordance with GAAP, and which proceedings could not reasonably be expected to have a Material Adverse Effect.

(p) Tax Classification. For as long as the Notes are outstanding, the Issuer shall not take any action, or fail to take any action, that would cause the Issuer to not remain classified, for federal income tax purposes, as a disregarded entity or a partnership that is not classified as a publicly traded partnership.

(q) Transaction Documents. Comply in all material respects with the terms of, employ the procedures outlined in and enforce the obligations of the Depositor under the Term Purchase Agreement and of the parties to each of the other Transaction Documents to which the Issuer is a party, and take all such action as may reasonably be required to maintain all such Transaction Documents to which the Issuer is a party in full force and effect.

(r) Loan Schedule. At least once each calendar month, electronically provide to the Trustee an amendment to the Loan Schedule, or cause the Servicer to electronically provide an amendment to the Loan Schedule, listing the Pledged Loans released from the Collateral and adding to the Loan Schedule any Qualified Substitute Loans and amending the Loan Schedule to reflect terms or discrepancies in such schedule that become known to the Issuer since the filing of the original Loan Schedule or since the most recent amendment thereto.

(s) Segregation of Collections. (a) Prevent the deposit into any Account of any funds other than Collections or other funds to be deposited into such Accounts under this Indenture or the other Transaction Documents (provided that, this covenant shall not be breached to the extent that funds are inadvertently deposited into any of such Accounts and are promptly segregated and removed from the Account); and

(b) With respect to each Lockbox Account either (i) prevent the deposit into such account of any funds other than Collections in respect of Pledged Loans or (ii) enter into an intercreditor agreement with other entities which have an interest in the amounts in the Lockbox Account to allocate the Collections with respect to the Pledged Loans to the Issuer and transfer such amounts to the Trustee for deposit into the appropriate Collection Account; (provided that, the covenant in clause (i) of this paragraph (b) shall not be breached to the extent that funds not constituting Collections in respect of the Pledged Loans are inadvertently deposited into such Lockbox Account and are promptly segregated and remitted to the owner thereof).

(t) Filings; Further Assurances. (i) On or prior to the Closing Date, the Issuer shall have caused at its sole expense the Financing Statements, assignments and amendments thereof necessary to perfect the security interest in the Collateral to be filed or recorded in the appropriate offices.

(ii) The Issuer shall, at its sole expense, from time to time authorize, prepare, execute and deliver, or authorize and cause to be prepared, executed and delivered, all such Financing Statements, continuation statements, amendments, instruments of further assurance and other instruments, in such forms, and shall take such other actions, as shall be required by the Servicer, the Insurer or the Trustee or as the Servicer, the Insurer or

the Trustee otherwise deems reasonably necessary or advisable to perfect the Lien created in the Collateral. The Servicer agrees, at its sole expense, to cooperate with the Issuer in taking any such action (whether at the request of the Issuer or the Trustee). Without limiting the foregoing, the Issuer shall from time to time, at its sole expense, authorize, execute, file, deliver and record all such supplements and amendments hereto and all such Financing Statements, amendments thereto, continuation statements, instruments of further assurance, or other statements, specific assignments or other instruments or documents and take any other action that is reasonably necessary to, or that any of the Servicer, the Issuer or the Trustee deems reasonably necessary or advisable to: (i) Grant more effectively all or any portion of the Collateral; (ii) maintain or preserve the Lien Granted hereunder (and the priority thereof) or carry out more effectively the purposes hereof; (iii) perfect, maintain the perfection of, publish notice of, or protect the validity of any Grant made pursuant to this Indenture; (iv) enforce any of the Pledged Loans or any of the other Pledged Assets (including without limitation by cooperating with the Trustee, at the expense of the Issuer, in filing and recording such Financing Statements against such Obligors as the Servicer or the Trustee shall deem necessary or advisable from time to time); (v) preserve and defend title to any Pledged Loans or all or any other part of the Pledged Assets, and the rights of the Trustee in such Pledged Loans or other related Pledged Assets, against the claims of all Persons and parties; or (vi) pay any and all taxes levied or assessed upon all or any part of any Collateral.

(iii) The Issuer shall, on or prior to the date of Grant of any Pledged Loans hereunder, deliver or cause to be delivered all original copies of the Pledged Loan (other than in the case of any Pledged Loans not required under the terms of the relevant Purchase Agreement to be in the relevant Loan File), together with the related Loan File, to the Custodian, in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Trustee. Such "original copies" may be provided in microfiche or other electronic form to the extent permitted under the Custodial Agreement. In the event that the Issuer receives any other instrument or any writing which, in either event, evidences a Pledged Loan or other Pledged Assets, the Issuer shall deliver such instrument or writing to the Custodian to be held as collateral in which the Collateral Agent has a security interest for the benefit of the Trustee within two Business Days after the Issuer's receipt thereof, in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Trustee.

(iv) The Issuer hereby authorizes the Trustee, and gives the Collateral Agent its irrevocable power of attorney (which authorization is coupled with an interest and is irrevocable), in the name of the Issuer or otherwise, to execute, deliver, file and record any Financing Statement, continuation statement, amendment, specific assignment or other writing or paper and to take any other action that the Trustee at the direction of the Control Party, may deem necessary or appropriate to further perfect the Lien created hereby. Any expenses incurred by the Trustee or the Collateral Agent pursuant to the exercise of its rights under this Section 6.1 shall be for the sole account and responsibility of the Issuer and payable under Section 3.1 to the Trustee.

(u) Management of Resorts. The Issuer hereby covenants and agrees that it will with respect to each Resort cause the Originator with respect to that Resort (to the extent that such Originator is otherwise responsible for maintaining such Resort) to do or cause to be done all things which it may accomplish with a reasonable amount of cost or effort, in order to maintain each such Resort (including without limitation all grounds, waters and improvements thereon) in at least as good condition, repair and working order as would be customary for prudent managers of similar timeshare properties.

Section 6.2 Negative Covenants of the Issuer. So long as any of the Notes are outstanding, the Issuer shall not:

(a) Sales, Liens, Etc., Against Receivables and Related Security. Except for the releases contemplated under Sections 5.4, 14.4, 14.5, 14.6 and 14.7 of this Indenture, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist, any Lien (other than the Lien created by this Indenture or, with respect to Vacation Ownership Interests relating to Pledged Loans, any Permitted Encumbrances thereon) upon or with respect to, any Pledged Loan or any other Pledged Assets, or any interests in either thereof, or upon or with respect to any Collateral hereunder. The Issuer shall immediately notify the Trustee, the Insurer and the Collateral Agent of the existence of any Lien on any Pledged Loan or any other Pledged Assets, and the Issuer shall defend the right, title and interest of each of the Issuer, the Insurer and the Collateral Agent, Trustee and Noteholders in, to and under the Pledged Loans and all other Pledged Assets, against all claims of third parties.

(b) Extension or Amendment of Loan Terms. Extend (other than as a result of a Timeshare Upgrade or in accordance with Customary Practices), amend, waive or otherwise modify the terms of any Pledged Loan or permit the rescission or cancellation of any Pledged Loan, whether for any reason relating to a negative change in the related Obligor's creditworthiness or inability to make any payment under the Pledged Loan or otherwise.

(c) Change in Business or Credit Standard and Collection Policies. (i) Make any change in the character of its business or (ii) make any change in the Credit Standards and Collection Policies or (iii) deviate from the exercise of Customary Practices, which change or deviation would, in any such case, materially impair the value or collectibility of any Pledged Loan.

(d) Change in Payment Instructions to Obligors. Add or terminate any bank as a Lockbox Bank from those listed in Schedule 2 hereto or make any change in the instructions to Obligors regarding payments to be made to any Lockbox Account at a Lockbox Bank, unless the Trustee shall have received (i) 30 days' prior notice of such addition, termination or change; (ii) written confirmation from the Issuer that after the effectiveness of any such termination, there shall be at least one (1) Lockbox Account in existence; and (iii) prior to the effective date of such addition, termination or change, (x) executed copies of Lockbox Agreements executed by each new Lockbox Bank, the Issuer, the Trustee and the Servicer and (y) copies of all agreements and documents signed by either the Issuer or the respective Lockbox Bank with respect to any new Lockbox Account.

(e) Stock, Merger, Consolidation, Etc. Consolidate with or merge into or with any other Person, or purchase or otherwise acquire all or substantially all of the assets or capital stock, or other ownership interest of, any Person or sell, transfer, lease or otherwise dispose of all or substantially all of its assets to any Person, except as expressly permitted under the terms of this Indenture.

(f) No Change in Control. At any time fail to be a wholly owned direct or indirect subsidiary of the Performance Guarantor and (ii) a wholly owned direct or indirect subsidiary of WCF.

(g) ERISA Matters. Establish or maintain or contribute to any Benefit Plan that is covered by Title IV of ERISA.

(h) Terminate or Reject Loans. Without limiting anything in subsection 6.2(b), terminate or reject any Pledged Loan prior to the end of the term of such Loan, whether such rejection or early termination is made pursuant to an equitable cause, statute, regulation, judicial proceeding or other applicable law, unless prior to such termination or rejection, such Pledged Loan and any related Pledged Assets have been released from the Lien created by this Indenture.

(i) Debt. Create, incur, assume or suffer to exist any Debt except as contemplated by the Transaction Documents.

(j) Guarantees. Guarantee, endorse or otherwise be or become contingently liable (including by agreement to maintain balance sheet tests) in connection with the obligations of any other Person, except endorsements of negotiable instruments for collection in the ordinary course of business and reimbursement or indemnification obligations as provided for under this Indenture or as contemplated by the Transaction Documents.

(k) Limitation on Transactions with Affiliates. Enter into, or be a party to any transaction with any Affiliate, except for:

(i) the transactions contemplated hereby and by the other Transaction Documents; and

(ii) to the extent not otherwise prohibited under this Indenture, other transactions upon fair and reasonable terms materially no less favorable to the Issuer than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate.

(l) Lines of Business. Conduct any business other than that described in the LLC Agreement, or enter into any transaction with any Person which is not contemplated by or incidental to the performance of its obligations under the Transaction Documents to which it is a party.

(m) Limitation on Investments. Make or suffer to exist any loans or advances to, or extend any credit to, or make any investments (by way of transfer of property, contributions to capital, purchase of stock or securities or evidences of indebtedness, acquisition of the business or assets or otherwise) in, any Affiliate or any other Person except for (i) Permitted Investments and (ii) the purchase of Loans pursuant to the terms of the Term Purchase Agreement.

(n) Insolvency Proceedings. Seek dissolution or liquidation in whole or in part of the Issuer.

(o) Distributions to Member. Make any distribution to its Member except as provided in the LLC Agreement.

(p) Place of Business; Change of Name. Change (x) its type or jurisdiction of organization from that listed in Section 4.1(a) or (y) its name, unless in any such event the Issuer shall have given the Trustee, the Collateral Agent and the Insurer and the Swap Counterparty at least ten (10) days prior written notice thereof and shall take all action necessary or reasonably requested by the Trustee, the Insurer or the Collateral Agent to amend its existing Financing Statements and file additional Financing Statements in all applicable jurisdictions necessary or advisable to maintain the perfection of the Lien of the Collateral Agent under this Indenture.

ARTICLE VII

SERVICING OF PLEDGED LOANS

Section 7.1 Responsibility for Loan Administration. The Servicer shall manage, administer, service and make collections on the Pledged Loans on behalf of the Trustee and Issuer. Without limiting the generality of the foregoing, but subject to all other provisions hereof, the Trustee and the Issuer grant to the Servicer a limited power of attorney to execute and the Servicer is hereby authorized and empowered to so execute and deliver, on behalf of itself, the Issuer and the Trustee or any of them, any and all instruments of satisfaction or cancellation or of partial or full release or discharge and all other comparable instruments with respect to the Pledged Loans, any related Mortgages and the related Vacation Ownership Interests, but only to the extent deemed necessary by the Servicer.

Each of the Trustee, the Issuer and the Collateral Agent, at the request of a Servicing Officer, shall furnish the Servicer with any documents in its possession reasonably requested or take any action reasonably requested, necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder (subject, in the case of requests for documents contained in any Loan Files, to the requirements of Section 6.1(l)).

WCF is hereby appointed as the Servicer until such time as any Service Transfer shall be effected under Article XII.

Section 7.2 Standard of Care. In managing, administering, servicing and making collections on the Pledged Loans pursuant to this Indenture, the Servicer will exercise that degree of skill and care consistent with Customary Practices and the Credit Standards and Collection Policies.

Section 7.3 Records. The Servicer shall, during the period it is Servicer hereunder, maintain such books of account, computer data files and other records as will enable the Trustee to determine the status of each Pledged Loan and will enable such Loan to be serviced in accordance with the terms of this Indenture by a Successor Servicer following a Service Transfer.

Section 7.4 Loan Schedule. The Servicer shall at all times maintain the Loan Schedule and electronically provide to the Trustee, the Issuer, the Insurer, the Collateral Agent and the Custodian a current, complete copy of the Loan Schedule. The Loan Schedule may be in one or multiple documents including the original listing and monthly amendments listing changes.

Section 7.5 Enforcement.

(a) The Servicer will, consistent with Section 7.2, act with respect to the Pledged Loans in such manner as will maximize the receipt of Collections in respect of such Pledged Loans (including, to the extent necessary, instituting foreclosure proceedings against the Vacation Ownership Interest, if any, underlying a Pledged Loan or disposing of the underlying Vacation Ownership Interest, if any). The Servicer will diligently monitor the integration of the collection functions of WCF and Trendwest and to the extent the Servicer detects any deterioration in collections or any increase in delinquencies or defaults or other factors which indicate or might indicate any deterioration in collections, the Servicer will use its best efforts to determine the source of the problem and will use its best efforts to remedy such problem.

(b) The Servicer may sue to enforce or collect upon Pledged Loans, in its own name, if possible, or as agent for the Issuer. If the Servicer elects to commence a legal proceeding to enforce a Pledged Loan, the act of commencement shall be deemed to be an automatic assignment of the Pledged Loan to the Servicer for purposes of collection only. If, however, in any enforcement suit or legal proceeding it is held that the Servicer may not enforce a Pledged Loan on the grounds that it is not a real party in interest or a holder entitled to enforce the Pledged Loan, the Trustee on behalf of the Issuer shall, at the Servicer's expense, take such steps as the Servicer and the Trustee may mutually agree are necessary (such agreement not to be unreasonably withheld) to enforce the Pledged Loan, including bringing suit in its name or the name of the Issuer. The Servicer shall provide to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred thereby.

(c) The Servicer, upon notice to the Trustee, may grant to the Obligor on any Pledged Loan any rebate, refund or adjustment out of the appropriate Collection Account that the Servicer in good faith believes is required as a matter of law; provided that, on any Business Day on which such rebate, refund or adjustment is to be paid hereunder, such rebate, refund or adjustment shall only be paid to the extent of funds otherwise available for distribution from the Collection Account.

(d) The Servicer will not extend, amend, waive or otherwise modify the terms of any Pledged Loan (other than in accordance with Customary Practices) or permit the rescission or cancellation of any Pledged Loan, whether for any reason relating to a negative change in the related Obligor's creditworthiness or inability to make any payment under the Pledged Loan or otherwise.

(e) The Servicer shall have discretion to sell the collateral which secures any Defaulted Loans free and clear of the Lien of this Indenture, in exchange for cash, in accordance with Customary Practices and Credit Standards and Collection Policies. All proceeds of any such sale of such collateral shall be deposited by the Servicer into the Collection Account.

(f) The Servicer shall not sell any Defaulted Loan or any collateral securing a Defaulted Loan to any Seller or Originator except for an amount at least equal to the fair market value thereof.

(g) Notwithstanding any other provision of this Indenture, the Servicer shall have no obligation to, and shall not, foreclose on the collateral securing any Pledged Loan unless the proceeds from such foreclosure will be sufficient to cover the expenses of such foreclosure. Notwithstanding any other provision of this Indenture, proceeds from the foreclosure by the Servicer on the collateral securing any Pledged Loans shall first be applied by the Servicer to reimburse itself for the expenses of such foreclosure, and any remaining proceeds shall be deposited into the Collection Account.

Section 7.6 Trustee and Collateral Agent to Cooperate. Upon request of a Servicing Officer, the Trustee and the Collateral Agent shall perform such other acts as are reasonably requested by the Servicer (including without limitation the execution of documents) and otherwise cooperate with the Servicer in enforcement of the Trustee's rights and remedies with respect to Pledged Loans.

Section 7.7 Other Matters Relating to the Servicer. The Servicer is hereby authorized and empowered to:

(a) advise the Trustee in connection with the amount of withdrawals from Accounts in accordance with the provisions of this Indenture;

(b) execute and deliver, on behalf of the Issuer, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Pledged Loans and, after the delinquency of any Pledged Loan and to the extent permitted under and in compliance with applicable law and regulations, to commence enforcement proceedings with respect to such Pledged Loan including without limitation the exercise of rights under any power-of-attorney granted in any Pledged Loan; and

(c) make any filings, reports, notices, applications, registrations with, and to seek any consents or authorizations from the Securities and Exchange Commission and any state securities authority on behalf of the Issuer as may be necessary or advisable to comply with any federal or state securities or reporting requirements laws.

Prior to the occurrence of an Event of Default hereunder, the Trustee agrees that it shall promptly follow the instructions of the Servicer duly given to withdraw funds from the Accounts.

Section 7.8 Servicing Compensation. As compensation for its servicing activities hereunder the Servicer shall be entitled to receive the Monthly Servicer Fee.

Section 7.9 Costs and Expenses. The costs and expenses incurred by the Servicer in carrying out its duties hereunder, including without limitation the fees and expenses incurred in connection with the enforcement of Pledged Loans, shall be paid by the Servicer and the Servicer shall be entitled to reimbursement hereunder from the Issuer as provided in Section 3.1. Failure by the Servicer to receive reimbursement shall not relieve the Servicer of its obligations under this Indenture.

Section 7.10 Representations and Warranties of the Servicer. The Servicer hereby represents and warrants to the Trustee, the Collateral Agent and the Noteholders as of the date of this Indenture:

(a) Organization and Good Standing. The Servicer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power, authority, and legal right to own its property and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under this Indenture. The Servicer is duly qualified to do business and is in good standing as a foreign corporation, and has obtained all necessary licenses and approvals in each jurisdiction necessary for the enforcement of each Pledged Loan or in which failure to qualify or to obtain such licenses and approvals would have a Material Adverse Effect on the Noteholders.

(b) Due Authorization. The execution and delivery by the Servicer of each of the Transaction Documents to which it is a party, and the consummation by the Servicer of the transactions contemplated hereby and thereby have been duly authorized by the Servicer by all necessary corporate action on the part of the Servicer.

(c) Binding Obligations. Each of the Transaction Documents to which Servicer is a party constitutes a legal, valid and binding obligation of the Servicer enforceable against the Servicer in accordance with its terms, except as such enforceability may be subject to or limited by applicable Debtor Relief Laws and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(d) No Conflict; No Violation. The execution and delivery by the Servicer of each of the Transaction Documents to which the Servicer is a party, and the performance by the Servicer of the transactions contemplated by such agreements and the fulfillment by the Servicer of the terms hereof and thereof applicable to the Servicer, will not conflict with, violate, result in any breach of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any provision of any existing law or regulation or any order or decree of any court applicable to the Servicer or its certificate of incorporation or bylaws or any material indenture, contract, agreement, mortgage, deed of trust or other material instrument, to which the Servicer is a party or by which it is bound, except where such conflict, violation, breach or default would not have a Material Adverse Effect.

(e) No Proceedings. There are no proceedings or investigations pending or, to the knowledge of the Servicer threatened, against the Servicer, before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (i) asserting the invalidity of this Indenture or any of the other Transaction Documents, (ii) seeking to prevent the

consummation of any of the transactions contemplated by this Indenture or any of the other Transaction Documents, (iii) seeking any determination or ruling that, in the reasonable judgment of the Servicer, would adversely affect the performance by the Servicer of its obligations under this Indenture or any of the other Transaction Documents, (iv) seeking any determination or ruling that would adversely affect the validity or enforceability of this Indenture or any of the other Transaction Documents or (v) seeking any determination or ruling that would have a Material Adverse Effect.

(f) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or any governmental body or official required in connection with the execution and delivery by the Servicer of this Indenture or of the other Transaction Documents to which it is a party or the performance by the Servicer of the transactions contemplated hereby and thereby and the fulfillment by the Servicer of the terms hereof and thereof, have been obtained, except where the failure so to do would not have a Material Adverse Effect.

Section 7.11 Additional Covenants of the Servicer. The Servicer further agrees as provided in this Section 7.11.

(a) Change in Payment Instructions to Obligors. The Servicer will not add or terminate any bank as a Lockbox Bank from those listed in Schedule 2 to this Indenture or make any change in the instructions to Obligors regarding payments to be made to any Lockbox Bank, unless the Trustee shall have received (i) 30 Business Days' prior notice of such addition, termination or change and (ii) prior to the effective date of such addition, termination or change, (x) fully executed copies of the new or revised Lockbox Agreements executed by each new Lockbox Bank, the Issuer, the Trustee and the Servicer and (y) copies of all agreements and documents signed by either the Issuer or the respective Lockbox Bank with respect to any new Lockbox Account.

(b) Collections. If the Servicer receives any Collections, the Servicer shall hold such Collections in trust for the benefit of the Trustee and deposit such Collections into a Lockbox Account or the Collection Account as soon as practicable but in any event within two Business Days following the Servicer's receipt thereof.

(c) Compliance with Requirements of Law. The Servicer will maintain in effect all qualifications required under all relevant laws, rules, regulations and orders in order to service each Pledged Loan, and shall comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties, and the servicing of the Pledged Loans (including without limitation the laws, rules and regulations of each state governing the sale of timeshare contracts).

(d) Protection of Rights. The Servicer will take no action that would impair in any material respect the rights of any of the Collateral Agent or the Trustee in the Pledged Loans or any other Collateral, or violate the Collateral Agency Agreement.

(e) Credit Standards and Collection Policies. The Servicer will comply in all material respects with the Credit Standards and Collection Policies and Customary Practices with respect to each Pledged Loan.

(f) Notice to Obligors. The Servicer will ensure that the Obligor of each Pledged Loan either:

(1) has been instructed, pursuant to the Servicer's routine distribution of a periodic statement to such Obligor next succeeding:

(A) the date the Loan becomes a Pledged Loan, or

(B) the day on which a PAC ceased to apply to such Pledged Loan, in the case of a Pledged Loan formerly subject to a PAC,

but in no event later than the then next succeeding due date for a Scheduled Payment under the related Pledged Loan, to remit Scheduled Payments thereunder to a Post Office Box for credit to a Lockbox Account, or directly to a Lockbox Account, in each case maintained at a Lockbox Bank pursuant to the terms of a Lockbox Agreement, or

(2) has entered into a PAC, pursuant to which a deposit account of such Obligor is made subject to a pre-authorized debit in respect of Scheduled Payments as they become due and payable, and the Servicer has taken, and has caused each of the Lockbox Bank and/or the Trustee to take, all necessary and appropriate action to ensure that each such pre-authorized debit is credited directly to a Lockbox Account.

(g) Relocation of Servicer. The Servicer shall at all times maintain each office from which it services Pledged Loans within the United States of America.

(h) Instruments. The Servicer will not remove any portion of the Pledged Loans or other collateral that consists of money or is evidenced by an instrument, certificate or other writing (including any Pledged Loan) from the jurisdiction in which it is then held unless the Trustee has first received an Opinion of Counsel to the effect that the Lien created by this Indenture with respect to such property will continue to be maintained after giving effect to such action or actions; provided, however, that the Custodian, the Collateral Agent and the Servicer may remove Loans from such jurisdiction to the extent necessary to satisfy any requirement of law or court order, in all cases in accordance with the provisions of the Custodial Agreement, the Collateral Agency Agreement and this Indenture.

(i) Loan Schedule. The Servicer will promptly amend the Loan Schedule to reflect terms or discrepancies that become known to the Servicer at any time.

(j) Segregation of Collections. The Servicer will:

(i) prevent the deposit into any Account of any funds other than Collections or other funds to be deposited into such Account under this Indenture ~~p~~provided that, this covenant shall not be breached to the extent that funds are inadvertently deposited into any of such Accounts and are promptly segregated and removed from the Account); and

(ii) with respect to each Lockbox Account either (i) prevent the deposit into such account of any funds other than Collections in respect of Pledged Loans or (ii) enter into an intercreditor agreement with other entities which have an interest in the amounts

in such Lockbox Account to allocate the Collections with respect to Pledged Loans to the Issuer and transfer such amounts to the Trustee for deposit into the appropriate Collection Account (provided that, the covenant in clause (i) of this paragraph (b) shall not be breached to the extent funds not constituting Collections in respect of Pledged Loans are inadvertently deposited into such Lockbox Account and are promptly segregated and remitted to the owner thereof).

(k) Terminate or Reject Loans. Except to the extent necessary to address defects in the sales process or in cases of exceptional hardship of the Obligor, and without limiting anything in subsection 6.2(b), the Servicer will not terminate any Pledged Loan prior to the end of the term of such Loan, whether such early termination is made pursuant to an equitable cause, statute, regulation, judicial proceeding or other applicable law, unless prior to such termination, the Issuer consents and any related Pledged Assets have been released from the Lien of this Indenture.

(l) Change in Business or Credit Standards and Collection Policies The Servicer will not make any change in the Credit Standards and Collection Policies or deviate from the exercise of Customary Practices, which change or deviation would materially impair the value or collectibility of any Pledged Loan.

(m) Keeping of Records and Books of Account. The Servicer shall maintain and implement administrative and operating procedures (including without limitation an ability to recreate records evidencing the Pledged Loans in the event of the destruction or loss of the originals thereof) and keep and maintain, all documents, books, records and other information reasonably necessary or advisable for the collection of all Pledged Loans (including without limitation records adequate to permit the daily identification of all Collections with respect to, and adjustments of amounts payable under, each Pledged Loan).

(n) Recordation of Collateral Assignments. The Servicer will cause the collateral Assignment of Mortgage to the Collateral Agent to be perfected as provided in the Fairfield Master Loan Purchase Agreement, except that the Servicer shall not be required to file or cause the filing of such collateral Assignment of Mortgage to the extent the related Vacation Ownership Interest is located in the State of Florida and the Servicer shall have received an Opinion of Counsel to the effect that no recordings or filings of the Assignment of Mortgage are necessary under the laws of the State of Florida to perfect the security interest of the Collateral Agent in the Mortgages incumbering Florida Vacation Ownership Interests. If the Servicer is unable to obtain the opinion described in the preceding sentence, then the Servicer will take or cause to be taken such action as is required to record the Assignment of Mortgage with respect to the Vacation Ownership Interests located in the State of Florida.

(o) Maintenance of Security Interest. Upon its receipt on or before March 31 of each year, commencing in 2007, of a copy of the opinion described in Section 2.02(g) of the Insurance Agreement as in effect on the date hereof, the Servicer shall review the opinion and, to the extent any such opinion describes the recording, filing, re-recording or refiling of any document or the filing of any financing statements, continuation statements, or amendments that, in the opinion of such counsel, are required to maintain the lien and security interest created by this Indenture, then the Servicer, at the expense of the Issuer, shall cooperate with the Issuer in taking such actions within the time limits described in such opinion.

(p) Credit Standards and Collection Policies. The Servicer will make a diligent effort to deliver to the Insurer a copy of each material amendment or material modification of the Credit Standards and Collection Policies promptly upon the effectiveness of any such amendment or modification provided that any inadvertent failure to deliver any such amendment or modification will not be deemed a default under this Agreement.

Section 7.12 Servicer not to Resign.

The entity then serving as Servicer shall not resign from the obligations and duties hereby imposed on it hereunder except upon determination that (i) the performance of its duties hereunder is no longer permissible under applicable law, (ii) there is no reasonable action which can be taken to make the performance of its duties hereunder permissible under applicable law and (iii) a Successor Servicer shall have been appointed and accepted the duties as Servicer pursuant to Section 12.2. Any such determination permitting the resignation of the Servicer pursuant to clause (i) of the preceding sentence shall be evidenced by an Opinion of Counsel to such effect delivered to the Trustee and the Insurer. No such resignation shall be effective until a Successor Servicer shall have assumed the responsibilities and obligations of the Servicer in accordance with Section 12.2.

Section 7.13 Merger or Consolidation of, or Assumption of the Obligations of Servicer.

The Servicer shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person unless:

(i) the corporation formed by such consolidation or into which the Servicer is merged or the Person which acquires by conveyance or transfer the properties and assets of the Servicer substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America or any state or the District of Columbia and, if the Servicer is not the surviving entity, shall expressly assume by an agreement supplemental hereto, executed and delivered to the Trustee in form satisfactory to the Trustee, the performance of every covenant and obligation of the Servicer hereunder;

(ii) the Servicer has delivered to the Trustee and the Insurer an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 7.13, and all conditions precedent provided for herein relating to such transaction have been satisfied;

(iii) the Insurer has consented and the Rating Agency Condition has been satisfied with respect to such consolidation, amendment, merger, conveyance or transfer; and

(iv) immediately prior to and after the consummation of such merger, consolidation, conveyance or transfer, no event which, with notice or passage of time or both, would become a Servicer Default under the terms of this Indenture shall have occurred and be continuing.

Section 7.14 Examination of Records. Each of the Issuer and the Servicer shall clearly and unambiguously identify each Pledged Loan in its respective computer or other records to reflect that such Pledged Loan has been Granted to the Collateral Agent pursuant to this Indenture. Each of the Issuer and the Servicer shall, prior to the sale or transfer to a third party of any Loan similar to the Pledged Loans held in its custody, examine its computer and other records to determine that such Loan is not a Pledged Loan.

Section 7.15 Delegation of Duties. In the ordinary course of business, the Servicer, including any Successor Servicer, may at any time delegate any duties hereunder to any Person who agrees to conduct such duties in accordance with the terms of this Indenture. Any such delegations shall not constitute a resignation within the meaning of Section 7.12 of this Indenture. Notwithstanding anything to the contrary contained herein, or in any agreement relating to such delegations, the Servicer shall remain obligated and liable to the Trustee, the Issuer, the Collateral Agent, the Insurer and the Noteholders for the servicing and administration of the Pledged Loans in accordance with the provisions of this Indenture to the same extent and under the same terms and conditions as if it alone were servicing and administering the Pledged Loans.

Section 7.16 Servicer Advances. On or before each Determination Date the Servicer may deposit into the Collection Account an amount equal to the aggregate amount of Servicer Advances, if any, with respect to Scheduled Payments on Pledged Loans (which are not Defaulted Loans) for the preceding Due Period which are not received on or prior to such Payment Date. Such Servicer Advances shall be included as Available Funds. Neither the Servicer, any Successor Servicer nor the Trustee, acting as Servicer, shall have any obligation to make any Servicer Advance and may refuse to make a Servicer Advance for any reason or no reason. The Servicer shall not make any Servicer Advance that, after reasonable inquiry and in its sole discretion, it determines is unlikely to be ultimately recoverable from subsequent payments or collections or otherwise with respect to the Pledged Loan with respect to which such Servicer Advance is proposed to be made.

Section 7.17 Delivery of Monthly Files. The Servicer shall on or before the Determination Date in each calendar month deliver to the Collateral Agent an electronic file containing with respect to each Pledged Loan the loan number, the principal balance of the loan and the next payment due date for such loan.

ARTICLE VIII

REPORTS

Section 8.1 Monthly Servicing Report. On or before the Determination Date prior to each Payment Date, the Servicer shall deliver to the Trustee, the Issuer, the Insurer, Fitch and S&P a Monthly Servicing Report in a form substantially like that attached as Exhibit D to this Indenture with such additions as the Trustee may from time to time request and containing information necessary to make payments and transfer funds as provided in Sections 3.1 and 3.4 of this Indenture. The Servicer shall deliver each such Monthly Servicing Report to the Trustee on or before 3:00 p.m. New York City time on the Determination Date. Each Monthly Servicing Report shall be accompanied by a certificate of a Servicing Officer substantially in the form of

Exhibit D certifying the accuracy of such report and that no Event of Default or event that with the giving of notice or lapse of time or both would become an Event of Default has occurred, or if such event has occurred and is continuing, specifying the event and its status. Such certificate shall state whether or not a Rapid Amortization Event, Cash Accumulation Event or Servicer Default has occurred and shall also identify which, if any, Pledged Loans have been identified as Defective Loans or have become Defaulted Loans during the preceding Due Period and if a Cash Accumulation Event has occurred.

Section 8.2 Other Data. In addition, the Servicer shall at the reasonable request of the Trustee, the Issuer, the Insurer or a Rating Agency, furnish to the Trustee, the Issuer, the Insurer or such Rating Agency such underlying data as can be generated by the Servicer's existing data processing system without undue modification or expense; provided, however, nothing in this Section 8.2 shall permit any of the Trustee, the Issuer, the Insurer or any Rating Agency to materially change or modify the ongoing data reporting requirements under this Article VIII.

Section 8.3 Annual Servicer's Certificate. The Servicer will deliver to the Issuer, the Trustee, the Insurer and each Rating Agency within forty-five (45) days after the end of each fiscal year, beginning with the fiscal year ending December 31, 2006, an Officer's Certificate substantially in the form of Exhibit E stating that (a) a review of the activities of the Servicer during the preceding calendar year (or, in the case of the first such Officer's Certificate, the period since the Closing Date) and of its performance under this Indenture during such period was made under the supervision of the officer signing such certificate and (b) to the Servicer's knowledge, based on such review, the Servicer has fully performed all of its obligations under this Indenture for the relevant time period, or, if there has been a default in the performance of any such obligation, specifying each such default known to such officer and the nature and status thereof.

Section 8.4 Notices to WCF. In the event that WCF is not acting as Servicer, any Successor Servicer appointed and acting pursuant to Section 12.2 shall deliver or make available to WCF each certificate and report required to be prepared, forwarded or delivered thereafter pursuant to the provisions of this Article VIII.

Section 8.5 Tax Reporting. The Trustee shall file or cause to be filed with the Internal Revenue Service and furnish or cause to be furnished to Noteholders Information Reporting Forms 1099, together with such other information reports or returns at the time or times and in the manner required by the Code consistent with the treatment of the Notes as indebtedness of the Issuer for federal income tax purposes.

ARTICLE IX

LOCKBOX ACCOUNTS

Section 9.1 Lockbox Accounts. The Issuer has established or has caused to be established and shall maintain or cause to be maintained a system of operations, accounts and instructions with respect to the Obligors and Lockbox Accounts at the Lockbox Banks as described in Sections 4.1(j) and 6.1. Pursuant to the Lockbox Agreement to which it is party, each Lockbox Bank shall be irrevocably instructed to initiate an electronic transfer of all funds

on deposit in the relevant Lockbox Account or to the extent the Lockbox Account is operated under an intercreditor agreement all funds in the Lockbox Account that are derived from Pledged Loans, to the Collection Account on the Business Day on which such funds become available. Prior to the occurrence of an Event of Default, the Trustee shall be authorized to allow the Servicer to effect or direct deposits into the Lockbox Accounts. The Trustee is hereby irrevocably authorized and empowered, as the Issuer's attorney-in-fact, to endorse any item deposited in a Lockbox Account, or presented for deposit in any Lockbox Account or the Collection Account, requiring the endorsement of the Issuer, which authorization is coupled with an interest and is irrevocable.

All funds in each Lockbox Account shall be transferred daily by or upon the order of the Trustee by electronic funds transfer or intra-bank transfer to the Collection Account.

ARTICLE X

INDEMNITIES

Section 10.1 Liabilities to Obligors. No obligation or liability to any Obligor under any of the Pledged Loans is intended to be assumed by the Trustee, the Insurer or the Noteholders under or as a result of this Indenture and the transactions contemplated hereby and, to the maximum extent permitted by law, the Trustee, the Insurer and the Noteholders expressly disclaim any such obligation and liability.

Section 10.2 Tax Indemnification. The Issuer agrees to pay, and to indemnify, defend and hold harmless the Trustee, the Noteholders, the Insurer and the Swap Counterparty from, any taxes which may at any time be asserted with respect to, and as of the date of, the Grant of the Pledged Loans to the Collateral Agent for the benefit of the Trustee, the Noteholders, the Insurer and the Swap Counterparty, including without limitation any sales, gross receipts, general corporation, personal property, privilege or license taxes (but not including any federal, state or other income or intangible asset taxes arising out of the issuance of the Notes or distributions with respect thereto, other than any such intangible asset taxes in respect of a jurisdiction in which the indemnified person is not otherwise subject to tax on its intangible assets) and costs, expenses and reasonable counsel fees in defending against the same.

Section 10.3 Servicer's Indemnities. Each entity serving as Servicer shall defend and indemnify the Issuer and the Trustee against any and all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel and expenses of litigation, in respect of any action taken, or failure to take any action by such entity as Servicer (but not by any predecessor or successor Servicer) with respect to this Indenture or any Pledged Loan; provided, however, such indemnity shall apply only in respect of any negligent action taken, or negligent failure to take any action, or reckless disregard of duties hereunder, or bad faith or willful misconduct by the Servicer. This indemnity shall survive any Service Transfer (but a Servicer's obligations under this Section 10.3 shall not relate to any actions of any Successor Servicer after a Service Transfer) and any payment of the amount owing hereunder or any release by the Issuer of any such Pledged Loan.

Section 10.4 Operation of Indemnities. Indemnification under this Article X shall include without limitation reasonable fees and expenses of counsel and expenses of litigation. If the Servicer has made any indemnity payments to the Trustee, the Noteholders, the Swap Counterparty or the Issuer pursuant to this Article X and if either the Trustee or the Issuer thereafter collect any of such amounts from others, the Trustee, the Noteholders, the Swap Counterparty or the Issuer will promptly repay such amounts collected to the Servicer without interest.

ARTICLE XI

EVENTS OF DEFAULT

Section 11.1 Events of Default. If any one of the following events shall occur:

(a) Available Funds together with the Reserve Account Draw Amount are not sufficient to pay in full interest due on the Notes on any Payment Date (without regard to amounts paid pursuant to the Insurance Policy);

(b) Available Funds together with the Reserve Account Draw Amount on the Scheduled Final Maturity Date are not sufficient to reduce the Aggregate Principal Amount of the Notes to zero;

(c) a default in the observance or performance of any material covenant or agreement of the Issuer made with respect to itself or the Servicer made with respect to itself in this Indenture (other than a covenant or agreement, a default in the observance or performance of which is elsewhere in this Section 11.1 specifically dealt with) or in the Insurance Agreement, or any representation or warranty of the Issuer made as to itself or the Servicer made with respect to itself in this Indenture or in the Insurance Agreement, or in any certificate or other writing delivered pursuant hereto or thereto, or in connection herewith or therewith, proving to have been incorrect in any material respect as of the time when the same shall have been made, and such default shall continue or not be cured, or the circumstance or condition in respect of which such representation or warranty was incorrect shall not have been eliminated or otherwise cured, for a period of thirty (30) days after the earlier of actual knowledge or the receipt of written notice sent by registered or certified mail, return receipt requested, to the Issuer, if the Issuer is in default, or to the Servicer, if the Servicer is in default, by the Trustee or to the Issuer and the Servicer, as applicable, and the Trustee by (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Noteholders of at least 50% of the Aggregate Principal Amount of the Notes, specifying such default or incorrect representation or warranty and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder;

(d) (1) the Issuer shall consent to the appointment of a conservator, receiver or liquidator in any insolvency, adjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Issuer or to all or substantially all of its property, as the case may be; (2) a decree or order of a court, agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator in any insolvency, adjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation

of its affairs, shall have been entered against the Issuer and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or (3) the Issuer shall become insolvent or admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations;

(e) the Issuer shall become or come under the control of an "investment company" subject to registration under the Investment Company Act; or

(f) failure on the part of WCF or Trendwest, if any, to (i) repurchase any Defective Loan or provide a Qualified Substitute Loan if required to do so under the terms of the applicable Purchase Agreement or (ii) maintain the perfection and first priority status of the security interest granted to the Depositor upon the sale of the Pledged Loans and such failure continues for a period of thirty (30) days after actual knowledge of such failure or the receipt of written notice sent by registered or certified mail, return receipt requested, to the Issuer, and to WCF or Trendwest, as applicable, by the Trustee or to the Issuer and WCF or Trendwest, as applicable, and the Trustee by (a) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of at least 50% of the Aggregate Principal Amount of the Notes, specifying such failure and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

THEN, with respect to the event described in subparagraph (d), an Event of Default shall automatically occur as of the date of such event and with respect to each of the events described in subparagraphs (a), (b), (c), (e) and (f) an Event of Default shall occur upon the occurrence of the event, the passage of the applicable grace period, if any and the declaration that such event shall constitute an Event of Default which declaration shall be made by the Trustee or (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes. If an Event of Default has occurred, it shall continue unless waived in writing by (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes.

Promptly after the automatic occurrence of an Event of Default, and, in any event, within two Business Days thereafter, the Trustee shall notify the Insurer, each Noteholder and each Rating Agency of the occurrence thereof to the extent a Responsible Officer of the Trustee has actual knowledge thereof based upon receipt of written information or other communication.

Section 11.2 Acceleration of Maturity; Rescission and Annulment.

(a) If any Event of Default occurs under subparagraph (d) of Section 11.1, the principal of each Class of Notes, together with accrued and unpaid interest thereon, will automatically be accelerated and become immediately due and payable. If any other Event of Default occurs, (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Majority Holders of the Notes may accelerate the Notes by declaring the principal of each Class of Notes, together with accrued and unpaid interest thereon to be immediately due and payable, by a notice in writing to the Issuer, the Trustee, the Insurer and the Swap Counterparty and upon any such declaration such principal and interest shall become immediately due and payable.

(b) At any time after such an acceleration or declaration of acceleration of the Notes has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as provided in this Indenture, such acceleration may be rescinded by (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes by written notice to the Issuer, the Trustee and the Swap Counterparty. No such rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

(c) If an Event of Default has occurred and the Notes have been accelerated, payments will continue to be made in accordance with the Priority of Payment unless a Rapid Amortization Event has also occurred, in which case payments will be made as provided in Section 3.1 upon the occurrence of a Rapid Amortization Event; provided, however, if the Trustee has sold the Collateral under this Indenture, then payments shall be made as provided in Section 11.7.

Section 11.3 Collection of Indebtedness and Suits for Enforcement by Trustee. The Issuer covenants that if the Notes are accelerated following the occurrence of an Event of Default, and such acceleration has not been rescinded and annulled, the Issuer shall, upon demand of the Trustee, pay to it, for the benefit of the Noteholders, the Insurer and the Swap Counterparty the whole amount then due and payable on the Notes for principal and interest, with interest upon the overdue principal and upon overdue installments of interest, as determined for each Class, any amounts due to the Insurer and any amounts due to the Swap Counterparty, to the extent that payment of such interest shall be legally enforceable; and, in addition thereto, such further amount as shall be sufficient to cover the reasonable costs and expenses of collection, including the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; provided, however, the amount due under this Section 11.3 shall not exceed the aggregate proceeds from the sale of the relevant Collateral and amounts otherwise held by the Issuer and available for such purpose.

Until such demand is made by the Trustee, the Issuer shall pay the principal of and interest on the Notes to the Trustee for the benefit of the registered Holders to be applied as provided in this Indenture, whether or not the Notes are overdue.

If the Issuer fails to pay such amounts forthwith upon such demand, then the Trustee for the benefit of the Noteholders, the Insurer and the Swap Counterparty and as trustee of an express trust, may, with the prior written consent of or shall at the direction of (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes, institute suits in equity, actions at law or other legal, judicial or administrative proceedings (each, a "Proceeding") for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and may enforce the same against the Issuer and collect the monies adjudged or decreed to be payable in the manner provided by law out of the Collateral wherever situated. In the event a Proceeding shall involve the liquidation of Collateral, the Trustee shall pay all costs and expenses for such Proceeding and shall be

reimbursed for such costs and expenses from the resulting liquidation proceeds. In the event that the Trustee determines that liquidation proceeds will not be sufficient to fully reimburse the Trustee, the Trustee shall receive indemnity satisfactory to it against such costs and expenses from the Noteholders (which indemnity may include, at the Trustee's option, consent by each Noteholder authorizing the Trustee to be reimbursed from amounts available in the Collection Account) or if the Trustee is acting at the direction of the Insurer, from the Insurer in which case an unsecured indemnity from the Insurer shall be sufficient.

If an Event of Default occurs and is continuing, the Trustee may, with the prior written consent of or shall at the direction of (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes, proceed to protect and enforce its rights and the rights of the Noteholders and the Insurer hereunder and under the Notes, by such appropriate Proceedings as are necessary to effectuate, protect and enforce any such rights, whether for the specific enforcement of any covenant, agreement, obligation or indemnity in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 11.4 Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other Proceeding relative to the Issuer or the property of the Issuer or its creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise) shall be entitled and empowered, by intervention in such Proceeding or otherwise,

(a) to file a proof of claim for the whole amount of principal and interest owing and unpaid in respect of the Notes and all amounts owing under the Insurance Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel), the Insurer and of the Noteholders allowed in such Proceeding, and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same to the Noteholders and the Insurer;

and any receiver, assignee, trustee, liquidator or sequestrator (or other similar official) in any such Proceeding is hereby authorized by each Noteholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Noteholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due to the Trustee under Article XIII.

Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Noteholder or the Insurer any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof or the Insurer, or to authorize the Trustee to vote in respect of the claim of any Noteholder or the Insurer in any such Proceeding.

Section 11.5 Remedies.

(a) If an Event of Default shall have occurred and be continuing, the Trustee and the Collateral Agent (upon direction by the Trustee) may, with the prior written consent of, or shall at the direction of (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes, do one or more of the following (subject to Section 11.6):

(1) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes or under this Indenture, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Collateral monies adjudged due;

(2) obtain possession of the Pledged Loans in accordance with the terms of the Custodial Agreement and sell the Collateral or any portion thereof or rights or interests therein, at one or more public or private sales called and conducted in any manner permitted by law and in accordance with Section 11.13;

(3) institute Proceedings in its own name and as trustee of an express trust from time to time for the complete or partial foreclosure of this Indenture with respect to the Collateral;

(4) exercise any remedies of a secured party under the UCC with respect to the Collateral (including any Accounts), take any other appropriate action to protect and enforce the rights and remedies of the Trustee, the Insurer or the Holders under this Agreement and each other agreement contemplated hereby (including retaining the Collateral pursuant to Section 11.6 and applying distributions from the Collateral pursuant to Section 11.7); and

(5) exercise any rights or remedies under this Agreement, the Performance Guaranty or any other Transaction Document;

provided, however, that neither the Trustee nor the Collateral Agent may sell or otherwise liquidate the Collateral which constitutes Pledged Loans and Pledged Assets following an Event of Default other than an Event of Default described in this Agreement resulting from an Insolvency Event, unless either (i) (A) the Insurer, if no Insurer Default has occurred and is continuing, or (B) during the continuation of an Insurer Default, the Holders of 100% of the Aggregate Principal Amount of the Notes then outstanding, consents thereto, (ii) the proceeds of such sale or liquidation are sufficient to discharge in full the amounts then due and unpaid upon the Notes for principal and Accrued Interest and the fees and all other amounts required to be paid pursuant to Section 11.7 or (iii) (A) the Control Party directs and the Trustee, only if the Insurer is not the Control Party, determines that the Collateral will not continue to provide sufficient funds for the payment of principal of, and interest on, the Notes as they would have become due if such Notes would not have been declared due and payable. If an Event of Default has occurred and is continuing and (A) the Insurer, if no Insurer Default has occurred and is continuing, or (B) during the continuation of an Insurer Default, the Holders of 100% of the

Aggregate Principal Amount of the Notes then outstanding directs the Trustee to sell or otherwise liquidate the Collateral, the Trustee will dispose of the Collateral as directed.

For purposes of clause (ii) or clause (iii) of the preceding paragraph and Section 11.6, the Trustee may, but need not, obtain and rely upon an opinion of an independent accountant or an independent investment banking firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the distributions and other amounts receivable with respect to the Collateral to make the required payments of principal of and interest on the Notes, and any such opinion shall be conclusive evidence as to such feasibility or sufficiency. The Issuer shall bear the reasonable costs and expenses of any such opinion.

For purposes of this Section 11.5, the Trustee agrees to take all actions requested or directed by (A) the Insurer, if no Insurer Default has occurred and is continuing, or (B) during the continuation of an Insurer Default, the Holders of 100% of the Aggregate Principal Amount of the Notes then outstanding as provided for in this Section 11.5.

(b) In addition to the remedies provided in Section 11.5(a), the Trustee may with the consent of and shall at the direction of (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes institute a Proceeding in its own name and as trustee of an express trust solely to compel performance of a covenant, agreement, obligation or indemnity or to cure the representation or warranty or statement, the breach of which gave rise to the Event of Default; and the Trustee shall enforce any equitable decree or order arising from such Proceeding.

Section 11.6 Optional Preservation of Collateral. If the Notes have been accelerated following an Event of Default and such acceleration and its consequences have not been rescinded and annulled, to the extent permitted by law, the Trustee at the request of the Control Party shall retain the Collateral securing the Notes intact for the benefit of the Holders of the Notes, the Insurer and the Swap Counterparty and in such event it shall deposit all funds received with respect to the Collateral into the Collection Account and apply such funds in accordance with the payment priorities set forth in this Indenture, as if there had not been such an acceleration. So long as the Trustee retains the Collateral, the Trustee shall continue to apply all distributions received on such Collateral in accordance with this Agreement.

Section 11.7 Application of Monies Collected During Event of Default. If the Notes have been accelerated following an Event of Default and such acceleration and its consequences have not been rescinded and annulled, and the Trustee has sold the Collateral, the proceeds collected by the Trustee pursuant to this Article XI or otherwise with respect to such Notes shall be applied as provided below:

FIRST, to the Trustee in payment of the Monthly Trustee Fees and in reimbursement of permitted expenses of the Trustee under each of the Transaction Documents to which the Trustee is a party and amounts due to the Trustee as indemnification; in the event of a Servicer Default and the replacement of the Servicer with the Trustee or a Successor Servicer, the costs and expenses of replacing the Servicer shall be permitted expenses of the Trustee;

SECOND, to the Servicer, the Monthly Servicer Fee plus any unreimbursed Servicer Advances plus any accrued and unpaid Monthly Servicer Fees and any unreimbursed Servicer Advances for prior Payment Dates;

THIRD, to the Swap Counterparty, the Net Swap Payment, if any;

FOURTH, to the extent not paid by the Servicer, to the Custodian the Monthly Custodian Fee, plus any accrued and unpaid Monthly Custodian Fees for prior Payment Dates;

FIFTH, to the extent not paid by the Servicer, to the Collateral Agent, the Monthly Collateral Agent Fee plus any accrued and unpaid Monthly Collateral Agent Fees for prior Payment Dates;

SIXTH, as long as no Insurer Default has occurred and is continuing, to the Insurer, any accrued and unpaid Insurance Premium;

SEVENTH, to the holders of the Class A-1 Notes, Accrued Interest on the Class A-1 Notes, and to the holders of the Class A-2 Notes, Accrued Interest on the Class A-2 Notes (to the extent that there are insufficient funds, pro rata in proportion to their respective Class Percentages);

EIGHTH, to the Insurer, any Reimbursement Amounts then due and owing to the Insurer;

NINTH, (i) to the holders of the Class A-1 Notes the lesser of (a) the amount allocated to the Class A-1 Notes when all Available Funds are allocated pro rata between the Class A-1 Notes and the Class A-2 Notes in proportion to their respective Principal Amounts and (b) the Principal Amount of the Class A-1 Notes; and (ii) to the holders of the Class A-2 Notes and the Swap Counterparty, the amount allocated to the Class A-2 Notes when all Available Funds are allocated pro rata between the Class A-1 Notes and the Class A-2 Notes in proportion to their respective Principal Amounts, pro rata in proportion to the Principal Amount of the Class A-2 Notes and the unpaid Senior Priority Swap Termination Amount, respectively, until such amounts are reduced to zero;

TENTH, (i) first, to the Insurer, any other amounts due to the Insurer pursuant to the Insurance Agreement and (ii) second, to the Trustee, any other amounts due to the Trustee under this Indenture;

ELEVENTH, to the Swap Counterparty, any amounts owing to the Swap Counterparty in respect of a termination of the Interest Rate Swap; and

TWELFTH, to Issuer, any remaining amounts free and clear of the lien of this Indenture.

Section 11.8 Limitation on Suits by Individual Noteholders. Subject to Section 11.9, no Noteholder shall have any right to institute any Proceeding with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder or thereunder, unless:

(a) an Insurer Default shall have occurred and be continuing;

(b) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(c) the Majority Holders shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(d) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and

(e) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such Proceeding,

it being understood and intended that no one or more Noteholders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholders or the Insurer or to obtain or to seek to obtain priority or preference over any other Holders or the Insurer or to enforce any right under this Indenture, except in the manner herein provided.

Section 11.9 Unconditional Rights of Noteholders to Receive Principal and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Note shall have the right, which right is absolute and unconditional, to receive payment of the principal and interest on such Note on the respective due dates thereof expressed in such Note or in this Indenture and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Noteholder; provided, however, that the Insurer will be subrogated to the rights of each Noteholder to receive payments of principal and interest, as applicable, with respect to distributions on the Notes to the extent of any payment by the Insurer under the Insurance Policy and the Insurer will be reimbursed therefor, together with interest thereon as provided in the Insurance Agreement in accordance with Sections 3.1 and 11.7.

Section 11.10 Restoration of Rights and Remedies. If the Trustee, the Insurer or any Noteholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, the Insurer or to such Noteholder, then and in every such case the Issuer, the Trustee, the Insurer and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee, the Insurer and the Noteholders shall continue as though no such Proceeding had been instituted.

Section 11.11 Waiver of Event of Default. Prior to the Trustee's acquisition of a money judgment or decree for payment, in either case for the payment of all amounts owing by the Issuer in connection with this Indenture and the Notes issued hereunder (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of 50% or more of the Aggregate Principal Amount of Notes have the right to waive any Event of Default and its consequences.

Upon any such waiver, such Event of Default shall cease to exist, and be deemed to have been cured, for every purpose of this Indenture but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 11.12 Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, on the basis of any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 11.13 Sale of Collateral.

(a) The power to effect any sale (a "Sale") of any portion of the Collateral pursuant to Section 11.5 shall not be exhausted by any one or more Sales as to any portion of such Collateral remaining unsold, but shall continue unimpaired until the entire Collateral shall have been sold or all amounts payable on the Notes and all amounts owing to the Insurer shall have been paid, whichever occurs later. The Trustee may from time to time postpone any Sale by public announcement made at the time and place of such Sale. The Trustee hereby expressly waives its right to any amount fixed by law as compensation for any Sale. The Trustee may reimburse itself from the proceeds of any sale for the reasonable costs and expenses incurred in connection with such sale. The net proceeds of such sale shall be applied as provided in this Indenture.

(b) The Trustee and the Collateral Agent shall execute and deliver an appropriate instrument of conveyance transferring its interest in any portion of the Collateral in connection with a Sale thereof. In addition, the Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey the Issuer's interest in any portion of the Collateral in connection with a Sale thereof, and to take all action necessary to effect such Sale. No purchaser or transferee at such Sale shall be bound to ascertain the Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any monies.

Section 11.14 Action on Notes. The Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. None of the rights or remedies of the Trustee or the Noteholders hereunder shall be impaired by the recovery of any judgment by the Trustee or any Noteholder against the Issuer or by the levy of any execution under such judgment upon any portion of the Collateral.

Section 11.15 Control by the Insurer or the Noteholders. If an Event of Default has occurred and is continuing, (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Trustee with respect to the Notes or exercising any trust or power conferred on the Trustee; provided that

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) any direction to the Trustee to sell or liquidate the Collateral which constitutes Loans and the related Pledged Assets shall be subject to the provisions of Sections 11.5 and 11.6; and

(iii) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction;

provided, however, that, subject to Section 13.1, the Trustee need not take any action that it determines might involve it in liability unless it has been provided with reasonable indemnity against such liability, it being agreed that an unsecured indemnity from the Insurer shall constitute sufficient indemnity.

ARTICLE XII

SERVICER DEFAULTS

Section 12.1 Servicer Defaults. If any one of the following events (each, a "Servicer Default") shall occur and be continuing:

(a) any failure by the Servicer to make any payment, transfer or deposit on or before the date such payment, transfer or deposit is required to be made or given by the Servicer under the terms of this Indenture and such failure remains unremedied for two Business Days; provided, however, that if the Servicer is unable to make a payment, transfer or deposit when due and such failure is as a result of circumstances beyond the Servicer's control, the grace period shall be extended to five Business Days;

(b) failure on the part of the Servicer duly to observe or perform any other covenants or agreements of the Servicer set forth in this Indenture or any other Transaction Document to which the Servicer is a party and such failure continues unremedied for a period of 30 days after the earlier of the date on which the Servicer has actual knowledge of the failure and the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Trustee, or to the Servicer and the Trustee by the Insurer or the Holders of 25% or more of the Aggregate Principal Amount of the Notes;

(c) any representation and warranty made by the Servicer in this Indenture shall prove to have been incorrect in any material respect when made and has a material and adverse impact on the Trustee's interest in the Pledged Loans and other Pledged Assets and the Servicer is not in compliance with such representation or warranty within 30 Business Days after the

earlier of the date on which the Servicer has actual knowledge of such breach and the date on which written notice of such breach requiring that such breach be remedied, shall have been given to the Servicer by the Trustee or to the Servicer and the Trustee by the Insurer or the Holders of 25% or more of the Aggregate Principal Amount of the Notes;

(d) an Insolvency Event shall occur with respect to the Servicer or the Performance Guarantor; or

(e) the Servicer shall fail to deliver the reports described in Section 8.1 of this Indenture and such failure shall continue for five Business Days.

THEN, so long as such Servicer Default shall be continuing, the Control Party by notice then given in writing to the Servicer, the Swap Counterparty, the Issuer, the Trustee, the Insurer and each Rating Agency (a "Termination Notice"), may terminate all of the rights and obligations of the Servicer as Servicer under this Indenture (such termination being herein called a "Service Transfer"). After receipt by the Servicer and the Trustee of such Termination Notice and subject to the terms of Section 12.2(a), the Trustee shall automatically assume the responsibilities of the Servicer hereunder until the date that a Successor Servicer shall have been appointed pursuant to Section 12.2 and all authority and power of the Servicer under this Indenture shall pass to and be vested in the Trustee or such Successor Servicer, as the case may be, without further action on the part of any Person, and, without limitation, the Trustee at the direction of the Control Party (which authorization is coupled with an interest and is irrevocable) is hereby authorized and empowered (upon the failure of the Servicer to cooperate) to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments upon the failure of the Servicer to execute or deliver such documents or instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights.

The Servicer agrees to cooperate with the Trustee and such Successor Servicer in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing hereunder, including without limitation the transfer to such Successor Servicer of all authority of the Servicer to service the Pledged Loans provided for under this Indenture, including without limitation all authority over any Collections which shall on the date of transfer be held by the Servicer for deposit in a Lockbox Account or which shall thereafter be received by the Servicer with respect to the Pledged Loans, and in assisting the Successor Servicer in enforcing all rights under this Indenture including, without limitation, allowing the Successor Servicer's personnel access to the Servicer's premises for the purpose of collecting payments on the Pledged Loans made at such premises. The Servicer shall promptly transfer its electronic records relating to the Pledged Loans to the Successor Servicer in such electronic form as the Successor Servicer may reasonably request and shall promptly transfer to the Successor Servicer all other records, correspondence and documents necessary for the continued servicing of the Pledged Loans in the manner and at such times as the Successor Servicer shall reasonably request. The Servicer shall allow the Successor Servicer access to the Servicer's officers and employees. To the extent that compliance with this Section 12.1 shall require the Servicer to disclose to the Successor Servicer information of any kind which the Servicer reasonably deems to be confidential, the Successor Servicer shall be required to enter into such customary licensing and confidentiality agreements as the Servicer shall deem necessary to protect its interest and as shall be satisfactory in form and

substance to the Successor Servicer. The Servicer hereby consents to the entry against it of an order for preliminary, temporary or permanent injunctive relief by any court of competent jurisdiction, to ensure compliance by the Servicer with the provisions of this paragraph.

Section 12.2 Appointment of Successor.

(a) Appointment. On and after the receipt by the Servicer of a Termination Notice pursuant to Section 12.1, or any permitted resignation of the Servicer pursuant to Section 7.12, the Servicer shall continue to perform all servicing functions under this Indenture until the date specified in the Termination Notice or otherwise specified by (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Trustee or until a date mutually agreed upon by the Servicer and (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Trustee. Upon receipt by the Servicer of a Termination Notice, (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Trustee, at the direction of the Control Party, shall as promptly as possible after the giving of a Termination Notice appoint a successor servicer (in any case, the "Successor Servicer") and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the Trustee and, so long as no Insurer Default has occurred and is continuing, the Insurer; provided that such appointment shall be subject to the consent of the Insurer and to satisfaction of the Rating Agency Condition. In the event a Successor Servicer has not been appointed and accepted the appointment by the date of termination stated in the Termination Notice the Trustee shall automatically assume responsibility for performing the servicing functions under this Indenture on the date of such termination. In the event that a Successor Servicer has not been appointed and has not accepted its appointment and the Trustee is legally unable or otherwise not capable of assuming responsibility for performing the servicing functions under this Indenture, the Trustee shall petition a court of competent jurisdiction to appoint any established financial institution having a net worth of not less than $100,000,000 and whose regular business includes the servicing of receivables similar to the Pledged Loans or other consumer finance receivables; provided, however, pending the appointment of a Successor Servicer, the Trustee will act as the Successor Servicer.

(b) Duties and Obligations of Successor Servicer. Upon its appointment, the Successor Servicer shall be the successor in all respects to the Servicer with respect to servicing functions under this Indenture and shall be subject to all the responsibilities and duties relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Indenture to the Servicer shall be deemed to refer to the Successor Servicer.

(c) Compensation of Successor Servicer; Costs and Expenses of Servicing Transfer. In connection with such appointment and assumption, the Trustee may make arrangements for the compensation of the Successor Servicer. The costs and expenses of transferring servicing shall be paid by the Servicer which is resigning or being replaced and to the extent such costs and expenses are not so paid, shall be paid from Collections as provided herein in Sections 3.1 and 11.7.

Section 12.3 Notification to Noteholders. Upon the occurrence of any Servicer Default or any event which, with the giving of notice or passage of time or both, would become a Servicer Default, the Servicer shall give prompt written notice thereof to the Trustee and the Issuer and the Trustee shall give notice to the Noteholders at their respective addresses appearing in the Note Register and to the Insurer and the Swap Counterparty. Upon any termination or appointment of a Successor Servicer pursuant to this Article XII, the Trustee shall give prompt written notice thereof to the Issuer and to the Noteholders at their respective addresses appearing in the Note Register and to the Insurer and the Swap Counterparty.

Section 12.4 Waiver of Past Defaults. With respect to a Servicer Default described in Section 12.1, (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Majority Holders of the Notes may, on behalf of all Holders, waive any default by the Servicer in the performance of its obligations hereunder and its consequences. Upon any such waiver of a past default, such default shall cease to exist, and any default arising therefrom shall be deemed to have been remedied for every purpose of this Indenture. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived.

Section 12.5 Termination of Servicer's Authority. All authority and power granted to the Servicer under this Indenture shall automatically cease and terminate upon termination of this Indenture pursuant to Section 14.1, and shall pass to and be vested in the Issuer and without limitation the Issuer is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights upon termination of this Indenture. The Servicer shall cooperate with the Issuer in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing on the Pledged Loans. The Servicer shall transfer its electronic records relating to the Pledged Loans to the Issuer in such electronic form as Issuer may reasonably request and shall transfer all other records, correspondence and documents relating to the Pledged Loans to the Issuer in the manner and at such times as the Issuer shall reasonably request. To the extent that compliance with this Section 12.5 shall require the Servicer to disclose information of any kind which the Servicer deems to be confidential, the Issuer shall be required to enter into such customary licensing and confidentiality agreements as the Servicer shall deem necessary to protect its interests and as shall be reasonably satisfactory in form and substance to the Issuer.

Section 12.6 Matters Related to Successor Servicer.

The Successor Servicer will not be responsible for delays attributable to the Servicer's failure to deliver information, defects in the information supplied by the Servicer or other circumstances beyond the control of the Successor Servicer.

The Successor Servicer will make arrangements with the Servicer for the prompt and safe transfer of, and the Servicer shall provide to the Successor Servicer, all necessary servicing files and records, including (as deemed necessary by the Successor Servicer at such time): (i) microfiche loan documentation, (ii) servicing system tapes, (iii) Pledged Loan payment history, (iv) collections history and (v) the trial balances, as of the close of business on the day immediately preceding conversion to the Successor Servicer, reflecting all applicable Pledged Loan information.

Any Successor Servicer shall have no liability with respect to any obligation which was required to be performed by the predecessor Servicer prior to the date that the Successor Servicer becomes the Servicer or any claim of a third party based on any alleged action or inaction of the predecessor Servicer.

The Successor Servicer shall have no responsibility and shall not be in default hereunder nor incur any liability for any failure, error, malfunction or any delay in carrying out any of its duties under this Indenture if any such failure or delay results from the Successor Servicer acting in accordance with information prepared or supplied by a Person other than the Successor Servicer or the failure of any such Person to prepare or provide such information. The Successor Servicer shall have no responsibility, shall not be in default and shall incur no liability (i) for any act or failure to act by any third party, including the Servicer, the Issuer or the Trustee or for any inaccuracy or omission in a notice or communication received by the Successor Servicer from any third party or (ii) which is due to or results from the invalidity, unenforceability of any Pledged Loan under applicable law or the breach or the inaccuracy of any representation or warranty made with respect to any Pledged Loan.

If the Trustee or any other Successor Servicer assumes the role of Successor Servicer hereunder, such Successor Servicer shall be entitled to appoint subservicers whenever it shall be deemed necessary by such Successor Servicer. The Successor Servicer shall, notwithstanding any such subservicing arrangements, remain obligated and liable to the Trustee, the Issuer, the Collateral Agent, the Insurer and the Noteholders for the servicing and administration of the Pledged Loans in accordance with the provisions of this Indenture to the same extent and under the same terms and conditions as if it alone were servicing and administering the Pledged Loans.

ARTICLE XIII

THE TRUSTEE; THE COLLATERAL AGENT; THE CUSTODIAN

Section 13.1 Duties of Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge and after the curing of all such Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge has occurred and has not been cured or waived, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent institutional trustee would exercise or use under the circumstances in the conduct of such institution's own affairs. The Trustee is hereby authorized and empowered to make the withdrawals and payments from the Accounts in accordance with the instructions set forth in this Indenture until the termination of this Indenture in accordance with Section 14.1 unless this appointment is earlier terminated pursuant to the terms hereof.

(b) The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee which are specifically required to be furnished pursuant to any provision of this Indenture, shall examine them to

determine whether they conform to such requirements; provided, however, that the Trustee shall not be responsible for the accuracy or content of any resolution, certificate, statement, opinion, report, document, order or other instrument furnished by the Servicer, the Issuer or any other Person hereunder (other than the Trustee). The Trustee shall give prompt written notice to the Noteholders of any material lack of conformity of any such instrument to the applicable requirements of this Indenture discovered by the Trustee.

(c) Subject to Section 13.1(a), no provision of this Indenture shall be construed to relieve the Trustee from liability for its own gross negligence, reckless disregard of its duties, bad faith or misconduct; provided, however, that:

(i) the Trustee shall not be personally liable for an error of judgment made in good faith by a Responsible Officer or employees of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(ii) the Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with this Indenture or at the direction of (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising or omitting to exercise any trust or power conferred upon the Trustee, under this Indenture;

(iii) the Trustee shall not be charged with knowledge of any failure by any other party hereto to comply with its obligations hereunder or of the occurrence of any Event of Default, Rapid Amortization Event, Cash Accumulation Event or Servicer Default unless a Responsible Officer of the Trustee obtains actual knowledge of such failure based upon receipt of written information or other communication or a Responsible Officer of the Trustee receives written notice of such failure from the Servicer, the Issuer, the Insurer or any Noteholder. In the absence of receipt of notice or actual knowledge by a Responsible Officer the Trustee may conclusively assume there is no Event of Default, Rapid Amortization Event, Cash Accumulation Event or Servicer Default; and

(iv) Prior to the occurrence of an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge or have received notice and after all the curing of all such Events of Default which may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, no implied covenants or obligations shall be read into this Indenture against the Trustee and, in the absence of bad faith, willful misconduct or negligence on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture.

(d) The Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it (which adequate indemnity may include, at the Trustee's option, consent by (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the Notes authorizing the Trustee to be reimbursed for any funds from amounts available in the Collection Account), and none of the provisions contained in this Indenture shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Servicer under this Indenture except during such time, if any, as the Trustee shall be the successor to, and be vested with the rights, duties, powers and privileges of, the Servicer in accordance with the terms of this Indenture.

(e) Except for actions expressly authorized by this Indenture, the Trustee shall take no action reasonably likely to impair the interests of the Issuer in any Pledged Loan or other Collateral now existing or hereafter created or to impair the value of any Pledged Loan or other Collateral now existing or hereafter created.

(f) Except as provided in this Indenture, the Trustee shall have no power to dispose of or vary any Collateral.

(g) In the event that the Note Registrar shall fail to perform any obligation, duty or agreement in the manner or on the day required to be performed by the Note Registrar, as the case may be, under this Indenture, the Trustee (if it is not then the Note Registrar) shall be obligated promptly to perform such obligation, duty or agreement in the manner so required.

(h) The Trustee shall have no duty to (A) see to any recording, filing or depositing of this Indenture or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof, (B) see to any insurance, (C) see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of any Collateral other than from funds available in the Collection Account, or (D) confirm or verify the contents of any reports or certificates of the Servicer delivered to the Trustee pursuant to this Indenture believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

Section 13.2 Certain Matters Affecting the Trustee. Except for its own gross negligence, reckless disregard of its duties, bad faith or misconduct:

(a) the Trustee may rely on and shall be protected from liability to the Issuer and the Noteholders in acting on, or in refraining from acting in accord with, any resolution, Officer's Certificate, certificate of auditors or any other certificate, statement, conversation, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed, sent or made by the proper Person or Persons;

(b) the Trustee may consult with counsel and any advice of counsel (including without limitation counsel to the Issuer or the Servicer) shall be full and complete authorization and protection from liability to the Issuer and the Noteholders in respect to any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel;

(c) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture, or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or direction of any of the Noteholders, pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; nothing contained herein shall, however, relieve the Trustee of the obligations, upon the occurrence of any Servicer Default of which a Responsible Officer of the Trustee shall have actual knowledge or have received notice (which has not been cured), to exercise such of the rights and powers vested in it by this Indenture, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs;

(d) neither the Trustee nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be personally liable for any action taken, suffered or omitted to be taken by the Trustee or such Person in good faith and believed by such Person to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, nor for any action taken or omitted to be taken by any other party hereto;

(e) the Trustee shall not be bound to make any investigation into the facts of matters stated in any Monthly Servicing Report, any other report or statement delivered to the Trustee by the Servicer, resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing so to do by (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of more than 50% of the Aggregate Principal Amount of the Notes; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require indemnity satisfactory to the Trustee against such cost, expense or liability as a condition to taking any such action.

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian, and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent, attorney or custodian appointed with due care by it hereunder;

(g) except as may be required by Section 13.1(b), the Trustee shall not be required to make any initial or periodic examination of any documents or records related to the Pledged Loans for the purpose of establishing the presence or absence of defects, the compliance by the Servicer or the Issuer with their respective representations and warranties or for any other purpose;

(h) the right of the Trustee to perform any discretionary act enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for the performance of such act; and

(i) the Trustee shall not be required to give any bond or surety in respect of the powers granted hereunder.

Section 13.3 Trustee Not Liable for Recitals in Notes or Use of Proceeds of Notes. The Trustee assumes no responsibility for the correctness of the recitals contained herein and in the Notes (other than the certificate of authentication on the Notes) or for any statements, representations or warranties made herein by any Person other than the Trustee (except as expressly set forth herein). Except as set forth in Section 13.14, the Trustee makes no representations as to the validity, enforceability or sufficiency of this Indenture or of the Notes (other than the certificate of authentication on the Notes) or of any Pledged Loan or related document. The Trustee shall not be accountable for the use or application of funds properly withdrawn from any Account on the instructions of the Servicer or for the use or application by the Issuer of the proceeds of any of the Notes, or for the use or application of any funds paid to the Issuer in respect of the Pledged Loans. The Trustee shall not be responsible for the legality or validity of this Indenture or the validity, priority, perfection or sufficiency of the security for the Notes issued or intended to be issued hereunder. The Trustee shall have no responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or lien granted to it hereunder or to record this Indenture.

Section 13.4 Trustee May Own Notes; Trustee in its Individual Capacity. Wells Fargo Bank, National Association, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights as it would have if it were not the Trustee. Wells Fargo Bank, National Association and its Affiliates may generally engage in any kind of business with the Issuer or the Servicer as though Wells Fargo Bank, National Association were not acting in such capacity hereunder and without any duty to account therefor. Nothing contained in this Indenture shall limit in any way the ability of Wells Fargo Bank, National Association and its Affiliates to act as a trustee or in a similar capacity for other interval ownership and lot contract and installment note financings pursuant to agreements similar to this Indenture.

Section 13.5 Trustee's Fees and Expenses; Indemnification. The Trustee shall be entitled to receive from time to time pursuant to this Indenture and the Trustee Fee Letter, (a) such compensation as shall be agreed to between the Issuer and the Trustee (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by it in the execution of the trust hereby created and in the exercise and performance of any of the powers and duties hereunder as the Trustee and to be reimbursed for its out-of-pocket expenses (including reasonable attorneys' fees), incurred or paid in establishing, administering and carrying out its duties under this Indenture or the Collateral Agency Agreement and (b) subject to Section 10.3, the Issuer and the Servicer agree, jointly and severally, to pay, reimburse, indemnify and hold harmless the Trustee (without reimbursement from any Account or otherwise) upon its request for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever (including without limitation fees, expenses and disbursements of counsel) which

may at any time (including without limitation at any time following the termination of this Indenture and payment on account of the Notes) be imposed on, incurred by or asserted against the Trustee in any way relating to or arising out of this Indenture, the Collateral Agency Agreement or any other Transaction Document to which the Trustee is a party or the transactions contemplated hereby or any action taken or omitted by the Trustee under or in connection with any of the foregoing except for those liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence, reckless disregard of its duties, bad faith or willful misconduct of the Trustee and except that if the Trustee is appointed Successor Servicer pursuant to Section 12.2, the provisions of this Section 13.5 shall not apply to expenses, disbursements and advances made or incurred by the Trustee in its capacity as Successor Servicer. The agreements in this Section 13.5 shall survive the termination of this Indenture, the resignation or removal of the Trustee and all amounts payable on account of the Notes.

Anything in this Indenture to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 13.6 Eligibility Requirements for Trustee. The Trustee hereunder (if other than Wells Fargo Bank, National Association) shall at all times be an Eligible Institution and a corporation or banking association organized and doing business under the laws of the United States of America or any state thereof authorized under such laws to exercise corporate trust powers, and such Trustee (including Wells Fargo Bank, National Association) shall have a combined capital and surplus of at least $25,000,000 (or, in the case of a successor to the initial Trustee, $100,000,000) and subject to supervision or examination by federal or state authority. If such corporation or banking association publishes reports of condition at least annually, pursuant to law or to the requirements of federal or state supervising or examining authority, then for the purpose of this Section 13.6, the combined capital and surplus of such corporation or banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 13.6, the Trustee shall resign immediately in the manner and with the effect specified in Section 13.7.

Section 13.7 Resignation or Removal of Trustee.

(a) The Trustee may at any time resign and be discharged from the trust hereby created by giving 60 days prior written notice thereof to the Issuer, the Swap Counterparty, the Servicer, the Noteholders, the Insurer and each Rating Agency. Upon receiving such notice of resignation, the Issuer shall promptly arrange to appoint a successor trustee meeting the requirements of Section 13.6 and the Servicer shall notify the Trustee, the Insurer, the Swap Counterparty and each Rating Agency of such appointment by written instrument, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and have accepted within 30 days after the giving of such notice of resignation, a successor Trustee shall be appointed by (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Majority Holders (with notice to the Swap Counterparty). The successor

Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the Trustee. If no successor Trustee shall have been so appointed and shall have accepted appointment in the manner hereinafter provided, any Noteholder, on behalf of itself and all others similarly situated, or the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 13.6 and shall fail to resign after written request therefor by the Issuer or the Servicer, or if at any time the Trustee shall be legally unable to act, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer (with the consent of the Insurer, which consent shall not be unreasonably withheld) may remove the Trustee and promptly appoint a successor Trustee by written instrument, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee.

(c) At any time (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Majority Holders, to the extent permitted by law, may remove the Trustee and promptly appoint a successor Trustee by written instrument, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 13.7 shall not become effective until acceptance of appointment by the successor Trustee as provided in Section 13.8.

Section 13.8 Successor Trustee.

(a) Any successor Trustee, appointed as provided in Section 13.7, shall execute, acknowledge and deliver to the Issuer, the Servicer and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein. The predecessor Trustee shall deliver to the successor Trustee all money, documents and other property held by it hereunder; and Issuer and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Trustee all such rights, power, duties and obligations.

(b) No successor Trustee shall accept appointment as provided in this Section 13.8 unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of Section 13.6.

(c) Upon acceptance of appointment by a successor Trustee as provided in this Section 13.8, such successor Trustee shall mail notice of such succession hereunder to the Trustee, the Issuer, the Insurer, the Swap Counterparty, the Servicer and all Noteholders at their addresses as shown in the Note Register.

Section 13.9 Merger or Consolidation of Trustee. Any Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided, such corporation shall be eligible under the provisions of Section 13.6, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 13.10 Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Collateral may at the time be located, the Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Collateral and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, the Insurer and the Swap Counterparty, such title to the Collateral, or any part thereof, and subject to the other provisions of this Section 13.10, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 13.6 and no notice to the Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 13.8.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any laws of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Collateral, or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article XIII. Each separate trustee and co-trustee, upon its

acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee and a copy thereof given to the Servicer.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee as its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or a successor trustee.

Section 13.11 Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the benefit of the Noteholders, the Insurer and the Swap Counterparty as their interests appear in this Agreement.

Section 13.12 Suits for Enforcement. If an Event of Default or a Servicer Default shall occur and be continuing, the Trustee, in its discretion may or at the direction of the Control Party shall subject to the provisions of Article XI and Section 12.1, proceed to protect and enforce its rights and the rights of the Noteholders and the Insurer under this Indenture by a suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture or in aid of the execution of any power granted in this Indenture or for the enforcement of any other legal, equitable or other remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee, the Noteholders or the Insurer.

Section 13.13 Rights of the Insurer or the Noteholders to Direct the Trustee. The (A) Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, Majority Holders shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that, subject to Section 13.1, the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Responsible Officers of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability or be unduly prejudicial to the rights of Noteholders not parties to such direction, or if the Trustee has not been offered reasonable security or indemnity (it being agreed that an unsecured indemnity from the Insurer shall constitute sufficient indemnity), as contemplated by Section 13.2, by (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default, the Holders of greater than 50% of the Aggregate Principal Amount of the

Notes; and provided further, that nothing in this Indenture shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by the Noteholders.

Section 13.14 Representations and Warranties of the Trustee. The Trustee represents and warrants that:

(a) the Trustee is a national banking association with trust powers organized, validly existing and in good standing under the laws of the United States;

(b) the Trustee has full power, authority and right to execute, deliver and perform this Indenture and has taken all necessary action to authorize the execution, delivery and performance by it of this Indenture; and

(c) this Indenture has been duly executed and delivered by the Trustee and constitutes the legal, valid and binding agreement of the Trustee enforceable against the Trustee in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

Section 13.15 Maintenance of Office or Agency. The Trustee will maintain at its expense in Minneapolis, Minnesota, an office or offices or agency or agencies where notices and demands to or upon the Trustee in respect of the Notes and this Indenture may be served. The Trustee will give prompt written notice to the Issuer, the Insurer, the Swap Counterparty, the Servicer and the Noteholders of any change in the location of any such office or agency.

Section 13.16 No Assessment. Wells Fargo Bank, National Association's agreement to act as Trustee hereunder shall not constitute or be construed as Wells Fargo Bank, National Association's assessment of the Issuer's or any Obligor's creditworthiness or a credit analysis of any Loans.

Section 13.17 UCC Filings and Title Certificates. (a) The Trustee and the Noteholders expressly recognize and agree that the Collateral Agent may be listed as the secured party of record on the various Financing Statements required to be filed under this Indenture in order to perfect the security interest in the Collateral, and such listing will not affect in any way the respective status of the other secured parties under the Collateral Agency Agreement as the holders of their respective interests in other collateral. In addition, such listing shall impose no duties on the Collateral Agent other than those expressly and specifically undertaken in accordance with this Indenture and the Collateral Agency Agreement.

(b) The Trustee shall file such financing statements covering the Collateral as the Control Party shall request in writing.

(c) The Trustee hereby agrees that it will promptly after its receipt forward to the Insurer a copy of each notice and report which it receives under or with respect to this Indenture or other Transaction Documents (unless it is clear from the face of such notice or report that the Insurer has already received a copy of the same).

Section 13.18 Replacement of the Custodian. Each of the Issuer and the Servicer agree not to replace the Custodian then acting as custodian of the Pledged Loans and related assets unless the Insurer has given its prior written consent to such action (which consent shall not be unreasonably withheld) and the Rating Agency Condition has been satisfied with respect to such replacement.

ARTICLE XIV

TERMINATION

Section 14.1 Termination of Agreement. The respective obligations and responsibilities of the Issuer, the Servicer and the Trustee created hereby (other than the obligation of the Trustee to make payments to Noteholders and the Insurer as hereafter set forth) shall terminate (the "Termination Date") on the day after the Payment Date following the date on which funds shall have been deposited in the Collection Account sufficient to pay the Aggregate Principal Amount of all Notes plus all interest accrued on the Notes through the day preceding such Payment Date and all amounts owed to the Insurer pursuant to this Agreement and the Insurance Agreement; provided that, all amounts required to be paid on such Payment Date pursuant to this Indenture shall have been paid.

Section 14.2 Final Payment.

(a) Written notice of any termination shall be given (subject to at least two Business Days' prior notice from the Servicer to the Trustee) by the Trustee to the Noteholders, the Insurer, the Swap Counterparty and each Rating Agency then rating any Notes mailed not later than the fifth day of the month of such final payment specifying (a) the Payment Date and (b) the amount of any such final payment. The Trustee shall give such notice to the Note Registrar at the time such notice is given to the Noteholders.

(b) On or after the final Payment Date, upon written request of the Trustee, the Noteholders shall surrender their Notes to the office specified in such request. If presentation or surrender of a Definitive Note is not made within six years of notice of final distribution, no claim may be made in respect of such Definitive Note.

(c) The Trustee shall surrender the Insurance Policy to the Insurer on the date which is one year and one day following the earlier of (i) the Rated Final Maturity Date and (ii) the date on which this Indenture has been terminated in accordance with its terms and all obligations hereunder have been satisfied and discharged; provided, that if an Insolvency Proceeding by or against the Issuer is existing during such one year and one day period, then the Insurance Policy shall not be surrendered until the later of (x) the date of the conclusion or dismissal of such Insolvency Proceeding without continuing jurisdiction by the court in such Insolvency Proceeding, and (y) if any Noteholder is required to return any Preference Amount as a result of such Insolvency Proceeding, the date on which the Insurer has made all payments required to be made under the terms of the Insurance Policy in respect of all such Preference Amounts.

Section 14.3 [Reserved].

Section 14.4 Release of Collateral. Upon the termination of this Indenture pursuant to Section 14.1, the Trustee shall release all liens and assign to the Issuer (without recourse, representation or warranty) all right, title and interest of the Trustee in and to the Collateral and all proceeds thereof. The Trustee shall execute and deliver such instruments of assignment, in each case without recourse, representation or warranty, as shall be reasonably requested by the Issuer to release the security interest of the Trustee in the Collateral.

Section 14.5 Release of Defaulted Loans.

(a) Issuer May Obtain Release. If any Pledged Loan becomes a Defaulted Loan during any Due Period, the Issuer may, subject to the limitation set forth in Section 14.5(d), obtain a release of such Pledged Loan from the lien of this Indenture on any Payment Date thereafter. To obtain such release the Issuer shall be required either to (i) pay the Release Price of such Defaulted Loan to the Trustee for deposit into the Collection Account or (ii) deliver to the Trustee one or more Qualified Substitute Loans in substitution for such Defaulted Loan and pay the applicable Substitution Adjustment Amount to the Trustee for deposit into the Collection Account. The Issuer shall provide written notice to the Trustee, the Insurer and the Collateral Agent of any release pursuant to this Section 14.5 not less than two Business Days prior to the Payment Date on which such release is to be effected, specifying the Defaulted Loan and the Release Price therefor. The Issuer shall (i) pay the Release Price to the Trustee for deposit into the Collection Account not later than 12:00 noon, New York City time, on the Payment Date on which such release is made or (ii) deliver the Qualified Substitute Loan or Qualified Substitute Loans by 12:00 noon, New York City time, on the Payment Date on which such release is made and pay any Substitution Adjustment Amount to the Trustee for deposit into the Collection Account not later than 12:00 noon, New York City time, on such Release Date.

(b) Substitution. If a Seller delivers to the Issuer a Qualified Substitute Loan or Qualified Substitute Loans in lieu of payment for the repurchase of a Defaulted Loan, the Issuer shall execute a Supplemental Grant in substantially the form of Exhibit G hereto and deliver such Supplemental Grant to the Trustee and the Collateral Agent. Payments due with respect to Qualified Substitute Loans on or prior to the Calculation Date next preceding the date of substitution shall not be property of the Issuer, but, to the extent received by the Servicer, will be retained by the Servicer and remitted by the Servicer to the Seller on the next succeeding Payment Date. Payments due with respect to the Qualified Substitute Loans after the Calculation Date next preceding the date of substitution shall be property of the Issuer. The Issuer shall cause the Servicer to electronically deliver a schedule of any Defaulted Loans so removed and Qualified Substitute Loans so substituted to the Trustee and such schedule shall be an amendment to the Loan Schedule. Upon such substitution, the Qualified Substitute Loan or Qualified Substitute Loans shall be subject to the terms of this Indenture in all respects, the Issuer shall be deemed to have made the representations, and warranties with respect to each Qualified Substitute Loan set forth in Section 5.1 and 5.2 of this Indenture, in each case as of the date of substitution, and the Issuer shall be deemed to have made a representation and warranty that each Loan so substituted is a Qualified Substitute Loan as of the date of substitution. The provisions of Section 5.4(a) shall apply to any Qualified Substitute Loan as to which the Issuer has breached the Issuer's representations and warranties in Section 5.1 and 5.2 to the same extent as for any other Pledged Loan. In connection with the substitution of one or more Qualified Substitute Loans for one or more Defaulted Loans, the Servicer shall determine the Substitution

Adjustment Amount. Such Substitution Adjustment Amount shall be paid to the Trustee and treated as if it were a portion of the Release Price for the Defaulted Loan and included in Available Funds as such.

(c) Release of Defaulted Loans. Upon each release of a Pledged Loan under this Section 14.5, the Collateral Agent and the Trustee shall automatically and without further action release, sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse, representation or warranty, all of the Collateral Agent's and Trustee's right, title and interest in and to such Defaulted Loan and the Transferred Assets related to such Defaulted Loan free and clear of the lien of this Indenture. The Collateral Agent and the Trustee shall execute such documents, releases and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Issuer to effect the release of such Defaulted Loans and the related Transferred Assets pursuant to this Section 14.5. Promptly after the occurrence of a Release Date and after the payment for or substitution for and release of a Defaulted Loan, in respect to which the Release Price has been paid or Qualified Substitute Loans have been provided, the Issuer shall direct the Servicer to delete such Defaulted Loans from the Loan Schedule.

(d) Limitations on Purchase of Defaulted Loans. The amount of Defaulted Loans for which the Issuer is permitted to obtain a release and transfer to a Seller is limited as provided in the Fairfield Master Loan Purchase Agreement and the Trendwest Master Loan Purchase Agreement and as follows:

(i) The Loan Balance of Pledged Loans which become Defaulted Loans and which are released and transferred to WCF, as Seller, shall not exceed in the aggregate 16.0% of the Loan Balance of the Pledged Loans as of the Cut-Off Date which were Fairfield Loans; for such purposes, the Loan Balance of a Pledged Loan shall be calculated on the day prior to the day the Pledged Loan became a Defaulted Loan; and

(ii) The Loan Balance of Pledged Loans which become Defaulted Loans and which are released and transferred to Trendwest, as Seller, shall not exceed in the aggregate 16.0% of the Loan Balance of the Pledged Loans as of the Cut-Off Date which were Trendwest Loans; for such purposes, the Loan Balance of a Pledged Loan shall be calculated on the day prior to the day the Pledged Loan became a Defaulted Loan.

Section 14.6 Release Upon Payment in Full. At such time as the Notes have been paid in full, all fees and expenses of the Trustee and the Collateral Agent with respect to the Notes have been paid in full, all obligations relating to this Indenture have been paid in full and all amounts owed to the Insurer pursuant to the Insurance Agreement have been paid in full, then, the Collateral Agent shall, upon the written request of the Issuer, release all liens and assign to Issuer (without recourse, representation or warranty) all right, title and interest of the Collateral Agent in and to the Collateral, and all proceeds thereof. The Collateral Agent and the Trustee shall execute and deliver such instruments of assignment, in each case without recourse, representation or warranty, as shall be reasonably requested by the Issuer to release the security interest of the Collateral Agent in the Collateral.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1 Amendment.

(a) Supplemental Indentures and Amendments Without Consent of the Noteholders. The Issuer, the Trustee, the Collateral Agent and the Servicer, at any time and from time to time, with the consent of the Insurer and without the consent of any of the Noteholders, may enter into one or more amendments or indentures supplemental to this Indenture in form satisfactory to the Trustee for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders, the Insurer and the Swap Counterparty or to surrender any right or power conferred upon the Issuer;

(ii) to Grant any additional property to the Trustee or the Collateral Agent or to be held by the Custodian, in each case, for the benefit of the Trustee and the Holders of the Notes and the Insurer and the Swap Counterparty;

(iii) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or to better assure, convey and confirm unto the Trustee or the Collateral Agent or deliver to the Custodian, in each case for the benefit of the Trustee and the Noteholders and the Insurer and the Swap Counterparty, any property subject to the Lien of this Indenture;

(iv) to cure any ambiguity, correct, modify or supplement any provision which is defective or inconsistent with any other provision herein;provided that, such correction, modification or supplement shall not alter in any material respect, the amount or timing of payments to or other rights of the Noteholders;

(v) to modify transfer restrictions on the Notes, so long as any such modifications comply with the Securities Act and the Investment Company Act; or

(vi) make any other changes which do not, individually or in the aggregate, materially and adversely affect the rights of any Noteholders.

provided that, (x) in each case, the Issuer shall have satisfied the Rating Agency Condition with respect to such corrections, amendments, modifications or clarifications and (y), with respect to any changes described in subsection (vi), the Issuer shall have delivered to the Trustee and the Insurer an Officer's Certificate of the Issuer and an Officer's Certificate of the Servicer both to the effect that such change will not adversely affect the rights of any Noteholders.

Subject to Section 15.1(c), the Trustee is hereby authorized to join in the execution of any such amendment or supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained. So long as any of the Notes are outstanding, at the cost of the Issuer, the Trustee shall provide to the Insurer and each Rating Agency then rating any Notes a copy of any proposed amendment or supplemental indenture prior to the execution

thereof by the Trustee and, as soon as practicable after the execution by the Issuer, the Servicer, the Trustee and the Collateral Agent of any such amendment or supplemental indenture, provide to the Insurer and each Rating Agency a copy of the executed amendment or supplemental indenture, as the case may be.

(b) Amendments and Supplemental Indentures With Consent of the Noteholders. With the consent of (A) the Insurer, if no Insurer Default has occurred and is continuing or (B) during the continuation of an Insurer Default the Majority Holders and upon satisfaction of the Rating Agency Condition, the Issuer, the Servicer and the Trustee may enter into an amendment or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture, or modifying in any manner the rights of the Holders of the Notes under this Indenture; provided that, so long as the Interest Rate Swap is in effect, no such amendment or supplemental indenture shall be entered into without the prior written consent of the Swap Counterparty if the effect of such amendment or supplement would be to adversely affect the Swap Counterparty's ability or right to receive payment under the terms of the Interest Rate Swap, or if the amendment or supplemental indenture would modify the obligations of or impair the ability of the Issuer to fully perform any of its payment obligations under the Interest Rate Swap.

No such amendment or supplemental indenture shall, without the consent of the Insurer, each affected Noteholder and the Swap Counterparty, to the extent such amendment or supplemental indenture would adversely affect any of the Swap Counterparty's rights or obligations, or impair the ability of the Issuer to fully perform any of its obligations, under the Interest Rate Swap for so long as the Interest Rate Swap has not been terminated:

(i) reduce in any manner the amount of, or change the timing of, principal, interest and other payments required to be made on any Note;

(ii) change the application of the proceeds of any Collateral to the payment of Notes;

(iii) reduce the percentage of Noteholders required to take or approve any action under this Indenture; or

(iv) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any part of the Collateral or terminate the lien of this Indenture on any property at any time subject thereto or deprive the Noteholders of the security afforded by the lien of this Indenture.

It shall not be necessary in connection with any consent of the Noteholders under this Section 15.1(b) for the Noteholders to approve the specific form of any proposed amendment or supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof. The Trustee will not be permitted to enter into any such supplemental indenture or unless the Rating Agency Condition is met and the Insurer has consented to such supplement.

Promptly after the execution by the Issuer, the Trustee, the Collateral Agent and the Servicer of any amendment or supplemental indenture pursuant to this Section 15.1(b), the Trustee, at the expense of the Issuer shall mail to the Noteholders, the Insurer, the Luxembourg

Stock Exchange (if and for so long as any Class of Notes is admitted on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market) and each Rating Agency rating any of the Notes, a copy thereof.

(c) Execution of Amendments and Supplemental Indentures. In executing or accepting the additional trusts created by any amendment or supplemental indenture permitted by this Section 15.1 or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Sections 13.1 and 13.2) shall be fully protected in relying in good faith upon, an Opinion of Counsel stating that the execution of such amendment or supplemental indenture is authorized or permitted by this Indenture and that all conditions precedent applicable thereto under this Indenture have been satisfied. The Trustee may, but shall not be obligated to, enter into any such amendment or supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Effect of Amendments and Supplemental Indentures. Upon the execution of any amendment or supplemental indenture under this Section 15.1, this Indenture shall be modified in accordance therewith, and such amendment or supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of a Note theretofore and thereafter authenticated and delivered hereunder shall be bound thereby.

(e) Reference in Notes to Amendments and Supplemental Indentures. Notes executed, authenticated and delivered after the execution of any amendment or supplemental indenture pursuant to this Section 15.1 may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such amendment or supplemental indenture. If the Issuer shall so determine, new Notes, so modified as to conform in the opinion of the Trustee and the Issuer to any such amendment or supplemental indenture, may be prepared and executed by the Issuer and authenticated and delivered by the Trustee or the Authentication Agent in exchange for outstanding Notes.

(f) In determining whether the requisite percentage of Noteholders have concurred in any direction, waiver or consent, Notes owned by the Issuer or an Affiliate of the Issuer shall be considered as though they are not outstanding, except that for the purposes of determining whether the Trustee shall be protected in making such determination or relying on any such direction, waiver or consent, only Notes which a Responsible Officer of the Trustee knows pursuant to written notice (or in the case of the Issuer, by reference to the Note Register if the Trustee is also the Note Registrar) are so owned shall be so disregarded.

(g) Notwithstanding any other provisions of this Section 15.1, the Performance Guaranty may be amended in accordance with its terms.

Section 15.2 Discretion with Respect to Derivative Financial Instruments. The parties to this Indenture recognize and agree that, in the course of managing its assets and obligations, the Issuer may, from time to time, find it useful and prudent to enter into, or to terminate or modify, derivative financial instruments for the purpose of hedging its interest rate risk, and the parties hereby agree that, (a) in addition to the Interest Rate Swap, the Issuer may, from time to time, enter into derivative financial instruments for the purpose of hedging the Issuer's interest rate risk and (b) the Issuer may, in its discretion, terminate, or modify, any such derivative

financial instrument; provided that the Issuer shall not terminate or modify the Interest Rate Swap except as provided in this Indenture and solely in accordance with the appropriate mechanism(s) as set forth in the Interest Rate Swap, and, with respect to any derivative financial instruments, other than the Interest Rate Swap, the Issuer shall not enter into any such instruments unless the Rating Agency Condition has been satisfied with respect to and the Insurer has consented to such derivative financial instrument; provided further, however, that, so long as the Interest Rate Swap is in effect, (x) no instrument shall be entered into pursuant to clause (a) above and (y) no termination (or modification) shall be effected pursuant to clause (b) above, without the prior written consent of the Swap Counterparty if the effect of such instrument, termination (or modification) would be to adversely affect the Swap Counterparty's ability or right to receive payment under the terms of the Interest Rate Swap, or if the instrument, termination (or modification) would modify the obligations of or impair the ability of the Issuer to fully perform any of its payment obligations under the Interest Rate Swap; and provided further, however, that any termination, modification or replacement with respect to the Interest Rate Swap effected otherwise in accordance with this Indenture and the appropriate mechanism(s) as set forth in the Interest Rate Swap shall not be subject to the provisions of this Section 15.2.

Section 15.3 Limitation on Rights of the Noteholders.

(a) The death or incapacity of any Noteholder shall not operate to terminate this Indenture, nor shall such death or incapacity entitle such Noteholder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Collateral, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

(b) Nothing herein set forth, or contained in the terms of the Notes, shall be construed so as to constitute the Noteholders from time to time as partners or members of an association; nor shall any Noteholder be under any liability to any third person by reason of any action taken by the parties to this Indenture pursuant to any provision hereof.

Section 15.4 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING § 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

Section 15.5 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO AND THEIR ASSIGNEES WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

Section 15.6 Notices. All communications and notices hereunder shall be in writing and shall be deemed to have been duly given if personally delivered to, or transmitted by overnight courier, or transmitted by telex or telecopy and confirmed by a mailed writing:

If to the Issuer:

SIERRA TIMESHARE 2006-1 RECEIVABLES FUNDING, LLC
10750 West Charleston Boulevard
Suite 130, Mail Stop 2070
Las Vegas, Nevada 89135
Attention: President

(or such other address as may hereafter be furnished to the Trustee, the Servicer and the Collateral Agent in writing by the Issuer).

If to the Servicer:

WYNDHAM CONSUMER FINANCE, INC.
10750 West Charleston Boulevard
Suite 130
Las Vegas, Nevada 89135
Fax: 702-227-3114
Attention: President, Treasurer and Controller
(or such other address as may hereafter be furnished to the Trustee, the Issuer and the Collateral Agent in writing by the Servicer).

If to the Trustee:

WELLS FARGO BANK, NATIONAL ASSOCIATION
Sixth & Marquette
MAC N9311-161
Minneapolis, Minnesota 55479
Fax: 612-667-3464
Attention: Corporate Trust Services Asset-Backed Administration

(or such other address as may be furnished to the Servicer, the Issuer or the Collateral Agent in writing by the Trustee).

If to the Collateral Agent:

U.S. BANK NATIONAL ASSOCIATION
269 Technology Way
Building B, Unit 3
Rocklin, CA 95765
Fax: 916-626-3152
Attention: Structured Finance Trust Services
Re: Sierra Timeshare 2006-1 Receivables Funding, LLC

(or such other address as may be furnished in writing to the Trustee, the Issuer and the Servicer by the Collateral Agent).

If to each Rating Agency:

Fitch, Inc.
Attn: Asset-Backed Securities - Timeshare
55 East Monroe
Suite 3500
Chicago, IL 60610
Fax: 312-368-2069

(or such other address as may be furnished in writing to the Trustee, the Issuer and the Servicer).

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007
Fax: 212-553-4392

(or such other address as may be furnished in writing to the Trustee, the Issuer and the Servicer).

Standard & Poor's Ratings Group
55 Water Street
New York, New York 10041
Fax: 212-438-2655

(or such other address as may be furnished in writing to the Trustee, the Issuer and the Servicer).

If to the Swap Counterparty:

Bank of America, N.A.
Sears Tower
233 South Wacker Drive, Suite 2800
Chicago, IL 60606
Attention: Swap Operations
Telex: 49663210
Answerback: NATIONSBANK CHA

(or such other address as may be furnished in writing to the Trustee, the Issuer and the Servicer),

with a copy to:

Bank of America, N.A.

100 N. Tryon St., NC1-007-13-01
Charlotte, North Carolina 28255
Attention: Capital Markets Documentation
(Telex No.: 9663210; Answerback: NATIONSBK CHA)
Facsimile No.: 704-386-4113

If to the Insurer:

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504
Attention: Manager – Insured Portfolio Management – Structured Finance
(with regards to Policy #48242)
Telecopy No.: 914-765-3810
Confirmation: 914-273-4545

(in each case in which notice or other communication to the Insurer refers to a Servicer Default, an Unmatured Servicer Default, an Event of Default or an Unmatured Event of Default, a claim on the Policy or with respect to which failure on the part of the Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of "general counsel" of the Insurer at the same address and shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

All communications and notices pursuant hereto to a Noteholder will be given by first-class mail, postage prepaid, to the registered holders of such Notes at their respective address as shown in the Note Register. Any notice so given within the time prescribed in this Indenture shall be conclusively presumed to have been duly given, whether or not the Noteholder receives such notice.

Section 15.7 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Indenture shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Indenture and shall in no way affect the validity or enforceability of the other provisions of this Indenture or of the Notes or rights of the Noteholders thereof.

Section 15.8 Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Section 12.2, this Indenture may not be assigned by the Issuer or the Servicer without the prior consent of the Majority Holders, the Insurer and the Swap Counterparty.

Section 15.9 Notes Non-assessable and Fully Paid. It is the intention of the Issuer that the Noteholders shall not be personally liable for obligations of the Issuer and that the indebtedness represented by the Notes shall be non-assessable for any losses or expenses of the Issuer or for any reason whatsoever.

Section 15.10 Further Assurances. Each of the Issuer, the Servicer and the Collateral Agent agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the Trustee more fully to effect the purposes of this Indenture, including without limitation the authorization of any financing statements, amendments thereto, or continuation statements relating to the Pledged Loans for filing under the provisions of the UCC of any applicable jurisdiction.

Section 15.11 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Trustee or the Noteholders, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. No waiver of any provision hereof shall be effective unless made in writing. The rights, remedies, powers and privileges therein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

Section 15.12 Counterparts. This Indenture may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 15.13 Third-Party Beneficiaries. This Indenture will inure to the benefit of and be binding upon the parties hereto, the Swap Counterparty, the Insurer, the Noteholders and their respective successors and permitted assigns. Except as otherwise provided in this Article XV or in the section entitled “Release of Cendant,” no other person will have any right or obligation hereunder.

Section 15.14 Actions by the Noteholders.

(a) Wherever in this Indenture a provision is made that an action may be taken or a notice, demand or instruction given by the Noteholders, such action, notice or instruction may be taken or given by any Noteholder, unless such provision requires a specific percentage of the Noteholders. If, at any time, the request, demand, authorization, direction, consent, waiver or other act of a specific percentage of the Noteholders is required pursuant to this Indenture, written notification of the substance thereof shall be furnished to all Noteholders.

(b) Any request, demand, authorization, direction, consent, waiver or other act by a Noteholder binds such Noteholder and every subsequent holder of such Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done or omitted to be done by the Trustee, the Issuer or the Servicer in reliance thereon, whether or not notation of such action is made upon such Note.

Section 15.15 Merger and Integration. Except as set forth in the Trustee Fee Letter, and except as specifically stated otherwise herein, this Indenture and the other Transaction Documents set forth the entire understanding of the parties relating to the subject matter hereof, and, except as set forth in such Trustee Fee Letter, all prior understandings, written or oral, are superseded by this Indenture and the other Transaction Documents. This Indenture may not be modified, amended, waived or supplemented except as provided herein.

Section 15.16 No Bankruptcy Petition. The Trustee, the Insurer, the Servicer, the Collateral Agent and each Noteholder, by accepting a Note, hereby covenant and agree that they will not at any time institute against the Issuer or the Depositor, or join in instituting against the Issuer or the Depositor, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any Debtor Relief Law until one year and one day after such time as both the Issuer and the Depositor have paid in full all indebtedness owed by such Person. The provisions of this Section 15.16 will survive any termination of this Agreement.

Section 15.17 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

IN WITNESS WHEREOF, the Issuer, the Servicer, the Trustee and the Collateral Agent have caused this Indenture to be duly executed by their respective officers as of the day and year first above written.

SIERRA TIMESHARE 2006-1 RECEIVABLES FUNDING, LLC,
as Issuer

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

WYNDHAM CONSUMER FINANCE, INC.,
as Servicer

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Trustee

By: /s/ Cory Branden
Name: Cory Branden
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
as Collateral Agent

By: /s/ Patricia O'Neill
Name: Patricia O'Neill
Title: Vice President

[Signature page for Indenture and Servicing Agreement]

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1. Schedule of Trustee's fees.
2. List of Lockbox Banks.
3. Schedule for Collateral Agent's and Custodian's Fees

Exhibit 10.35

EXECUTION COPY

PERFORMANCE GUARANTY
(Series 2006-1)

PERFORMANCE GUARANTY (this "Guaranty") dated as of July 11, 2006 is made by Cendant Corporation, a Delaware corporation and by Wyndham Worldwide Corporation, a Delaware corporation ("Wyndham Worldwide") in favor of Sierra Timeshare 2006-1 Receivables Funding, LLC, a Delaware limited liability company (the "Issuer"), Sierra Deposit Company, LLC, a Delaware limited liability company (the "Depositor"), Wells Fargo Bank, National Association, as trustee, (the "Trustee") and U.S. Bank, National Association, as collateral agent (the "Collateral Agent") under the Indenture and Servicing Agreement referenced below for the benefit of holders of Notes issued pursuant to such Indenture and Servicing Agreement and the Insurer referred to in such Indenture and Servicing Agreement.

PRELIMINARY STATEMENTS

WHEREAS, the Issuer, Wyndham Consumer Finance, Inc. ("WCF") a Delaware corporation, as servicer (in such capacity, the "Servicer"), the Trustee and the Collateral Agent have entered into that certain Indenture and Servicing Agreement dated as of the date hereof (the "Indenture");

WHEREAS, the Issuer has, under the terms of the Indenture, issued $550,000,000 of its Loan-Backed Notes, Series 2006-1 (the "Notes");

WHEREAS, the Notes are secured by and payable from a portfolio of Pledged Loans and related Pledged Assets and other Collateral, each as described in the Indenture, and each of the Pledged Loans is a loan sold by either WCF or Trendwest Resorts, Inc. ("Trendwest") to the Depositor and sold by the Depositor to the Issuer;

WHEREAS, WCF has sold Pledged Loans and related Pledged Assets to the Depositor under the terms of the Fairfield Purchase Agreement;

WHEREAS, Trendwest has sold Pledged Loans and related Pledged Assets to the Depositor under the terms of the Trendwest Purchase Agreement;

WHEREAS, on the date of this Guaranty, each of WCF, Trendwest, the Issuer and the Depositor is an indirect wholly-owned subsidiary of Cendant;

WHEREAS, on the Separation Effective Date (as defined herein), each of WCF, Trendwest, the Issuer and the Depositor will be wholly-owned direct or indirect subsidiaries of Wyndham Worldwide;

WHEREAS, each of Cendant and Wyndham Worldwide expects to receive substantial direct and indirect benefits from the transactions contemplated in the Indenture; and

WHEREAS, as an inducement for the Noteholders to purchase the Notes and the Insurer to issue the Insurance Policy each of Cendant and Wyndham Worldwide have agreed to enter into and undertake its obligations as provided in this Guaranty.

NOW, THEREFORE, Cendant and Wyndham Worldwide each hereby agrees with the Issuer, the Depositor, the Trustee and the Collateral Agent, as follows:

SECTION 1. Definitions. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Indenture as in effect on the date of this Guaranty. As used herein, the following terms shall have the following meanings:

"Cendant" means the Delaware corporation known on the date of this Guaranty as Cendant Corporation.

"Defective Loan Obligations" means the obligation of the Issuer set forth in Section 5.4 of the Indenture to deposit the Release Price for any Pledged Loan that (a) is a Defective Loan under the terms of the Indenture, but (b) is not a Defective Loan under the terms of the Fairfield Purchase Agreement or the Trendwest Purchase Agreement that is required to be repurchased by WCF or by Trendwest under the applicable Purchase Agreement.

"Fairfield Purchase Agreement" means the Master Loan Purchase Agreement dated as of August 29, 2002 by and between WCF, as seller, Fairfield Resorts, Inc., Fairfield Myrtle Beach, Inc., Kona Hawaiian Vacation Ownership, LLC, Shawnee Development, Inc., Sea Gardens Beach and Tennis Resort, Inc., Vacation Break Resorts at Star Island, Inc., Palm Vacation Group, Ocean Ranch Vacation Group and the Depositor, as purchaser, as such agreement has been or is subsequently amended, supplemented or amended and restated and specifically includes the Series 2002-1 Supplement thereto dated as of August 29, 2002 and the Series 2006-1 Supplement thereto dated as of July 11, 2006 as each such supplement is subsequently amended, supplemented or amended and restated.

"Guaranteed Party" means each of the Depositor, the Issuer, the Trustee and the Collateral Agent on behalf of all holders of Notes and the Insurer.

"Obligations" means the Seller Obligations, the Servicer Obligations and the Defective Loan Obligations.

"Performance Guarantor" means either Cendant or Wyndham Worldwide and "Performance Guarantors" means both Cendant and Wyndham Worldwide.

"Purchase Agreement" means either the Fairfield Purchase Agreement or the Trendwest Purchase Agreement and "Purchase Agreements" means both the Fairfield Purchase Agreement and the Trendwest Purchase Agreement.

"Seller" means WCF or Trendwest and "Sellers" means both WCF and Trendwest.

"Seller Obligations" means, collectively all covenants, agreements, terms, conditions and other obligations to be performed and observed by each Seller under the applicable Purchase Agreement as such covenants, agreements, terms, conditions and other obligations arise in connection with, or otherwise relate in any way to the Pledged Loans and the Pledged Assets, and shall include without limitation the due and punctual payment when due of all sums that are or may become owing by such Seller under the applicable Purchase Agreement, whether in respect of fees, expenses (including counsel fees), indemnified amounts or otherwise, including without limitation any such fees, expenses and other amounts that accrue after the commencement of any Insolvency Proceeding with respect to such Seller (in each case whether or not allowed as a claim in such Insolvency Proceeding) and shall include, without limitation, the obligations of the Seller under Section 7(a) of the Series 2002-1 Supplement which is included as part of the Fairfield Purchase Agreement, the obligations of the Seller under Section 7(a) of the Series 2006-1 Supplement which is part of the Fairfield Purchase Agreement, the obligations of the Seller under Section 7(a) of the Series 2002-1 Supplement which is part of the Trendwest Purchase Agreement and the obligations of the Seller under Section 7(a) of the Series 2006-1 Supplement which is part of the Trendwest Purchase Agreement.

"Separation Effective Date" means the date on which Wyndham Worldwide and its subsidiaries cease to be subsidiaries of Cendant.

"Servicer Obligations" means, collectively, all covenants, agreements, terms, conditions and other obligations to be performed and observed by WCF in its capacity as the Servicer under the Indenture, and shall include without limitation the due and punctual payment when due of all sums that are or may become owing by the Servicer under the Indenture, whether in respect of fees, expenses (including counsel fees), indemnified amounts or otherwise, including without limitation any such fees, expenses and other amounts that accrue after the commencement of any Insolvency Proceeding with respect to WCF (in each case whether or not allowed as a claim in such Insolvency Proceeding).

"Trendwest Purchase Agreement" means the Master Loan Purchase Agreement dated as of August 29, 2002, by and between Trendwest, as seller and the Depositor, as purchaser as such agreement has been or is subsequently amended, supplemented or amended and restated and specifically includes the Series 2002-1 Supplement thereto dated as of August 29, 2002 and the Series 2006-1 Supplement thereto dated as of July 11, 2006 as each such supplement is subsequently amended, supplemented or amended and restated.

SECTION 2. Separation Effective Date. Prior to the Separation Effective Date, the obligations of Cendant and Wyndham Worldwide hereunder are joint and several obligations, subject, however, to enforcement only as provided in this Section 2 and provided that **all of Cendant's obligations under this Guaranty, without regard to when such obligations arose, shall terminate as provided in this Section 2.** Notwithstanding any other provision of this Guaranty each agreement and obligation of Cendant and of Wyndham Worldwide undertaken in this Guaranty is subject to the terms of this Section 2.

(a) Obligations of Cendant. As between Cendant and Wyndham Worldwide, Cendant agrees that, any actions, payments or agreements which are to be taken, made or

fulfilled prior to the Separation Effective Date shall be taken, made or fulfilled by Cendant. Furthermore, the Issuer, the Depositor, the Collateral Agent and the Trustee each agree that prior to the Separation Effective Date, such party will seek enforcement actions hereunder only against Cendant and not against Wyndham Worldwide; *provided, however*, that at any time on or after the Separation Effective Date, such parties may seek enforcement against Wyndham Worldwide, and only Wyndham Worldwide, for all obligations hereunder, including those that accrued before the Separation Effective Date and had not been satisfied as of the Separation Effective Date, whether or not enforcement of such obligations had been sought against Cendant (other than any obligations the enforcement of which had been sought against Cendant and denied by Cendant, and such denial had been upheld by the final and unappealable action of a court of competent jurisdiction).

(b) Obligations of Wyndham Worldwide. On and after the Separation Effective Date, all actions, payments or agreements, including, without limitation, the obligations referred to in the proviso of Section 2(a), which are to be taken, made or fulfilled hereunder shall be taken, made or fulfilled by Wyndham Worldwide and shall be enforceable only against Wyndham Worldwide without regard to when such obligations arose or against whom such obligation was sought to be enforced. Wyndham Worldwide hereby agrees that if the Separation Effective Date occurs, then it is and will be bound by any and all judgments, rulings or other binding determinations made on or before the Separation Effective Date with respect to the obligations arising under this Guaranty whether such judgments, rulings or other binding determinations were made against Cendant, Wyndham Worldwide or both such Performance Guarantors and will fully comply with and fulfill the terms thereof. Without limiting the generality of the foregoing, Wyndham Worldwide's obligations hereunder shall be unaffected by Cendant's failure to honor any obligations it owed to Wyndham Worldwide.

(c) Cendant Released. **On and after the Separation Effective Date, Cendant shall be and hereby is absolutely released from any and all obligations under this Guaranty, and on and after the Separation Effective Date, Cendant will not be liable for any past, present or future obligations under this Guaranty and will no longer be a party to this Guaranty or be bound by this Guaranty.**

SECTION 3. Guaranty of Sellers' Obligations. Cendant and Wyndham Worldwide each hereby guarantees to the Depositor, the Issuer, the Trustee and the Collateral Agent on behalf of all holders of Notes and the Insurer the full and punctual payment and performance of all of WCF's Seller Obligations under the Fairfield Purchase Agreement, and all of Trendwest's and WCF's Seller Obligations under the Trendwest Purchase Agreement as such obligations relate to the Pledged Loans and the Pledged Assets.

SECTION 4. Guaranty of Servicer's Obligations. Cendant and Wyndham Worldwide each hereby guarantees to the Issuer, the Trustee and the Collateral Agent on behalf of all holders of Notes and the Insurer the full and punctual payment and performance of all of WCF's Servicer Obligations.

SECTION 5. Guaranty of Defective Loan Obligations. Cendant and Wyndham Worldwide each hereby guarantees to the Trustee and the Collateral Agent for the benefit of the holders of the Notes and the Insurer the full and punctual payment and performance of the Defective Loan Obligations.

SECTION 6. Performance Guarantor's Further Agreements to Pay. Cendant and Wyndham Worldwide each further agrees, as the principal obligor and not as a guarantor only, that it will pay to each Guaranteed Party, forthwith upon demand in funds immediately available to such Guaranteed Party, all reasonable costs and expenses (including court costs and reasonable legal expenses) incurred or expended by such Guaranteed Party in connection with the enforcement of the Obligations and this Guaranty, together with interest on amounts recoverable under this Guaranty from the time when such amounts become due until payment, at a rate of interest (computed for the actual number of days elapsed based on a 360 day year) equal to the rate of interest most recently published in The Wall Street Journal as the "Prime Rate" plus 2%. Changes in the rate payable hereunder shall be effective on each date on which a change in the "Prime Rate" is published.

SECTION 7. Guaranty Absolute. Cendant and Wyndham Worldwide, each guarantees that the Obligations will be performed strictly in accordance with the terms of the Fairfield Purchase Agreement, the Trendwest Purchase Agreement and the Indenture regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms, provided, however, nothing herein shall be construed to require Cendant or Wyndham Worldwide to act in violation of any law, regulation or order. The obligations of Cendant and of Wyndham Worldwide under this Guaranty are independent of the Obligations, and a separate action or actions may be brought and prosecuted, prior to the Separation Effective Date against Cendant, and on and after the Separation Effective Date, against Wyndham Worldwide to enforce this Guaranty, irrespective of whether any action is brought against WCF, Trendwest, or the Issuer, or whether WCF, Trendwest or the Issuer is joined in any such action or actions. Subject to the terms set forth in Sections 2 and 18 of this Guaranty, this Guaranty is an absolute, unconditional and continuing guaranty of the full and punctual payment and performance of all of the Obligations. Cendant and Wyndham Worldwide each agrees that the validity and enforceability of this Guaranty shall not be impaired or affected by any of the following:

(i) any lack of validity or enforceability of the Fairfield Purchase Agreement, the Trendwest Purchase Agreement or the Indenture;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations, or any other amendment or waiver of or any consent to departure from the Fairfield Purchase Agreement, the Trendwest Purchase Agreement or the Indenture;

(iii) any taking, exchange, release or non-perfection of any collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations;

(iv) any manner of application of collateral or proceeds thereof to all or any of the Obligations, or any manner of sale or other disposition of any collateral for all or any of the Obligations or any other assets of WCF, Trendwest or the Issuer, as the case may be;

(v) any change, restructuring or termination of the corporate or other structure or existence of WCF, Trendwest or the Issuer; or

(vi) any other circumstance that might otherwise constitute a defense (other than payment and performance) available to, or a discharge of WCF, Trendwest or the Issuer or its affiliates or a guarantor.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Trustee upon the insolvency, bankruptcy or reorganization of WCF, Trendwest or the Issuer or otherwise, all as though such payment had not been made.

SECTION 8. Waiver by Performance Guarantor. Cendant and Wyndham Worldwide each waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Guaranty and any requirement that the Trustee protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against or any other person or entity or any collateral.

SECTION 9. Indemnification for Failure to File Assignments. Under the terms of the Fairfield Purchase Agreement and the Indenture, WCF as a Seller of Loans is not required to record collateral Assignments of Mortgages in the state of Florida so long as certain conditions set forth in the Indenture are satisfied. Cendant and Wyndham Worldwide each hereby agrees to indemnify, defend and hold harmless the Trustee, the Issuer and the Insurer against any and all costs, expenses, losses, damages, claims and liabilities which the Trustee, the Issuer or the Insurer may incur as a result of the fact that collateral Assignments of Mortgages are not filed or recorded in Florida.

SECTION 10. Subrogation. Neither Cendant nor Wyndham Worldwide will exercise any rights which it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all the Obligations and all other amounts payable under this Guaranty shall have been paid in full, the Notes have been paid in full and all amounts owed to the Insurer under the Insurance Agreement have been paid in full. If any amount shall be paid to Cendant or Wyndham Worldwide as Performance Guarantor under this Agreement on account of such subrogation rights at any time prior to the payment in full of all amounts described in the prior sentence, such amount shall be held in trust for the benefit of the Guaranteed Parties and shall forthwith be paid to the Guaranteed Parties to be credited and applied upon the Obligations owed to the Guaranteed Parties, in accordance with the terms of the Transaction Documents. If (i) Cendant or Wyndham Worldwide shall make payment to the Guaranteed Parties of all or any part of the Obligations and, (ii) all Obligations and all other amounts payable under this Guaranty shall be paid in full, the Guaranteed Parties will, at Cendant's or Wyndham Worldwide's request, execute and deliver to such Performance

Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Performance Guarantor of an interest in the Obligations resulting from any such payment made by such Performance Guarantor hereunder. Notwithstanding the foregoing or any other provision of this Guaranty, the Issuer, Trendwest or WCF may enter into a reimbursement agreement with Cendant and/or Wyndham Worldwide under which the Issuer, Trendwest or WCF agrees to reimburse the respective Performance Guarantor for amounts such Performance Guarantor may be obligated to pay under this Guaranty as long as any such reimbursement shall be paid only from amounts that are not subject to the lien of the Indenture.

SECTION 11. Representations and Warranties. Each of Cendant and Wyndham Worldwide on behalf of itself only and not on behalf of the other represents and warrants on the date hereof that:

(a) Organization and Good Standing. It is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

(b) No Conflict or Violation. The execution, delivery and performance by it of this Guaranty and the transactions contemplated hereby are within its corporate powers, have been duly authorized by all requisite corporate action and do not contravene (i) any of the terms and provisions of its certificate of incorporation or its by-laws, (ii) any law, rule or regulation applicable to it the violation of which would have a material adverse effect on its performance hereunder, (iii) any contractual restriction binding on or affecting it or its properties the violation of which would have a material adverse effect on its performance hereunder or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its properties the violation of which would have a material adverse effect on its performance hereunder. It has duly executed and delivered this Guaranty.

(c) Power and Authority; Due Authorization. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other person is required for the due execution, delivery and performance by it of this Guaranty.

(d) Binding Obligation. This Guaranty is its legal, valid and binding obligation and is enforceable against it in accordance with the terms of this Guaranty, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization and similar laws of general applicability relating to or affecting creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Litigation. There is no action, suit or proceeding pending, or to its knowledge threatened, affecting it or its property before any court, governmental agency or arbitrator that materially adversely affects its ability to perform its obligations under this Guaranty, or that purports to affect the legality, validity or enforceability of this Guaranty.

(f) Rank of Obligations. Its obligations under this Guaranty do rank and will rank at least*pari passu* in priority of payment and in all other respects with all of its unsecured indebtedness.

SECTION 12. Payment Free and Clear of Taxes, Etc. (a) Any and all payments made by Cendant or Wyndham Worldwide hereunder shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of the Trustee and the Collateral Agent (each an "Indemnified Party"), taxes imposed on its income and franchise taxes imposed on it by the jurisdiction under the laws of which the Indemnified Party is organized (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities imposed on payments made by Cendant or Wyndham Worldwide hereunder being hereinafter referred to as "Taxes"). If Cendant or Wyndham Worldwide shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Indemnified Party, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 12) such Indemnified Party receives an amount equal to the sum it would have received had no such deductions been made, (ii) Cendant or Wyndham Worldwide, as applicable, shall make such deductions, and (iii) Cendant or Wyndham Worldwide, as applicable, shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, Cendant and Wyndham Worldwide agree to pay any present or future stamp or documentary taxes or other excise or property taxes, charges or similar levies (but excluding all taxes that are excluded under Section 12(a)) that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Guaranty (hereinafter referred to as "Other Taxes").

(c) Cendant and Wyndham Worldwide shall indemnify each Indemnified Party for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 12) paid by such Indemnified Party and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within thirty (30) days from the date such Indemnified Party makes written demand therefor.

(d) Cendant or Wyndham Worldwide, as applicable, shall within thirty (30) days after the date of any payment of Taxes furnish each Indemnified Party, at its address referred to in Section 16, evidence of payment thereof.

(e) Without prejudice to the survival of any other agreement of Cendant or Wyndham Worldwide hereunder, the agreements and obligations of the Performance Guarantor contained in this Section 12 shall survive any termination of the Transaction Documents; provided, however, that this paragraph (e) is subject in all respects to the provisions of Section 2.

SECTION 13. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF OBJECTION TO VENUE. THIS GUARANTY IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING §5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES. CENDANT, WYNDHAM WORLDWIDE, THE DEPOSITOR, THE ISSUER, THE TRUSTEE AND THE COLLATERAL AGENT EACH HEREBY AGREES TO THE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

SECTION 14. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

SECTION 15. Amendments, Etc. No amendment or waiver of any provision of this Guaranty or consent to any departure by the Performance Guarantor therefrom shall be effective unless the same shall be in writing and signed by the Depositor, the Issuer, the Trustee and the Collateral Agent and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. It shall be a condition to the execution by the Trustee of any such amendment, waiver or consent that (i) so long as no Insurer Default has occurred and is continuing, the Trustee shall first receive the written consent of the Insurer or (ii) if an Insurer Default has occurred and is then continuing, the Rating Agency Condition shall have been satisfied.

SECTION 16. Notices, Etc. (a) All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telex communication and communication by facsimile copy) and mailed, telexed, transmitted or delivered, as to each party hereto, at its address set forth under its name on the signature pages hereof or at such other address as shall be designated by such party in a written notice to the other parties hereto and notices to Standard & Poor's Ratings Services shall be given at the address set forth below. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by telex, when telexed against receipt of answerback, or (c) notice by facsimile copy, when verbal communication of receipt is obtained. Notices sent to Standard & Poor's Ratings Services shall be sent to:

Standard & Poor's Ratings Services

55 Water Street
New York, New York 10041
Fax number: 212-438-2655

(or to such other address as may be furnished in writing to the Performance Guarantor, the Issuer and the Trustee).

(b) All notices, claims, demands or documents given to the Performance Guarantor under this Guaranty prior to the Separation Effective Date shall be given both to Cendant and to Wyndham Worldwide; however, Wyndham Worldwide agrees and that all notices, claims, demands or other documents submitted to Cendant prior to the Separation Effective Date, whether or not also submitted to Wyndham Worldwide, shall, for all purposes of this Guaranty, be deemed to have been delivered to and received by Wyndham Worldwide (whether or not actually so delivered and received) on the same dates that they were delivered to and received by Cendant.

SECTION 17. No Waiver; Remedies. No failure on the part of any Guaranteed Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 18. Termination of the Performance Guarantor's Obligations under the Guaranty. **Notwithstanding any other provisions of this Guaranty, Cendant's obligations under this Guaranty shall terminate as provided in Section 2.** The Performance Guarantor's obligations hereunder shall continue in full force and effect until the date that is one year and one day after the Termination Date. Subject to Section 2, this Guaranty shall continue to be effective or shall be reinstated, as the case may be, with respect to the Performance Guarantor if at any time payment or other satisfaction of any of the Obligations is rescinded or must otherwise be restored or returned in connection with any Insolvency Proceeding with respect to WCF, Trendwest, or the Issuer or any other Person or otherwise, as though such payment had not been made or other satisfaction occurred, whether or not the Performance Guarantor is in possession of this Guaranty. To the extent permitted by law, no invalidity, irregularity or unenforceability by reason of the Bankruptcy Code or any insolvency or other similar law, or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect the Obligations shall impair, affect, be a defense to or claim against the obligations of the Performance Guarantor under this Guaranty.

SECTION 19. Successors and Assigns. This Guaranty shall be binding upon Cendant and Wyndham Worldwide and their respective successors and permitted assigns, and neither Cendant nor Wyndham Worldwide shall assign any of its rights or obligations hereunder without the prior written consent of the Trustee which consent shall be given only as provided in Section 15. The benefits of this Guaranty shall inure to the benefit of, and be enforceable by, the Guaranteed Parties, their respective successors, transferees and assigns.

SECTION 20. Effect of Bankruptcy. To the extent permitted by law, this Guaranty shall survive the occurrence of any Insolvency Proceeding with respect to WCF, Trendwest, the Issuer or any other Person. To the extent permitted by law, no automatic stay under the Bankruptcy Code or other federal, state or other applicable bankruptcy, insolvency or reorganization statutes to which WCF, Trendwest or the Issuer is subject shall postpone the obligations of the Performance Guarantors under this Guaranty.

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IN WITNESS WHEREOF, each Performance Guarantor has caused this Guaranty to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

CENDANT CORPORATION,
as Performance Guarantor

By: /s/ Ronald L. Nelson
Name: Ronald L. Nelson
Title: President and Chief Financial Officer

Address: 1 Campus Drive
Parsippany, New Jersey 07054

Telephone: (973) 496-5672
Telecopier: (973) 496-5080

WYNDHAM WORLDWIDE CORPORATION,
as Performance Guarantor

By: /s/ Virginia M. Wilson
Name: Virginia M. Wilson
Title: Executive Vice President and
Chief Financial Officer

Address: Seven Sylvan Way
Parsippany, New Jersey 07054

Telephone: (973) 496-2455
Telecopier: (973) 496-2456

Acknowledged and accepted as of
this _____ day of July, 2006:

SIERRA TIMESHARE 2006-1 RECEIVABLES FUNDING, LLC,
as Issuer

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

Address: 10750 West Charleston Blvd.
Suite 130, Mailstop 2070
Las Vegas, Nevada 89135

Telephone: (702) 562-8316
Telecopier: (702) 227-3179

SIERRA DEPOSIT COMPANY, LLC,
as Depositor

By: /s/ Mark A. Johnson
Name: Mark A. Johnson
Title: President

Address: 10750 West Charleston Blvd.
Suite 130, Mailstop 2067
Las Vegas, Nevada 89135

Telephone: (702) 304-4216
Telecopier: (702) 304-4211

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Cory Branden
Name: Cory Branden
Title: Vice President

Address: N9311-161 Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services - Asset-Backed Administration

Telephone:
Telecopier: 612-667-3464

U.S. BANK NATIONAL ASSOCIATION,
as Collateral Agent

By: /s/ Patricia O'Neill
Name: Patricia O'Neill
Title: Vice President

Address: 401 South Tryon Street
NC-1179
12th Floor
Charlotte, NC 28288-1179
Attention: Structured Finance Trust Services

Telephone:
Telecopier:

Exhibit 99.1

[ ], 2006

Dear Cendant Corporation Stockholder:

I am pleased to inform you that the Board of Directors of Cendant Corporation has approved the distribution of all of the shares of common stock of Wyndham Worldwide Corporation, a wholly owned subsidiary of Cendant, to Cendant stockholders. At the time of its distribution, Wyndham Worldwide will hold the assets and liabilities associated with Cendant's Hospitality Services (including Timeshare Resorts) businesses, which include the lodging, vacation exchange and rental, and vacation ownership businesses, and will remain one of the preeminent providers of hospitality products and services in the world. Cendant's Board of Directors also approved the distribution, which is expected to occur simultaneously with the Wyndham Worldwide distribution, of all of the shares of common stock of Realogy Corporation, a wholly owned subsidiary of Cendant, to Cendant stockholders. At the time of its distribution, Realogy will hold the assets and liabilities associated with Cendant's Real Estate Services businesses and will remain one of the preeminent providers of real estate and relocation services in the world. Upon each distribution, Cendant stockholders will own 100% of the common stock of each company being distributed.

These distributions are being made pursuant to a plan preliminarily approved by our Board on October 23, 2005 to separate Cendant into four independent, publicly traded companies: Cendant's Hospitality Services (including Timeshare Resorts) (Wyndham Worldwide), Real Estate Services (Realogy), Travel Distribution Services (Travelport) and Vehicle Rental (Avis Budget Group) businesses. On April 24, 2006, we announced that as an alternative to distributing shares of Travelport to Cendant stockholders, Cendant was also exploring the sale of that company. On June 30, 2006, Cendant entered into an agreement to sell the Travel Distribution Services company to an affiliate of the Blackstone Group for $4,300 million in cash. A significant portion of the proceeds from the sale of Travelport will be used to reduce Wyndham Worldwide's and Realogy's initial indebtedness. Cendant's Board of Directors believes that creating independent, focused companies and selling Travelport is the best way to unlock the full value of Cendant's businesses for the benefit of Cendant, Cendant's stockholders and each of the businesses, in both the short and long terms. In connection with the distribution of Wyndham Worldwide, the Cendant Board received an opinion from Evercore Group L.L.C. to the effect that, as of the date of the opinion, the Wyndham Worldwide distribution is fair, from a financial point of view, to the stockholders of Cendant. A copy of that opinion that Evercore delivered to the Cendant Board relating to the distribution of Wyndham Worldwide is attached to this information statement as Annex A.

The distribution of Wyndham Worldwide common stock will occur on [ ], 2006 by way of a pro rata dividend to Cendant stockholders. Each Cendant stockholder will be entitled to receive one share of Wyndham Worldwide common stock (and a related preferred stock purchase right) for every five shares of Cendant common stock held by such stockholder at the close of business on [ ], 2006, the record date of the distribution. The dividend will be issued in book-entry form only, which means that no physical stock certificates will be issued. No fractional shares of Wyndham Worldwide common stock will be issued. If you would otherwise have been entitled to a fractional share of Wyndham Worldwide common stock in the distribution, you will receive the net cash value of such fractional share instead.

Stockholder approval of the distribution is not required, nor are you required to take any action to receive your Wyndham Worldwide common stock. Following the distributions, you will own shares in Cendant, Wyndham Worldwide and Realogy. Wyndham Worldwide has applied to have its common stock listed on the New York Stock Exchange under the symbol "WYN," and Realogy has applied to have its common stock listed on the New York Stock Exchange under the symbol "H." Cendant's common stock will continue to trade on the New York Stock Exchange under the symbol "CD," and, in connection with the plan of separation, it is expected that Cendant will change its name to Avis Budget Group, Inc. and its symbol to "CAR."

The enclosed information statement, which is being mailed to all Cendant stockholders, describes the distribution of Wyndham Worldwide common stock in detail and contains important information about

Wyndham Worldwide. A separate information statement is being mailed to Cendant stockholders with respect to the distribution of Realogy common stock. We urge you to read this information statement carefully.

I want to thank you for your continued support of Cendant and we look forward to your support of Wyndham Worldwide and Realogy in the future.

Sincerely,

Henry R. Silverman
Chairman of the Board and Chief Executive Officer

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[ ], 2006

Dear Wyndham Worldwide Corporation Stockholder:

It is my pleasure to welcome you as a stockholder of our company, Wyndham Worldwide Corporation. As one of the world's largest hospitality companies, we offer our individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through our premier portfolio of world-renowned brands. With more than 20 brands, which include Wyndham Hotels and Resorts, Ramada, Days Inn, Super 8, TripRewards, RCI, Landal GreenParks, English Country Cottages, Novasol, Fairfield and Trendwest, we have a significant presence in most major hospitality and leisure markets in the United States and throughout the rest of the world. The hospitality products and services we offer include lodging, vacation exchange and rental services, and vacation ownership interests in vacation ownership resorts. We are the world's largest lodging franchisor, vacation exchange network and vacation ownership business, and we are among the world's largest global marketers of vacation rental properties.

We have applied to list our common stock on the New York Stock Exchange under the symbol "WYN" in connection with the distribution of our company's common stock by Cendant Corporation.

I invite you to learn more about Wyndham Worldwide by reviewing the enclosed information statement. We look forward to our future as an independent, publicly traded company and to your support as a holder of Wyndham Worldwide common stock. We also look forward to welcoming you as a new or returning customer at one of our hotels, resorts or other vacation accommodations around the world.

Sincerely,

Stephen P. Holmes
Chairman and Chief Executive Officer

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Preliminary Information Statement
(Subject to Completion, Dated July 12, 2006)

Information Statement

Distribution of

Common Stock of

WYNDHAM WORLDWIDE CORPORATION

by

CENDANT CORPORATION

to Cendant Corporation Stockholders

This information statement is being furnished in connection with the distribution by Cendant Corporation to its stockholders of all of its shares of common stock of Wyndham Worldwide Corporation, an already-existing, wholly owned subsidiary of Cendant that holds directly or indirectly the assets and liabilities associated with Cendant's Hospitality Services (including Timeshare Resorts) businesses, which include Cendant's lodging, vacation exchange and rental, and timeshare resorts businesses. To implement the distribution, Cendant will distribute all of its shares of our common stock on a pro rata basis to the holders of Cendant common stock. Each of you, as a holder of Cendant common stock, will receive one share of Wyndham Worldwide common stock (and a related preferred stock purchase right) for every five shares of Cendant common stock that you held at the close of business on [ ], 2006, the record date for the distribution. The distribution will be effective as of [ ], 2006. Immediately after the distribution is completed, Wyndham Worldwide will be an independent public company.

No vote of Cendant stockholders is required in connection with this distribution. We are not asking you for a proxy and you are requested not to send us a proxy. Cendant stockholders will not be required to pay any consideration for the shares of our common stock they receive in the distribution, and they will not be required to surrender or exchange shares of their Cendant common stock or take any other action in connection with the distribution.

All of the outstanding shares of our common stock are currently owned by Cendant. Accordingly, there currently is no public trading market for our common stock. We have filed an application to list our common stock under the ticker symbol "WYN" on the New York Stock Exchange. Assuming that our common stock is approved for listing, we anticipate that a limited market, commonly known as a "when-issued" trading market, for our common stock will develop on or shortly before the record date for the distribution and will continue up to and including through the distribution date, and we anticipate that "regular-way" trading of our common stock will begin on the first trading day following the distribution date.

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 30 of this information statement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of any of the securities of Wyndham Worldwide Corporation, or determined whether this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is [ ], 2006.

This information statement was first mailed to Cendant stockholders on or about [ ], 2006.

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TRADEMARKS AND SERVICE MARKS

We own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our business. Some of the more important trademarks that we own or have rights to use that appear in this information statement include "Wyndham Hotels and Resorts," "Ramada," "Days Inn," "Super 8," "TripRewards," "RCI," "Landal GreenParks," "English Country Cottages," "Novasol," "Fairfield" and "Trendwest," which may be registered in the United States and other jurisdictions. Each trademark, trade name or service mark of any other company appearing in this information statement is owned by such company.

INDUSTRY DATA

This information statement includes industry and trade association data, forecasts and information that we have prepared based, in part, upon data, forecasts and information obtained from independent trade associations, industry publications and surveys and other information available to us. Some data also is based on our good faith estimates, which are derived from management's knowledge of the industry and independent sources. The primary sources for third-party industry data and forecasts are Smith Travel Research, PricewaterhouseCoopers LLP, World Travel and Tourism Council, Travel Industry Association of America and American Resort Development Association and other industry reports and articles. These third-party publications and surveys generally state that the information included therein has been obtained from sources believed to be reliable and that the publications and surveys can give no assurance as to the accuracy or completeness of such information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions on which such data is based. Similarly, we believe our internal research is reliable, even though such research has not been verified by any independent sources.

SUMMARY

This summary highlights selected information from this information statement relating to our company, our separation from Cendant and the distribution of our common stock by Cendant to its stockholders. For a more complete understanding of our business and the separation and distribution, you should carefully read the entire information statement.

Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement, including the combined financial statements of the Wyndham Worldwide business of Cendant, which is comprised of the assets and liabilities used in managing and operating the Hospitality Services (including Timeshare Resorts) businesses of Cendant, assumes the completion of all the transactions referred to in this information statement in connection with the separation and distribution. Except as otherwise indicated or unless the context otherwise requires, "Wyndham Worldwide Corporation," "Wyndham Worldwide," "we," "us," "our" and "our company" refer to Wyndham Worldwide Corporation and its combined subsidiaries, and "Cendant Corporation" and "Cendant" refer to Cendant Corporation and its consolidated subsidiaries. Unless otherwise indicated, information is presented as of March 31, 2006.

Our Company

As one of the world's largest hospitality companies, we offer individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through our premier portfolio of world-renowned brands. With more than 20 brands, which include Wyndham Hotels and Resorts, Ramada, Days Inn, Super 8, TripRewards, RCI, Landal GreenParks, English Country Cottages, Novasol, Fairfield and Trendwest, we have built a significant presence in most major hospitality markets in the United States and throughout the rest of the world. In 2006, total spending by domestic and international travelers in the United States is expected to reach $675 billion, an increase of approximately 5% from spending levels in 2005 and of approximately 16% from spending levels in 2000, which witnessed the highest ever levels of travel spending for any year prior to the September 11, 2001 terrorist attacks. Globally, travel spending is expected to grow by 5% in 2006 to $4.5 trillion. Historically, we have pursued what we believe to be financially-attractive entrance points in the major global hospitality markets to strengthen our portfolio of products and services. Wyndham Worldwide is well positioned to compete in the major hospitality segments of this large and growing industry.

We operate primarily in the lodging, vacation exchange and rental, and vacation ownership segments of the hospitality industry:

- Through our lodging business, we franchise hotels in the upscale, middle and economy segments of the lodging industry and provide property management services to owners of upscale branded hotels;
- Through our vacation exchange and rental business, we provide vacation exchange products and services to owners of intervals of vacation ownership interests, and we market vacation rental properties primarily on behalf of independent owners; and
- Through our vacation ownership business, we market and sell vacation ownership interests to individual consumers, provide consumer financing in connection with the sale of vacation ownership interests and provide property management services at resorts.

Each of our lodging, vacation exchange and rental and vacation ownership businesses has a long operating history. Our lodging business began operations in 1990 with the acquisition of the Howard Johnson and Ramada brands, each of which opened its first hotel in 1954. RCI, the best known brand in our vacation exchange and rental business, was established more than 30 years ago, and our vacation ownership brands, Fairfield and Trendwest, began vacation ownership operations in 1980 and 1989, respectively.

We provide directly to individual consumers our high quality products and services, including the various accommodations we market, such as hotels, vacation resorts, villas and cottages, and products we offer, such as vacation ownership interests. We also provide valuable products and services to our business-to-business customers, such as franchisees, affiliated resort developers and prospective developers. These products and services include marketing and central reservation systems, back office services and loyalty programs. We strive to provide value-added products and services that are intended both to enhance the travel experience of the individual consumer and to drive revenue to our business-to-business customers. The depth and breadth of our businesses across different segments of the hospitality industry provide us with the opportunity to expand our relationships with our existing individual consumers and business-to-business customers in one or more segments of our business by offering them additional or alternative products and services from our other segments.

The largest portion of our revenues comes from fees we receive in exchange for providing products and services. We receive fees, for example, as royalties for utilizing our brands and for providing property management and vacation exchange and rental services. The remainder of our revenues comes from the proceeds of sales of products, such as vacation ownership interests, and related services. The fees we earn by providing products and services and proceeds from sales of our products and services provide us with strong and stable cash flows. For the three months ended March 31, 2006 and the full year ended December 31, 2005, we generated revenues of $870 million and $3,471 million, respectively, and net income of $28 million and $431 million, respectively.

Our Business Segments

We operate our business in three segments: Wyndham Hotel Group, our lodging business, RCI Global Vacation Network, our vacation exchange and rental business, and Wyndham Vacation Ownership, our vacation ownership business. We believe that we are an industry leader in each of our business segments.

Wyndham Hotel Group

Wyndham Hotel Group, our lodging business, franchises hotels and provides property management services to owners of upscale branded hotels. Through steady organic growth and acquisitions of established lodging franchise systems over the past 15 years, our lodging business has become the world's largest lodging franchisor as measured by the number of franchised hotels. Our lodging business has over 6,300 franchised hotels, which represent approximately 525,000 rooms on six continents. Our franchised hotels operate under one of our ten lodging brands, which are Wyndham Hotels and Resorts, Wingate Inn, Ramada, Baymont, Days Inn, Super 8, Howard Johnson, AmeriHost Inn, Travelodge and Knights Inn. The breadth and diversity of our lodging brands provide potential franchisees with a range of options for affiliating their properties with one or more of our brands. Our lodging business has a strong presence across the middle and economy segments of the lodging industry and a developing presence in the upscale segment, thus providing individual consumers who are traveling for leisure or business with options for hospitality products and services across various price ranges. We first entered the upscale segment of the domestic lodging industry in October 2005, when we acquired the franchise and property management businesses associated with the Wyndham Hotels and Resorts brand. We strengthened our position in the middle segment of the domestic lodging industry in April 2006, when we acquired the franchise business of Baymont Inn & Suites.

Throughout this information statement, we use the term "hotels" to apply to hotels, motels and/or other accommodations, as applicable. In addition, the term "franchise system" refers to a system through which a franchisor provides services to hotels whose independent owners pay to receive such services from the franchisor under the specific terms of a franchise agreement. The services provided through a franchise system typically include reservations, sales leads, marketing and advertising support, training, quality assurance inspections, operational support and information, pre-opening assistance, prototype construction plans, and national or regional conferences.

Our franchised hotels represent approximately 10% of the U.S. hotel room inventory. In 2005, our franchised hotels sold 8.2%, or approximately 84.1 million, of the approximately one billion hotel rooms sold in the United States. Throughout this information statement, we refer to nights at hotel rooms as "hotel room nights." In 2005, our franchised hotels sold approximately 19.5% of all hotel room nights sold in the United States in the economy and midscale segments. Our franchised hotels are dispersed throughout North America, which reduces our exposure to any one geographic region. Approximately 92% of the hotel rooms, or approximately 481,000 rooms, in our franchised hotels are located throughout North America, and approximately 8% of the hotel rooms, or approximately 44,000 rooms, are located outside of North America. In addition, our lodging franchises are dispersed among numerous franchisees, which reduces our exposure to any one lodging franchisee. Of our approximately 5,000 lodging franchisees, no one franchisee accounts for more than 2% of our franchised hotels. In connection with our acquisition of Wyndham Hotels and Resorts' franchise business in October 2005, we acquired the related property management business and began offering hotel property management services.

Our lodging business derives a majority of its revenues from franchising hotels and derives additional revenues from property management. The sources of revenues from franchising hotels are initial franchise fees, which relate to services provided to assist a franchised hotel to open for business under one of our brands, and ongoing franchise fees, which are comprised of royalty fees and other fees relating to marketing and reservations. The sources of revenues from property management are management fees, incentive fees, service fees and reimbursement revenues. For the three months ended March 31, 2006 and the full year ended December 31, 2005, our lodging business, which is part of the business that Cendant currently refers to as the Hospitality Services business, contributed approximately 17% and 15% of our revenues, respectively, and approximately 23% and 26% of our combined segment EBITDA, respectively.

RCI Global Vacation Network

RCI Global Vacation Network, our vacation exchange and rental business, provides vacation exchange products and services to developers, managers and owners of intervals of vacation ownership interests, and markets vacation rental properties. We are the world's largest vacation exchange network and among the world's largest global marketers of vacation rental properties. Our vacation exchange and rental business has access for specified periods, in a majority of cases on an exclusive basis, to approximately 55,000 vacation properties, which are comprised of approximately 4,000 vacation ownership resorts around the world and approximately 51,000 vacation rental properties that are located principally in Europe, which we believe makes us one of the world's largest marketers of European vacation rental properties as measured by the number of properties we market for rental. Each year, our vacation exchange and rental business provides more than four million leisure-bound families with vacation exchange and rental products and services. The properties available to leisure travelers through our vacation exchange and rental business include hotel rooms and suites, villas, cottages, bungalows, campgrounds, vacation ownership condominiums, city apartments, second homes, fractional private residences, luxury destination clubs and boats. We offer leisure travelers flexibility (subject to availability) as to time of travel and a choice of lodging options in regions to which such travelers may not typically have such ease of access, and we offer property owners marketing services, quality control services and property management services ranging from key-holding to full property maintenance for such properties. Our vacation exchange and rental business markets our products and services using seven primary brands and other related brands and operates through 50 worldwide offices. For the three months ended March 31, 2006 and the full year ended December 31, 2005, our vacation exchange and rental business, which is part of the business that Cendant currently refers to as the Hospitality Services business, contributed approximately 32% and 31% of our revenues, respectively, and approximately 42% and 37% of our combined segment EBITDA, respectively.

Throughout this information statement, we use the term "inventory" in the context of our vacation exchange and rental business to refer to intervals of vacation ownership interests and primarily independently owned

properties, which include hotel rooms and suites, villas, cottages, bungalows, campgrounds, vacation ownership condominiums, city apartments, second homes, fractional private residences, luxury destination clubs and boats. In addition, throughout this information statement, we refer to intervals of vacation ownership interests as "intervals" and individuals who purchase vacation rental products and services from us as "rental customers."

- ***Vacation Exchange Business***

  Through our vacation exchange business, RCI, we have relationships with approximately 4,000 vacation ownership resorts in more than 100 countries. Historically, our vacation exchange business consisted of the operation of worldwide exchange programs for owners of intervals. Today, our vacation exchange business also provides property management services and consulting services for the development of tourism-oriented real estate, loyalty programs, in-house and outsourced travel agency services, and third-party vacation club services. We operate our vacation exchange business, RCI, through three worldwide exchange programs: RCI Weeks, an exchange network of traditional, week-long intervals that is the world's largest vacation ownership exchange network; RCI Points, a global points-based exchange network; and The Registry Collection, a global exchange network of luxury accommodations. Participants in these exchange programs pay annual membership dues. For additional fees, such participants are entitled to exchange intervals for intervals at other properties affiliated with our vacation exchange business. In addition, certain participants may exchange intervals for other leisure-related products and services. We refer to participants in these three exchange programs as "members."

Our vacation exchange business, RCI, derives a majority of its revenues from annual membership dues and exchange fees for transactions. Our vacation exchange business also derives revenues from ancillary services, including travel agency services and loyalty programs.

- ***Vacation Rental Business***

  The rental properties we market are principally privately-owned villas, cottages and bungalows that generally belong to property owners unaffiliated with us. In addition to these properties, we market inventory from our vacation exchange business to developers of vacation ownership properties and other sources. We market rental properties under proprietary brand names, such as Landal GreenParks, English Country Cottages, Novasol, Cuendet and Canvas Holidays, and through select private-label arrangements. Most of the rental activity under our brands takes place in Europe, the United States and Mexico, although we have the ability to source and rent inventory in approximately 100 countries. Our vacation rental business currently has relationships with approximately 35,000 independent property owners in more than 22 countries, including the United States, United Kingdom, Mexico, France, Ireland, The Netherlands, Belgium, Italy, Spain, Portugal, Denmark, Norway, Sweden, Germany, Greece, Austria, Croatia and certain countries in Eastern Europe and the Pacific Rim. We currently make over 1.4 million vacation rental bookings a year. Our vacation rental business also has the opportunity to market and provide inventory to the over three million owners of intervals who participate in our vacation exchange business. Our vacation rental business also has an ownership interest in, or capital leases for, approximately 9% of the properties in our rental portfolio.

Our vacation rental business primarily derives its revenues from fees, which generally range from approximately 25% to 50% of the gross rent charged. Our vacation rental business also derives revenues from travel insurance sales in Europe, transportation fees, property management fees and on-site revenue from ancillary services, including travel agency services.

Wyndham Vacation Ownership

Wyndham Vacation Ownership, our vacation ownership business, includes marketing and sales of vacation ownership interests, consumer financing in connection with the purchase by individuals of vacation ownership

interests, property management services to property owners' associations, and development and acquisition of vacation ownership resorts. We operate our vacation ownership business primarily through our two brands, Fairfield and Trendwest. We have the largest vacation ownership business in the world as measured by the numbers of vacation ownership resorts, vacation ownership units and owners of vacation ownership interests. We have developed or acquired over 140 vacation ownership resorts in the United States, Canada, Mexico, the Caribbean and the South Pacific that represent more than 18,000 individual vacation ownership units and over 750,000 owners of vacation ownership interests and other real estate interests.

We pride ourselves on the quality of the resorts in which we sell vacation ownership interests and on our customer service. We believe the quality of the resorts and our customer service result in a consistently high level of customer satisfaction as evidenced by the percentage of owners of vacation ownership interests who buy additional vacation ownership interests each year. In 2005, approximately 37% of our net sales of vacation ownership interests resulted from upgrade sales to existing owners of interests at our vacation ownership resorts.

Our portfolio of resorts includes a mix of destination resorts and drive-to resorts. The majority of the resorts in which Fairfield markets and sells vacation ownership interests are destination resorts that are located at or near attractions, such as the Walt Disney World® Resort in Florida; the Las Vegas Strip in Nevada; Hawaii; Myrtle Beach in South Carolina; and Colonial Williamsburg® in Virginia. Fairfield resorts are located primarily in the United States and, as of March 31, 2006, consisted of 72 resorts that represented approximately 13,300 units. As of March 31, 2006, there were approximately 500,000 owners of vacation ownership interests and other real estate interests in Fairfield resorts. The resorts in which Trendwest markets and sells vacation credits are primarily drive-to resorts that are located in closer proximity to regions in which our owners and prospective owners reside. Trendwest resorts are located primarily in the Western United States, Canada, Mexico and the South Pacific and, as of March 31, 2006, consisted of 69 resorts that represented approximately 4,900 units. As of March 31, 2006, there were over 250,000 owners of vacation credits in Trendwest resorts.

Our vacation ownership brands, Fairfield and Trendwest, operate vacation ownership programs through which vacation ownership interests can be redeemed for vacations through points-based internal reservation systems that provide owners with flexibility (subject to availability) as to resort location, length of stay, unit type and time of year. The points-based reservation systems offer owners redemption opportunities for a wide variety of travel and leisure products, including airfare, cruises, and specialized leisure activities and attractions, and the opportunity for owners to use our products for one or more vacations per year based on level of ownership. Our vacation ownership programs allow us to market and sell our vacation ownership products in variable quantities as opposed to the fixed quantity of the traditional, fixed-week vacation ownership, which is primarily sold on a weekly interval basis, and to offer to existing owners "upgrade" sales to supplement such owners' existing vacation ownership interests. FairShare Plus, formed in 1991, is Fairfield's points-based internal reservation system. Our Trendwest brand operates two points-based vacation ownership programs, WorldMark, the Club, formed in 1989, and WorldMark South Pacific Club, formed in 2000, which we refer to collectively as the Clubs.

Our vacation ownership business also provides consumer finance and property management services. We offer financing to the purchasers of vacation ownership interests. Providing consumer financing reduces the initial cash required by customers to purchase vacation ownership interests, thereby enabling us to attract additional customers and generate substantial incremental profits. Similar to other companies that provide consumer financing, we securitize a majority of the receivables originated in connection with selling products, which in our case are vacation ownership interests. As of March 31, 2006, we serviced a portfolio of approximately 236,000 loans that totaled $2,272 million in aggregate principal amount outstanding. Our property management business generally provides day-to-day management for vacation ownership resorts, including oversight of housekeeping services, maintenance and refurbishment of the units, and provides certain accounting and administrative services to property owners' associations.

Our vacation ownership business derives a majority of its revenues from the sales of vacation ownership interests and derives other revenues from consumer financing and property management. For the three months ended March 31, 2006 and the full year ended December 31, 2005, our vacation ownership business, which is the same business that Cendant currently refers to as the Timeshare Resorts business, contributed approximately 51% and 54% of our revenues, respectively, and approximately 35% and 37% of our combined segment EBITDA, respectively.

Our Strengths

We believe that the following competitive strengths differentiate us in the hospitality industry:

- ***Strong portfolio of global, well-recognized brands***

  We believe that our brand names, which are some of the world's most well-recognized brands in the hospitality industry, serve as the foundation for our industry-leading businesses. We believe that the strong market presence and familiarity of our brands attract customers to the products and services offered by our businesses. For our lodging business, our brand names include Wyndham Hotels and Resorts, Ramada, Days Inn, Super 8 and TripRewards. Hotels associated with our lodging brands operate in the upscale, middle and economy segments of the lodging industry and therefore provide leisure and business customers with options for hospitality products and services across various price ranges. For our vacation exchange and rental business, our brand names include RCI, which is a vacation exchange brand, and Landal GreenParks, English Country Cottages and Novasol, which are some of Europe's best known vacation rental brands. For our vacation ownership business, our brand names include Fairfield and Trendwest, which benefit from high levels of customer satisfaction as evidenced by the volume of annual revenues resulting from upgrade sales to our existing owners of vacation ownership interests.

- ***Industry leading positions across our business segments***

  We believe that our industry leading positions across our business segments help us to attract customers and position us for continued growth. We are the world's largest lodging franchise business as measured by the number of franchised hotels, vacation exchange company as measured by the numbers of exchanges per year and members, and vacation ownership business as measured by the numbers of vacation ownership resorts, vacation ownership units and owners of vacation ownership interests, and we are among the world's largest global marketers of vacation rental properties.

- ***Diversity of inventory and customer base***

  We market a breadth of accommodations, including hotel rooms and suites, vacation ownership interests, villas, cottages, bungalows, campgrounds, vacation ownership condominiums, city apartments, second homes, fractional private residences, luxury destination clubs and boats. The diversity of our inventory provides individual consumers options with respect to accommodations, and our experience with such inventory has enabled us to build extensive expertise across a variety of accommodation categories. Individual consumers value having options with respect to accommodations, and our business-to-business customers value our expertise with respect to our accommodations. In addition to having a breadth of hospitality accommodations, we have a diverse customer base across our business segments. Our customers include our franchisees, members, rental customers and owners of vacation ownership interests, many of whom are potential purchasers of additional products and services from our businesses. Our loyalty programs encourage repeat business, which generally results in enhanced margins, as compared to the margins associated with new customer acquisitions. In addition, our franchisees and members, by the nature of our business models, provide a level of annuity-like revenue and earning streams.

- ***Diversity and breadth help mitigate effects of economic downturns, political unrest and natural disasters***

  We believe that our breadth of lodging inventory helps to insulate us during periods of weakness in the overall travel sector because our lodging inventory has a significant presence in the economy and middle segments of the domestic lodging market, which tend to display relative strength at times when the broader travel sector experiences weakness and concurrent decreases in airline travel. This relative strength can be attributed in part to the drive-to nature of many of the properties that operate in the economy and the middle segments of the lodging industry. In addition, we believe that the geographic diversity of our businesses mitigates the risk that exogenous events, such as regional economic slowdowns, political unrest or natural disasters, will have a material adverse effect on our financial results.

- ***Innovation***

  We develop unique products and services to meet the needs of our franchisees, members, rental customers and owners of vacation ownership interests. We were one of the first vacation exchange companies to introduce a points-based vacation exchange system and one of the first vacation ownership companies to offer a points-based vacation ownership system. Our loyalty programs, including TripRewards and RCI Elite Rewards, are innovative in both their breadth of benefits and their development of ways participants can earn and use points. We believe that our innovation enables us to respond more effectively to changes in members' and rental customers' preferences for accommodation and vacation experiences, and our responses to these changing preferences help us to maintain and increase revenues and earnings.

- ***Significant scale***

  We believe that our size and general scale allow us to (i) provide individual consumers choice of destinations and accommodation types across various price ranges on six continents, (ii) offer our business-to-business customers, including our franchisees, value-added global business solutions with respect to operations, services and technology, (iii) reduce our operational risk and (iv) generate operating efficiencies, including purchasing efficiencies, that enable us to provide products and services in a cost-effective manner and to acquire new individual consumers and business-to-business customers at a relatively low cost. The benefits of our size and scale provide us with increased profit margins and access to capital to execute our strategies to grow our business.

- ***Stable revenues and earnings from diverse sources, and strong and stable cash flows***

  Our fee-for-service based businesses, lodging and vacation exchange and rental, and our vacation ownership business (which has a fee-for-service component) provide us with stable revenues and earnings from diverse sources, and strong and stable cash flows. Our lodging business derives revenues from franchise fees, including royalty fees, and property management fees. Our vacation exchange and rental business derives revenues from annual membership dues and exchange fees for transactions and from commissions and rental fees in connection with vacation rentals. Our vacation ownership business derives fee-based revenues from property management fees. The stable revenues and earnings we derive from these fee-based models provide us with strong and stable cash flows. In addition, the sales of vacation ownership interests by our vacation ownership business and the consumer financings of such sales augment our revenues, earnings and cash flows from fees.

- ***Strong management team***

  We believe that our strong management team will effectively execute our growth strategies. Collectively, our chief executive officer and the chief executive officers of our lodging, vacation exchange and rental, and vacation ownership businesses have 60 years of combined experience in the hospitality industry, and our chief financial officer, general counsel and chief human resources officer

have 30, 16 and 18 years of experience, respectively, in their respective fields. We believe that having a strong management team with extensive experience enables us to respond to changing market conditions and evolving preferences of our customers and is essential to our overall success and our future growth as a stand-alone hospitality company.

Our Strategy

Our company-wide business strategy includes generating new customers and selling additional products and services to our current customers by utilizing our unique range of inventory and offering improved products and services that enhance the value we provide to customers. We seek to generate new customers for our products and services by, for example, attracting additional leisure and business travelers in the upscale segment of the lodging industry to new and existing hotels franchised under the Wyndham Hotels and Resorts brand. We seek to sell to our current customers in one or more segments of the hospitality industry additional products and services from other segments by, for example, providing customers of our vacation exchange and rental business with access to inventory from our lodging business and by improving our products and services, including loyalty programs and property management services, to enhance the value we provide to customers. In addition, we seek to expand our international presence in the hotel and vacation ownership segments.

We expect to increase profits and cash flows in each of our three segments by successfully executing the following strategies:

- ***Wyndham Hotel Group.*** We intend to continue to accelerate growth of our lodging business by (i) expanding our strong presence in the domestic economy segment to maintain our leadership position through room growth and RevPAR growth; (ii) expanding the number of properties in the domestic middle and upscale segments; and (iii) expanding our international presence through increasing the number of properties in our core brands.
- ***RCI Global Vacation Network.*** We intend to continue to grow the numbers of members and rental customers of and transactions facilitated through our vacation exchange and rental business by (i) continually enhancing our core vacation networks; (ii) developing new business models; and (iii) expanding into new markets.
- ***Wyndham Vacation Ownership.*** We intend to grow our vacation ownership business by increasing sales of vacation ownership interests to new owners and sales of upgrades to existing owners by expanding our marketing and sales efforts, strengthening our product offerings and further developing our consumer financing activities. We plan to leverage the Wyndham brand in our marketing efforts, add new resorts, expand our marketing alliances and increase our on-site sales activities to existing owners.

Our Risks

We face a number of risks and uncertainties relating to our business and our separation from Cendant. Examples of the risks and uncertainties that we face include:

- The hospitality industry is highly competitive, and our continued success depends, in large part, upon our ability to compete effectively in markets that contain numerous competitors, some of which may have significantly greater financial, marketing and other resources than we have.
- We may not be successful in achieving our objectives for increasing the number of franchised and managed properties in our lodging business, the number of vacation exchange members acquired by our vacation exchange business, the number of rental weeks sold by our vacation rental business and the number of tours generated and vacation ownership interests sold by our vacation ownership business.

- Our revenues and profits, and in turn our financial condition, may be significantly adversely affected by exogenous events that generally adversely affect the travel industry. Such events include terrorist incidents and threats, acts of God, war, bird flu and other pandemics, the financial instability of many of the air carriers, airline job actions and strikes, and increases in gas and other fuel prices. In addition, our businesses may be adversely affected by a deterioration in general economic conditions or a weakening of one or more of the industries in which we operate.
- We have not operated as an independent company and have in the past relied on Cendant for certain services. We may be unable to make the changes necessary to operate as an independent company or to obtain these services from unaffiliated third parties on reasonable terms or at all.
- As part of our separation from Cendant, we will be responsible for certain of Cendant's contingent and other corporate liabilities. Assuming our separation from Cendant occurred on March 31, 2006 and the sale of Travelport is completed, we would have recorded liabilities of approximately $321 million, which represents our share of such Cendant contingent and other corporate liabilities.
- At the time of our separation from Cendant, we expect to incur approximately $1,360 million of debt with external lenders to repay a portion of Cendant's debt (the amount of which may be adjusted at the time of our separation (as more fully described elsewhere in this information statement)). Upon the completion of the sale of Travelport (as more fully described elsewhere in this information statement), which is expected to close after our separation from Cendant, Cendant will be obligated to contribute a significant portion of the cash proceeds from such sale to us and Realogy. We estimate that our share of the $4,300 million of gross cash proceeds (which purchase price is subject to adjustment) from such sale will be approximately $760 million, which we will use to reduce our outstanding indebtedness. Following such reduction of our indebtedness, if our Board of Directors deems it appropriate, we may incur additional debt and use the proceeds from such additional debt for general corporate purposes, such as to repurchase shares of our common stock. If the sale of Travelport is not completed, our initial debt would not be reduced below $1,360 million and the prevailing market price of our common stock may be materially adversely affected. There can be no assurance that the closing of the Travelport sale will occur or that if it does occur that we will receive the full amount of the cash proceeds we currently expect to receive.

For further discussion of these risks and other risks and uncertainties that we face, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The Separation

Overview

On October 23, 2005, the Board of Directors of Cendant preliminarily approved a plan to separate Cendant into four independent, publicly traded companies—one for each of Cendant's Hospitality Services (including Timeshare Resorts), Real Estate Services, Travel Distribution Services and Vehicle Rental businesses. The separation was to occur through distributions to Cendant's stockholders of all of the shares of common stock of three subsidiaries of Cendant that hold or will hold the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of the businesses other than the Vehicle Rental business, which will remain after the distributions. On April 24, 2006, Cendant announced that as an alternative to distributing shares of Travelport Inc., or Travelport, the Cendant subsidiary that holds directly or indirectly the assets and liabilities associated with Cendant's Travel Distribution Services businesses, to Cendant stockholders, Cendant was also exploring the sale of Travelport. On June 30, 2006, Cendant entered into an agreement to sell Travelport to an affiliate of the Blackstone Group for $4,300 million in cash. Cendant expects the sale of Travelport to close in August 2006, subject to the satisfaction and/or waiver of certain conditions contained in the Travelport purchase agreement, and, promptly following the completion of the sale, Cendant will be obligated to contribute a significant portion of the proceeds to us and to Realogy, which will be used to reduce our and Realogy's indebtedness. On [ ], 2006, the Board of Directors of Cendant approved the distributions of all

of the shares of common stock of Wyndham Worldwide, a wholly owned subsidiary of Cendant that holds directly or indirectly the assets and liabilities of Cendant's Hospitality Services (including Timeshare Resorts) businesses, and Realogy Corporation, or Realogy, a wholly owned subsidiary of Cendant that holds directly or indirectly the assets and liabilities associated with the Real Estate Services businesses of Cendant. Following the distributions, Cendant stockholders will own 100% of the common stock of Wyndham Worldwide and Realogy. In connection with the plan of separation, it is expected that Cendant will change its name to Avis Budget Group, Inc.

Before our separation from Cendant, we will enter into a Separation and Distribution Agreement and several other agreements with Cendant and Cendant's other businesses to effect the separation and distribution and provide a framework for our relationships with Cendant and Cendant's other businesses after the separation. These agreements will govern the relationships among us, Cendant, Realogy and Travelport subsequent to the completion of the separation plan and provide for the allocation among us, Cendant, Realogy and Travelport of Cendant's assets, liabilities and obligations (including employee benefits and tax-related assets and liabilities) attributable to periods prior to our separation from Cendant. The Separation and Distribution Agreement, in particular, requires us to assume 37.5% (or 30% if the sale of Travelport is not completed) of certain contingent and other corporate liabilities of Cendant or its subsidiaries which are not primarily related to our business or the businesses of Realogy, Travelport or Cendant's Vehicle Rental business, and Realogy will assume 62.5% (or if the sale of Travelport is not completed, Realogy and Travelport will each assume 50% and 20%, respectively) of such contingent and other corporate liabilities. The parties to the Separation and Distribution Agreement agreed that following completion of the separation plan, Cendant, which will consist of the Vehicle Rental business, will not retain any contingent or other corporate liabilities incurred prior to the completion of the separation plan that are not primarily related to the Vehicle Rental business because the Vehicle Rental company is expected to have more total debt, both secured and unsecured, and/or lower credit ratings, than us, Realogy and Travelport. These contingent and other corporate liabilities of Cendant or its subsidiaries include liabilities relating to (i) Cendant's terminated or divested businesses, (ii) liabilities relating to the Travelport sale, including, in general (but subject to certain exceptions), liabilities for taxes of Travelport for taxable periods through the date of the Travelport sale, (iii) certain litigation matters as more fully described in the section "Business— Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Legal Proceedings—Legal—Cendant Corporate Litigation," (iv) generally any actions with respect to the separation plan or the distributions brought by any third party and (v) payments under certain identified contracts (or portions thereof) that were not allocated to any specific party in connection with the separation.

Pursuant to the Separation and Distribution Agreement, we expect to incur approximately $1,360 million of debt prior to our separation from Cendant, all the proceeds of which will be transferred to Cendant to repay a portion of Cendant's corporate debt (including its existing asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses). In addition, prior to our separation from Cendant, each of Realogy and Travelport (prior to its separation) will incur debt and will transfer such proceeds to Cendant. With the aggregate proceeds received from each of us, Realogy and Travelport, along with cash on hand at Cendant (available to be utilized to repay its corporate debt), Cendant has agreed to repay all of its outstanding corporate indebtedness and, with respect to the amount transferred by Travelport, to repay other corporate obligations and to fund the actual and estimated cash expenses borne by Cendant relating to the separation (other than those primarily related to its vehicle rental business). We refer to these payments to be made by Cendant as the Separation Payments. The amount of debt we will incur was based on future estimates of our ability to service the debt relative to the other separated companies and our ability to maintain an investment grade credit rating. The Separation and Distribution Agreement provides for an adjustment in the amount of indebtedness we will incur in connection with our separation in the event that the sum of the borrowings transferred by us, Realogy and Travelport to Cendant, together with the cash at Cendant then available to be utilized to repay its corporate debt, is less than or more than the amount necessary to enable Cendant to make the Separation Payments. See "The Separation—Incurrence of Debt for a further description of this adjustment."

In addition, following the completion of the sale of Travelport, Cendant will be obligated, pursuant to the Separation and Distribution Agreement, to contribute a significant portion of the cash proceeds from such sale to us and Realogy. Assuming Cendant receives $4,300 million in gross cash proceeds from such sale and contributes to us approximately $760 million from such sale, we estimate that following our utilization of such cash proceeds to reduce a portion of the approximately $1,360 million of indebtedness we expect to incur at the time of our separation, our indebtedness would be reduced to approximately $600 million. The actual amount of our remaining indebtedness may be more or less than the amount provided above depending on various adjustments, including, without limitation, purchase price adjustments based on the levels of cash, working capital and certain other expenses at Travelport at the time of its sale, the application of sale proceeds that have priority over contributions to us and the amount outstanding at the time of our distribution under Cendant's asset-linked facility relating to certain assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses. The Travelport sale is subject to customary conditions precedent, including the receipt of requisite governmental approvals and the absence of any material adverse effect with respect to Travelport. In the event the Travelport sale is not consummated, we will not receive any proceeds and therefore our indebtedness will not be reduced. See "Certain Relationships and Related Party Transactions—Agreements with Cendant, Wyndham Worldwide and Travelport—Separation and Distribution Agreement—Sale of Travelport."

Cendant's Board believes that the plan of separation, including the sale of Travelport, is the best way to unlock the full value of Cendant's businesses in both the short and long terms, which the Cendant Board does not believe has been fully recognized by the investment community. Cendant believes that the consummation of the separation plan should not only enhance each distributed company's strength, but also improve each company's strategic, operational and financial flexibility. In addition, a significant amount of the proceeds from the sale of Travelport will be used to reduce our and Realogy's initial indebtedness. Although there can be no assurance, Cendant believes that over time following the separation, the common stock of the publicly traded companies should have a higher aggregate market value, on a fully distributed basis and assuming the same market conditions, than if Cendant were to remain under its current configuration. Cendant expects that such value increase in the common stock should enhance the value of equity-based compensation for the employees of the publicly traded companies and should permit the publicly traded companies to effect future acquisitions with their own common stock in a manner that preserves capital with less dilution of the existing stockholders' interests than would occur by issuing pre-distribution Cendant common stock, in each case, resulting in a real and substantial benefit for the companies. Further, the Cendant Board believes that the separation should allow each separated company to maintain a sharper focus on its core business and growth opportunities, which should allow each separated company to be better able to make the changes to its business necessary for it to respond to developments in the industry in which it operates. See "The Separation—Reasons for the Separation," included elsewhere in this information statement.

The Cendant Board has received an opinion from Evercore Group L.L.C., or Evercore, to the effect that, as of the date of such opinion, the distribution of Wyndham Worldwide is fair, from a financial point of view, to the stockholders of Cendant. The Cendant Board also has received an opinion from Duff & Phelps, LLC, or Duff & Phelps, to the effect that Wyndham Worldwide and Cendant each will be solvent and adequately capitalized immediately after the distribution and that Cendant has sufficient surplus under Delaware law to declare the dividends of Wyndham Worldwide and Realogy common stock.

The distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. See "The Separation—Conditions to the Distribution," included elsewhere in this information statement. Furthermore, we cannot provide any assurance that the sale of Travelport will be completed.

Prior to the distribution, we will hold directly or indirectly the assets and liabilities of Cendant's Hospitality Services (including Timeshare Resorts) businesses as a result of an internal reorganization implemented by Cendant. Our headquarters are located at Seven Sylvan Way, Parsippany, New Jersey 07054, and our general telephone number is (973) 496-8900. We maintain an Internet site at http://www.wyndhamworldwide.com. Our website and the information contained on that site, or connected to that site, are not incorporated by reference into this information statement.

Questions and Answers about Wyndham Worldwide and the Separation

Why is the separation of Wyndham Worldwide structured as a distribution?	Cendant believes that a tax-free distribution of shares of Wyndham Worldwide and Realogy is a tax-efficient way to separate the businesses in a manner that will create benefits and/or value for us and Cendant and long-term value for us and Cendant stockholders.
How will the separation of Wyndham Worldwide work?	The separation will be accomplished through a series of transactions that will result in Wyndham Worldwide, a Delaware corporation and an already-existing, wholly owned subsidiary of Cendant, holding the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of Cendant's Hospitality Services (including Timeshare Resorts) businesses, with the common stock of Wyndham Worldwide being distributed by Cendant to its stockholders on a pro rata basis.
When will the distribution occur?	We expect that Cendant will distribute the shares of Wyndham Worldwide common stock on [ ], 2006 to holders of record of Cendant common stock on [ ], 2006, the record date.
What do stockholders need to do to participate in the distribution?	Nothing, but we urge you to read this entire document carefully. Stockholders who hold Cendant common stock as of the record date will not be required to take any action to receive Wyndham Worldwide common stock in the distribution. No stockholder approval of the distribution is required or sought. We are not asking you for a proxy and you are requested not to send us a proxy. You will not be required to make any payment, surrender or exchange your shares of Cendant common stock or take any other action to receive your shares of our common stock. If you own Cendant common stock as of the close of business on the record date, Cendant, with the assistance of Mellon Investor Services, the distribution agent, will electronically issue shares of our common stock to you or to your brokerage firm on your behalf by way of direct registration in book-entry form. Mellon Investor Services will mail you a book-entry account statement that reflects your shares of Wyndham Worldwide common stock, or your bank or brokerage firm will credit your account for the shares. If you sell shares of Cendant common stock in the "regular-way" market up to and including through the distribution date, you will be selling your right to receive shares of Wyndham Worldwide common stock in the distribution. Following the distribution, stockholders whose shares are held in book-entry form may request that their shares of Wyndham Worldwide common stock held in book-entry form be transferred to a brokerage or other account at any time, without charge.
Can Cendant decide to cancel the distribution of the common stock even if all the conditions have been met?	Yes. The distribution is subject to the satisfaction or waiver of certain conditions. See "The Separation—Conditions to the Distribution," included elsewhere in this information statement. Cendant has the right to terminate the distribution, even if all of the conditions are

satisfied, if at any time the Cendant Board determines that the distribution is not in the best interests of Cendant and its stockholders or that market conditions are such that it is not advisable to separate the Hospitality Services (including Timeshare Resorts) businesses from Cendant.

Does Wyndham Worldwide plan to pay dividends?

The declaration and payment of future dividends by us will be subject to the discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our operating subsidiaries, covenants associated with certain of our debt obligations, legal requirements, regulatory constraints and other factors deemed relevant by our Board.

Will Wyndham Worldwide incur any debt?

Prior to Sale of Travelport

Yes. In connection with our separation, we have entered into borrowing arrangements for a total of $2,000 million, comprised of a $300 million term loan facility, an $800 million interim loan facility and a $900 million revolving credit facility. At or prior to the distribution, we expect to draw $1,360 million against those facilities and issue approximately $70 million in letters of credit, leaving approximately $570 million available to provide liquidity for additional letters of credit and for working capital and ongoing corporate needs. All of the approximately $1,360 million of debt we expect to incur will be transferred to Cendant solely to repay a portion of Cendant's corporate debt (including its existing asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses).

The Separation and Distribution Agreement provides for an adjustment in the amount of indebtedness we will incur in connection with our separation in the event that the sum of the borrowings transferred by us, Realogy and Travelport to Cendant, together with the cash at Cendant then available to be utilized to repay its corporate debt, is less than or more than the amount necessary to enable Cendant to make the Separation Payments. See "The Separation—Incurrence of Debt" for a further description of this adjustment.

Historically, Cendant has borrowed funds under its existing asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses, which amounted to $600 million, $575 million and $550 million at June 30, 2006, March 31, 2006 and December 31, 2005, respectively. These Cendant borrowings have been reflected in our accompanying historical combined financial statements. We expect Cendant to repay the then-outstanding balance of these borrowings at the time of our separation with a portion of our initial borrowings of approximately $1,360 million.

Subject to market conditions, we intend to replace the interim loan facility in its entirety with a combination of public, senior unsecured medium-term (a duration of between 3 and 10 years), non-convertible, fixed and/or floating rate bonds. As discussed below, in the event of a sale of Travelport, we intend to use a portion of the proceeds contributed to us to pay down the interim facility; in addition, the receipt of such proceeds would likely result in our issuing a proportionally smaller amount of the bonds described above. The remainder of the proceeds from a sale of Travelport, if any, will be used to repay other debt.

Certain of our vacation ownership subsidiaries have a securitization program to securitize certain vacation ownership contract receivables. This program will remain in place following the separation. As of March 31, 2006, $1,167 million was outstanding under this program and $1,556 million of assets collateralized this indebtedness.

Following the sale of Travelport

Upon the completion of a sale of Travelport, Cendant will be required to promptly contribute a significant amount of the proceeds to us and to Realogy in order to reduce our and Realogy's initial indebtedness. Assuming Cendant receives $4,300 million in gross cash proceeds from such sale and contributes to us approximately $760 million from such sale, we estimate that the approximately $1,360 million of initial indebtedness we expect to incur at the time of our separation would be reduced to approximately $600 million. The actual amount of our remaining indebtedness may be more or less than the amount provided above depending on various adjustments, including, without limitation, purchase price adjustments based on the levels of cash, working capital and certain other expenses at Travelport at the time of its sale, the application of sale proceeds that have priority over contributions to us and the amount outstanding at the time of our distribution under Cendant's asset-linked facility relating to certain assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses. See "The Separation—Incurrence of Debt." Following any such reduction of our indebtedness, if our Board of Directors deems it appropriate, we may incur additional debt and use the proceeds from such additional debt for general corporate purposes, such as to repurchase shares of our common stock.

Following a sale of Travelport and the application of the proceeds of such sale, the vacation ownership securitization programs will remain in place.

For additional information relating to our planned financing arrangements, see "The Separation—Incurrence of Debt," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Conditions, Liquidity and Capital Resources—Financial Obligations—Pro Forma Indebtedness Following Separation" and "Description of Material Indebtedness," included elsewhere in this information statement.

What will the separation cost?

Cendant expects to incur pre-tax separation costs of approximately $990 million to $1,140 million in connection with the consummation of the separation plan, which costs are expected to consist of, among other things, debt repayment costs, severance and retention costs, and legal, accounting and other advisory fees. Over the 12 months following our separation, the portion of these pre-tax costs expected to be recorded in our financial statements is approximately $70 million to $110 million. A majority of our separation costs are expected to be non-cash.

What are the U.S. federal income tax consequences of the distribution to Cendant stockholders?

The distribution is conditioned upon Cendant's receipt of an opinion of Skadden, Arps, Slate, Meagher & Flom LLP substantially to the effect that the distribution, together with certain related transactions, should qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended, or the Code. Assuming the distribution so qualifies, for U.S. federal income tax purposes, no gain
or loss will be recognized by you, and no amount will be included in your income, upon the receipt of shares of our common stock pursuant to the distribution. You generally will recognize gain or loss with respect to any cash received in lieu of a fractional share of our common stock. See "The Separation—Certain U.S. Federal Income Tax Consequences of the Distribution," included elsewhere in this information statement.

How will I determine the tax basis I will have in the Wyndham Worldwide shares I receive in the distribution?

Shortly after the distribution is completed, Cendant will provide U.S. taxpayers with information to enable them to compute their tax bases in both Cendant and Wyndham Worldwide shares and other information they will need to report their receipt of Wyndham Worldwide common stock on their 2006 U.S. federal income tax
returns as a tax-free transaction. Generally, your aggregate tax basis in the stock you hold in Cendant and Wyndham Worldwide shares received in the distribution (including any fractional share interest in Wyndham Worldwide common stock for which cash is received) will equal your tax basis in your Cendant common stock immediately before the distribution, allocated between the Cendant common stock and Wyndham Worldwide common stock (including any fractional share interest of Wyndham Worldwide common stock for which cash is received) in proportion to their relative fair market values on the date of the distribution.

You should consult your tax advisor about the particular consequences of the distribution to you, including the application of state, local and foreign tax laws.

What will the relationships between Cendant and Wyndham Worldwide be following the separation?

Before our separation from Cendant, we will enter into a Separation and Distribution Agreement and several other agreements with Cendant and Cendant's other businesses to effect the separation and provide a framework for our relationships with Cendant and Cendant's other businesses after the separation. These agreements

will govern the relationships among us, Cendant, Realogy and Travelport subsequent to the completion of the separation plan and provide for the allocation among us, Cendant, Realogy and Travelport of Cendant's assets, liabilities and obligations (including employee benefits and tax-related assets and liabilities) attributable to periods prior to our separation from Cendant. The Separation and Distribution Agreement, in particular, requires Wyndham Worldwide to assume or retain the liabilities of Cendant or its subsidiaries primarily related to Wyndham Worldwide's business and 37.5%, or 30% if the sale of Travelport is not completed, of certain contingent and other corporate liabilities of Cendant which are not primarily related to the businesses of Wyndham Worldwide, Realogy, Travelport or the Vehicle Rental business, and establishes the amount of the debt that each separated company will initially incur to repay Cendant's corporate debt and, with respect to the amount transferred by Travelport, to repay other corporate obligations and to fund the actual and estimated cash expenses borne by Cendant relating to the separation. We cannot assure you that these agreements will be on terms as favorable to us as agreements with unaffiliated third parties. See "Certain Relationships and Related Party Transactions," included elsewhere in this information statement.

Six of our directors will continue to serve as directors of Cendant until the completion of Cendant's plan of separation.

Will I receive physical certificates representing shares of Wyndham Worldwide common stock following the separation?

No. Following the separation, neither Cendant nor Wyndham Worldwide will be issuing physical certificates representing shares of Wyndham Worldwide common stock. Instead, Cendant, with the assistance of Mellon Investor Services, the distribution agent, will electronically issue shares of our common stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Mellon Investor Services will mail you a book-entry
account statement that reflects your shares of Wyndham Worldwide common stock, or your bank or brokerage firm will credit your account for the shares. A benefit of issuing stock electronically in book-entry form is that there will be none of the physical handling and safekeeping responsibilities that are inherent in owning physical stock certificates.

What if I want to sell my Cendant common stock or my Wyndham Worldwide common stock?

You should consult with your financial advisors, such as your stockbroker, bank or tax advisor. Neither Cendant nor Wyndham Worldwide makes any recommendations on the purchase, retention or sale of shares of Cendant common stock or the Wyndham Worldwide common stock to be distributed.

If you decide to sell any shares before the distribution, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Cendant common stock or the Wyndham Worldwide common stock you will receive in the distribution or both.

Where will I be able to trade shares of Wyndham Worldwide common stock?

There is not currently a public market for our common stock. We have applied to list our common stock on the New York Stock Exchange, or NYSE, under the symbol "WYN." We anticipate that trading in shares of our common stock will begin on a "when-issued" basis on or shortly before the record date and will continue up to and including through the distribution date and that "regular-way" trading in shares of our common stock will begin on the first trading day following the distribution date. If trading begins on a "when-issued" basis, you may purchase or sell our common stock up to and including through the distribution date, but your transaction will not settle until after the distribution date. We cannot predict the trading prices for our common stock before, on or after the distribution date.

Will the number of Cendant shares I own change as a result of the distribution?

No. The number of shares of Cendant common stock you own will not change as a result of the distribution. However, in connection with the plan of separation it is anticipated that Cendant will seek to effect a reverse stock split.

What will happen to the listing of Cendant common stock?

Nothing. It is expected that after the distribution of Wyndham Worldwide common stock, Cendant common stock will continue to be traded on the NYSE under the symbol "CD." In connection with the plan of separation, Cendant, which will comprise the Vehicle Rental business, is expected to change its name to Avis Budget Group, Inc. and its trading symbol to "CAR," and the Cendant name and trading symbol are expected to be retired.

Will the distributions of the common stock of Wyndham Worldwide and Realogy affect the market price of my Cendant shares?

Yes. As a result of the distributions, we expect the trading price of shares of Cendant common stock immediately following the distributions to be lower than immediately prior to the distributions because the trading price will no longer reflect the value of the Hospitality Services (including Timeshare Resorts) and Real Estate Services businesses. Furthermore, until the market has fully analyzed the value of Cendant without the Hospitality Services (including Timeshare Resorts) and Real Estate Services businesses, the price of Cendant shares may fluctuate significantly. In addition, although Cendant believes that over time following the separation, the common stock of the publicly traded companies should have a higher aggregate market value, on a fully distributed basis and assuming the same market conditions, than if Cendant were to remain under its current configuration, there can be no assurance that this will occur, and thus the combined trading prices of Cendant common stock, Wyndham Worldwide and Realogy common stock after the distributions may be equal to or less than the trading price of shares of Cendant common stock before the distributions.

Are there risks to owning Wyndham Worldwide common stock?

Yes. Our business is subject to both general and specific risks and uncertainties relating to our business, our leverage, our relationship with Cendant and our being a separate publicly traded company. Our business also is subject to risks relating to the separation. These risks are described in the "Risk Factors" section of this information statement beginning on page 30. We encourage you to read that section carefully.

Where can Cendant stockholders get more information?

Before the separation, if you have any questions relating to the separation, you should contact:

Cendant Corporation
Investor Relations
9 West 57th Street
New York, New York 10019
Tel: (212) 413-1800
Fax: (212) 413-1909
www.cendant.com

After the separation, if you have any questions relating to our common stock, you should contact:

Wyndham Worldwide Corporation
Investor Relations
Seven Sylvan Way
Parsippany, New Jersey 07054
Tel: (973) 496-8900
Fax: (973) 496-8906
www.wyndhamworldwide.com

After the separation, if you have any questions relating to the distribution of our shares, you should contact:

Mellon Investor Services LLC
480 Washington Boulevard
Jersey City, New Jersey 07310
Tel: (800) 589-9469
www.melloninvestor.com

Summary of the Separation

The following is a summary of the material terms of the separation and other related transactions.

Distributing company	Cendant Corporation. After the distribution, Cendant will not own any shares of our common stock.
Distributed company	Wyndham Worldwide Corporation, a Delaware corporation and an already-existing, wholly owned subsidiary of Cendant that holds or will hold the assets and liabilities of Cendant's Hospitality Services (including Timeshare Resorts) businesses. After the distribution, Wyndham Worldwide will be an independent public company.
Distribution ratio	Each holder of Cendant common stock will receive one share of our common stock (and a related preferred stock purchase right) for every five shares of Cendant common stock held on [ ], 2006. Cash will be distributed in lieu of fractional shares, as described below.
Distributed securities	All of the shares of Wyndham Worldwide common stock owned by Cendant, which will be 100% of our common stock outstanding immediately prior to the distribution. Based on approximately one billion shares of Cendant common stock outstanding on June 29, 2006 and applying the distribution ratio of one share of Wyndham Worldwide common stock for every five shares of Cendant common stock, approximately 200 million shares of our common stock will be distributed to Cendant stockholders who hold Cendant common stock as of the record date. The number of shares that Cendant will distribute to its stockholders will be reduced to the extent that cash payments are to be made in lieu of the issuance of fractional shares of our common stock. Our Board of Directors is expected to adopt a stockholder rights plan prior to the distribution date. The stockholder rights plan is designed to protect our stockholders from coercive or otherwise unfair takeover tactics. You will receive one preferred stock purchase right for every share of Wyndham Worldwide common stock you receive in the distribution. Unless the context otherwise requires, references herein to our common stock include the related preferred stock purchase rights. See "Description of Capital Stock—Rights Plan."
Fractional shares	Cendant will not distribute any fractional shares of our common stock to its stockholders. Instead, the distribution agent will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate net cash proceeds of the sales pro rata to each holder who otherwise would have been entitled to receive a fractional share in the distribution. The distribution agent, in its sole discretion, without any influence by Cendant or us, will determine when, how, through which broker-dealer and at what price to sell the whole shares. Any broker-

dealer used by the distribution agent will not be an affiliate of either Cendant or us. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares. The receipt of cash in lieu of fractional shares generally will be taxable to the recipient stockholders as described in "The Distribution—Certain U.S. Federal Income Tax Consequences of the Distribution," included elsewhere in this information statement.

Record date

The record date for the distribution is the close of business on [ ], 2006.

Distribution date

The distribution date is [ ], 2006.

Distribution

On the distribution date, Cendant, with the assistance of Mellon Investor Services, the distribution agent, will electronically issue shares of our common stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. You will not be required to make any payment, surrender or exchange your shares of Cendant common stock or take any other action to receive your shares of our common stock. If you sell shares of Cendant common stock in the "regular-way" market up to and including through the distribution date, you will be selling your right to receive shares of Wyndham Worldwide common stock in the distribution. Registered stockholders will receive additional information from the distribution agent shortly after the distribution date. Following the distribution, stockholders whose shares are held in book-entry form may request that their shares of Wyndham Worldwide common stock held in book-entry form be transferred to a brokerage or other account at any time, without charge. Beneficial stockholders that hold shares through a brokerage firm will receive additional information from their brokerage firms shortly after the distribution date.

Conditions to the distribution

The distribution of our common stock is subject to the satisfaction or, if permissible under the Separation and Distribution Agreement, waiver by Cendant of the following conditions, among other conditions described in this information statement:

- the Securities and Exchange Commission, or SEC, shall have declared effective our registration statement on Form 10, of which this information statement is a part, under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and no stop order relating to the registration statement is in effect;
- all permits, registrations and consents required under the securities or blue sky laws of states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the distribution shall have been received;
- Cendant shall have received a legal opinion of Skadden, Arps, Slate, Meagher & Flom LLP substantially to the effect that the

distribution, together with certain related transactions, should qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code;

- our entry into various new debt facilities with a syndicate of financial institutions, as described in "Description of Material Indebtedness," included elsewhere in this information statement;
- the listing of our common stock on the NYSE shall have been approved, subject to official notice of issuance;
- the Cendant Board shall have received an opinion from Duff & Phelps to the effect that we and Cendant each will be solvent and adequately capitalized immediately after the distribution and that Cendant has sufficient surplus under Delaware law to declare the dividend of Wyndham Worldwide common stock;
- the Cendant Board shall have received an opinion from Evercore to the effect that, as of the date of such opinion, the distribution is fair, from a financial point of view, to the stockholders of Cendant;
- all material government approvals and other consents necessary to consummate the distribution shall have been received;
- certain of our and our subsidiaries' credit facilities shall have been amended to permit our separation from Cendant; and
- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the distribution or any of the transactions related thereto, including the transfers of assets and liabilities contemplated by the Separation and Distribution Agreement, shall be in effect.

The fulfillment of these conditions does not create any obligation on Cendant's part to effect the distribution, and the Cendant Board has reserved the right, in its sole discretion, to amend, modify or abandon the distribution and related transactions at any time prior to the distribution date. Cendant has the right not to complete the distribution if, at any time, the Cendant Board determines, in its sole discretion, that the distribution is not in the best interests of Cendant or its stockholders or that market conditions are such that it is not advisable to separate the Hospitality Services (including Timeshare Resorts) businesses from Cendant.

Stock exchange listing

We have filed an application to list our shares of common stock on the NYSE under the ticker symbol "WYN." We anticipate that on or prior to the record date for the distribution, trading of shares of our common stock will begin on a "when-issued" basis and will continue up to and including through the distribution date. See "The Separation—Trading Between the Record Date and Distribution Date," included elsewhere in this information statement.

In connection with the plan of separation, Cendant, which is expected to comprise the Vehicle Rental business, is expected to change its name to Avis Budget Group, Inc. and its trading symbol to "CAR," and the Cendant name and trading symbol are expected to be retired.

Transfer and distribution agent

Mellon Investor Services LLC
480 Washington Boulevard
Jersey City, New Jersey 07310
Tel: (800) 589-9469
www.melloninvestor.com

Incurrence of debt

Prior to Sale of Travelport

In connection with our separation, we have entered into borrowing arrangements for a total of $2,000 million, comprised of a $300 million term loan facility, an $800 million interim loan facility and a $900 million revolving credit facility. At or prior to the distribution, we expect to draw $1,360 million against those facilities and issue approximately $70 million in letters of credit, leaving approximately $570 million available to provide liquidity for additional letters of credit and for working capital and ongoing corporate needs. All of the approximately $1,360 million of debt we expect to incur will be transferred to Cendant solely to repay a portion of Cendant's corporate debt (including its existing asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses). The Separation and Distribution Agreement provides for an adjustment in the amount of indebtedness we will incur in connection with our separation in the event that the sum of the borrowings transferred by us, Realogy and Travelport to Cendant, together with the cash at Cendant then available to be utilized to repay its corporate debt, is less than or more than the amount necessary to enable Cendant to make the Separation Payments. See "The Separation—Incurrence of Debt" for a further description of this adjustment.

Historically, Cendant has borrowed funds under its existing asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses, which amounted to $600 million, $575 million and $550 million at June 30, 2006, March 31, 2006 and December 31, 2005, respectively. These Cendant borrowings have been reflected in our accompanying historical combined financial statements. We expect Cendant to repay the then-outstanding balance of these borrowings at the time of our separation with a portion of our initial borrowings of approximately $1,360 million.

Subject to market conditions, we intend to replace the interim loan facility in its entirety with a combination of public, senior unsecured medium-term (a duration of between 3 and 10 years), non-convertible, fixed and/or floating rate bonds. As discussed below, in the event the

sale of Travelport is completed, we intend to use a portion of the proceeds contributed to us to pay down the interim facility; in addition, the receipt of such proceeds would likely result in our issuing a proportionally smaller amount of the bonds described above. The remainder of the proceeds from a sale of Travelport, if any, will be used to repay other debt.

Certain of our vacation ownership subsidiaries have a securitization program to securitize certain vacation ownership contract receivables. This program will remain in place following the separation. As of March 31, 2006, $1,167 million was outstanding under this program and $1,556 million of assets collateralized this indebtedness.

Following the Sale of Travelport

Upon the completion of a sale of Travelport, Cendant will be required to promptly contribute a significant amount of the proceeds to us and to Realogy to reduce our and Realogy's initial indebtedness. Assuming Cendant receives $4,300 million in gross cash proceeds from such sale and contributes to us approximately $760 million from such sale, we estimate that the approximately $1,360 million of initial indebtedness we expect to incur at the time of our separation would be reduced to approximately $600 million. The actual amount of our remaining indebtedness may be more or less than amount provided above depending on various adjustments, including, without limitation, purchase price adjustments based on the levels of cash, working capital and certain other expenses at Travelport at the time of its sale, the application of sale proceeds that have priority over contributions to us and the amount outstanding at the time of our distribution under Cendant's asset-linked facility relating to certain assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses. See "The Separation—Incurrence of Debt." Following any such reduction of our indebtedness, if our Board of Directors deems it appropriate, we may incur additional debt and use the proceeds from such additional debt for general corporate purposes, such as to repurchase shares of our common stock.

Following a sale of Travelport and the application of the proceeds of such sale, the vacation ownership securitization programs will remain in place.

For additional information relating to our planned financing arrangements, see "The Separation—Incurrence of Debt,"
Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources—Financial Obligations—Pro Forma Indebtedness Following Separation" and "Description of Material Indebtedness," included elsewhere in this information statement.

Risks relating to ownership of our common stock and the distribution	Our business is subject to both general and specific risks and uncertainties relating to our business, our leverage, our relationship with Cendant and our being a separate publicly traded company. Our business is also subject to risks relating to the separation. You should read carefully "Risk Factors," beginning on page 30 in this information statement.
Tax considerations	Assuming the distribution, together with certain related transactions, qualifies as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, no gain or loss will be recognized by a stockholder, and no amount will be included in the income of a stockholder, upon the receipt of shares of our common stock pursuant to the distribution. However, a stockholder will generally recognize gain or loss with respect to any cash received in lieu of a fractional share of our common stock as described in "The Separation—Certain U.S. Federal Income Tax Consequences of the Distribution," included elsewhere in this information statement.
Certain Agreements with Cendant	Before our separation from Cendant, we will enter into a Separation and Distribution Agreement and several other agreements with Cendant and Cendant's other businesses to effect the separation and distribution and provide a framework for our relationships with Cendant and Cendant's other businesses after the separation. These agreements will govern the relationship among us, Cendant, Realogy and Travelport subsequent to the completion of the separation plan and provide for the allocation among us, Cendant, Realogy and Travelport of Cendant's assets, liabilities and obligations (including employee benefits and tax-related assets and liabilities) attributable to periods prior to our separation from Cendant. The Separation and Distribution Agreement, in particular, requires Wyndham Worldwide to assume 37.5% (or 30% if the sale of Travelport is not completed) of certain of Cendant's contingent and other corporate liabilities and establishes the amount of the debt that each separated company will initially incur to repay Cendant's corporate debt and, with respect to the amount transferred by Travelport, to repay other corporate obligations and to fund the actual and estimated cash expenses borne by Cendant relating to the separation. For a discussion of these arrangements, see "Certain Relationships and Related Party Transactions," included elsewhere in this information statement.

Summary Historical and Unaudited Pro Forma Combined Financial Data

The following table presents our summary historical and unaudited pro forma combined financial data, as well as certain unaudited operating statistics. The combined statement of income data for the three months ended March 31, 2006 and the combined balance sheet data as of March 31, 2006 have been derived from our unaudited combined condensed financial statements included elsewhere in this information statement. The historical combined statement of income data for each of the years in the three-year period ended December 31, 2005 and the historical combined balance sheet data as of December 31, 2005 and 2004 have been derived from our audited combined financial statements, included elsewhere in this information statement. The combined balance sheet data as of December 31, 2003 is derived from our unaudited combined financial statements and, in the opinion of our management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth in this information statement.

The unaudited pro forma combined financial data have been derived from our historical combined financial statements and adjusted to give effect to the following separation transactions:

- the contribution to Wyndham Worldwide of all the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of Cendant's Hospitality Services (including Timeshare Resorts) businesses,
- the planned distribution of our common stock to Cendant stockholders by Cendant (assuming a five to one distribution ratio) and the related transfer to us from Cendant of certain corporate assets and liabilities of Cendant (including certain corporate assets and liabilities for which we are expected to assume approximately 30%) (including those relating to unresolved tax and legal matters, which may not be resolved for several years),
- the borrowing arrangements for a total of $2,000 million, of which we intend to draw approximately $1,360 million; we expect to transfer the initial borrowings to Cendant for it to repay the then-outstanding balance of the asset-linked facility and to repay other corporate indebtedness of Cendant,
- the funding of $11 million of estimated financing costs to be incurred in connection with the above planned borrowings,
- estimated incremental costs associated with operating as a separate public company,
- estimated incremental interest expense associated with the above planned borrowings, which is calculated based upon expected interest rates, and
- estimated liabilities of $31 million to reflect the estimated fair value of guarantees related to certain contingent litigation and tax liabilities and legal liabilities provided to Cendant and affiliates in connection with the separation in excess of our portion of the corporate liabilities allocated to Wyndham Worldwide from Cendant's balance sheet.

In addition, such financial data also reflects an adjustment eliminating intercompany balances approximating $1,159 million due from Cendant.

The unaudited pro forma combined financial data have been further adjusted to give effect to the following post separation adjustments for the sale of Travelport, which transaction is expected to close following our separation from Cendant:

- reduction in outstanding borrowings from approximately $1,360 million to approximately $600 million which reflects the application of the proceeds expected to be received by Wyndham Worldwide from Cendant's sale of Travelport,
- reduction in debt financing costs of $2 million due to lower anticipated outstanding borrowings,

- increase in the amount of certain contingent and other corporate liabilities of Cendant being assumed by us, guarantees provided to Cendant and affiliates and estimated incremental costs associated with continuing Cendant costs specific to certain legal matters due to the definitive sale agreement and an increase in the expected assumption rate from 30% to 37.5%, and
- reduced interest expense as a result of Travelport proceeds being utilized to repay a portion of our borrowings.

The unaudited pro forma combined condensed balance sheet data assume that the distribution and related transactions occurred on March 31, 2006 and the unaudited pro forma combined condensed statement of income data assume that the distribution and related transactions occurred on January 1, 2005 for both the pro forma statement of income data presented for the three months ended March 31, 2006 and for the pro forma statement of income data presented for the year ended December 31, 2005. The pro forma adjustments are based upon available information and assumptions that we believe are reasonable; however, such adjustments are subject to change based upon the finalization of the terms of the separation and the underlying separation agreements. Additional discussion relating to certain of the pro forma adjustments listed above can be found within the Unaudited Pro Forma Combined Condensed Financial Statements section of the information statement.

The unaudited pro forma combined condensed statement of income data do not reflect non-recurring pre-tax charges directly related to our separation (which are currently estimated to be in the range of $70 million to $110 million), which will impact net income within the 12 months following our separation, the majority of which will be non-cash. Included within such range is an estimated $50 million to $60 million relating to the acceleration of certain Cendant equity awards.

	As of or For the Three Months Ended March 31, 2006			As of or For the Year Ended December 31,				
	Travelport Sale Pro Forma	Separation Pro Forma	Historical	Travelport Sale Pro Forma 2005	Separation Pro Forma 2005	2005 As Restated	2004 As Restated	2003
	(In millions, except operating statistics)							
Statement of Income Data:								
Net revenues	$ 870	$ 870	$ 870	$ 3,471	$ 3,471	$ 3,471	$ 3,014	$ 2,652
Expenses	736	735	722	2,907	2,904	2,851	2,414	2,157
Operating income	134	135	148	564	567	620	600	495
Interest expense (income), net	11	22	(2)	41	87	(6)	13	(5)
Income before income taxes and minority interest	$ 123	$ 113	$ 150	$ 523	$ 480	$ 626	$ 587	$ 500
Net income	$ 11	$ 5	$ 28	$ 367	$ 341	$ 431	$ 349	$ 299
Balance Sheet Data:								
Secured assets[a]	$ 1,897	$ 1,897	$ 3,240			$ 3,169	$ 2,811	$ 1,865
Total assets	8,590	8,576	9,610			9,167	8,343	7,041
Total debt[b]	2,113	2,873	2,088			2,042	1,768	1,132
Total invested equity[c]	3,464	2,826	5,063			5,033	4,679	4,283
Operating Statistics:								
Lodging								
Weighted average rooms[d]			521,000			519,000	508,200	524,700
Number of properties[e]			6,300			6,300	6,400	6,400
RevPAR[f]			$ 30.45			$ 31.00	$ 27.55	$ 25.92
Vacation Exchange and Rental								
Average number of members[g]			3,292,000			3,209,000	3,054,000	2,948,000
Annual dues and exchange revenue per member[h]			$ 152.10			$ 135.76	$ 134.82	$ 131.13
Vacation rental transactions[i]			385,000			1,300,000	1,104,000	882,000
Average price per vacation rental[j]			$ 677.49			$ 690.03	$ 680.87	$ 599.25
Vacation Ownership								
Gross vacation ownership interest sales[k] (in millions)			$ 357			$ 1,396	$ 1,254	$ 1,146
Tours[l]			208,000			934,000	859,000	925,000
Volume Per Guest (VPG)[m]			1,475			$ 1,368	$ 1,287	$ 1,138

(a) Represents the portion of vacation ownership contract receivables, other vacation ownership related assets, and other vacation exchange and rental assets that collateralize our debt. Refer to Note 6 to the Interim Combined Condensed Financial Statements and Note 12 to the Annual Combined Financial Statements for further information.

(b) Historical amounts primarily represent debt related to secured assets. Pro forma amounts include planned borrowings.

(c) Represents Cendant's net investment (capital contributions and earnings from operations less dividends) in Wyndham Worldwide and accumulated other comprehensive income.

(d) Represents the weighted average number of hotel rooms available for rental for the year at lodging properties operated under franchise and management agreements.

(e) Represents the number of lodging properties operated under franchise and management agreements at the end of the year.

(f) Represents revenue per available room and is calculated by multiplying the percentage of available rooms occupied for the year by the average rate charged for renting a lodging room for one day.

(g) Represents members in our vacation exchange programs who pay annual membership dues. For additional fees, such participants are entitled to exchange intervals for intervals at other properties affiliated with our vacation exchange business. In addition, certain participants may exchange intervals for other leisure-related products and services.
(h) Represents total revenues from annual membership dues and exchange fees generated for the year divided by the average number of vacation exchange members during the year.
(i) Represents the gross number of transactions that are generated in connection with customers booking their vacation rental stays through us. In our European vacation rental businesses, one rental transaction is recorded each time a standard one-week rental is booked; however, in the United States, one rental transaction is recorded each time a vacation rental stay is booked, regardless of whether it is less than or more than one week.
(j) Represents the gross rental price generated from renting vacation properties to customers divided by the number of rental transactions.
(k) Represents gross sales of vacation ownership interests, including tele-sales upgrades, which is a component of upgrade sales.
(l) Represents the number of tours taken by guests in our efforts to sell vacation ownership interests.
(m) Represents revenue per guest and is calculated by dividing the gross vacation ownership interest sales, excluding tele-sales upgrades, which is a component of upgrade sales, by the number of tours.

RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this information statement. The risk factors generally have been separated into three groups: (i) risks relating to our business, (ii) risks relating to the separation and (iii) risks relating to our common stock. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our company in each of these categories of risks. However, the risks and uncertainties our company faces are not limited to those set forth in the risk factors described below. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

If any of the following risks and uncertainties develops into actual events, these events could have a material adverse effect on our business, financial condition or results of operations. In such case, the trading price of our common stock could decline.

Risks Relating to Our Business

The hospitality industry is highly competitive, and we are subject to risks relating to competition that may adversely affect our performance.

We may lose business, which would adversely affect our performance, if we cannot compete effectively in the highly competitive hospitality industry. Our continued success depends, in large part, upon our ability to compete effectively in markets that contain numerous competitors, some of which may have significantly greater financial, marketing and other resources than we have.

Our businesses face the following competitive risks, and if such risks materialize, the performance of our businesses may be adversely affected:

- ***Competition in the hospitality industry may put pressure on our fees or prices and on our business model.*** Competition may reduce fee structures, potentially causing us to lower our fees or prices, which may adversely impact our profits. New competition or existing competition that uses a business model that is different from our business model may put pressure on us to change our model so that we can remain competitive.
- ***Our competitors may offer contract terms that may result in our having to agree to contract terms that are less favorable to us than the terms under our current contracts.*** If our competitors offer more favorable terms than the terms that we currently offer under our existing contracts (for example, with our franchisees, with property owners for property management, with affiliates of our vacation exchange business, with owners of intervals that are exchanged through our vacation exchange business and with owners of accommodations for our vacation rental business), we cannot assure you that new contracts entered into, renewed or renegotiated in the future will be on terms that are as favorable to us as the terms of our current contracts. The terms of our new, renewed or renegotiated contracts will be influenced by the terms that our competitors are offering at the time we enter into such contracts.

The weakening or unavailability of our intellectual property rights could adversely affect our business.

The weakening or unavailability of our trademarks, trade dress and other intellectual property rights could adversely affect our business. Our intellectual property rights are fundamental to the brands that we use in all of our businesses, and we believe the strength of these brands gives us a competitive advantage. We generate, maintain, utilize and enforce a substantial portfolio of trademarks, trade dress and other intellectual property rights. We use our intellectual property rights to protect the goodwill of our brand names, promote our brand

name recognition, protect our proprietary technology and development activities, enhance our competitiveness and otherwise support our business goals and objectives. However, there can be no assurance that the steps we take to obtain, maintain and protect our intellectual property rights will be adequate. Our intellectual property rights may fail to provide us with significant competitive advantages, particularly in foreign jurisdictions that do not have, or do not enforce, strong intellectual property rights.

We are subject to operating or other risks common to the hospitality industry.

In addition to the other risks relating to our business identified in the "Risk Factors" section of this information statement, our business is subject to the following operating or other risks common to the hospitality industry:

- changes in operating costs, including, but not limited to, energy, labor costs (including minimum wage increases and unionization), workers' compensation and health-care related costs and insurance;
- changes in desirability of geographic regions of the hotels or resorts that we franchise or manage, of the resorts with units that are exchanged through our vacation exchange business, of the properties we market for rental through our vacation rental business and of the resorts in which we sell vacation ownership interests;
- increases in costs due to inflation that may not be fully offset by increases in room rates, annual vacation exchange membership dues and exchange fees for transactions, vacation rental fees and prices of vacation ownership interests;
- the quality of the services provided by franchisees, our vacation exchange and rental business, resorts with units that are exchanged through our vacation exchange business and/or resorts in which we sell vacation ownership interests may adversely affect our image and reputation and therefore may adversely affect our results of operations;
- our ability to generate sufficient cash to buy from third-party suppliers the products that we need to provide to the participants in our points programs who want to redeem points for such products;
- overbuilding in one or more segments of the hospitality industry and/or in one or more geographic regions, which could lead to excess supply compared to demand and therefore to decreases in hotel or resort occupancy and/or hotel or resort room rates;
- changes in the number of hotels operating under franchise agreements and management agreements and changes in the occupancy rates achieved by hotels;
- changes in the relative mix of franchised hotels in the various lodging industry price categories;
- our ability to develop and maintain positive relations with current and potential franchisees, hotel owners, resorts with units that are exchanged through our vacation exchange business and/or owners of vacation properties that our vacation rental business markets for rental;
- competition for desirable sites for the development of vacation ownership properties and liability under state and local laws with respect to any construction defects in the vacation ownership properties we develop;
- taxation of guest loyalty program benefits that adversely affects the cost or consumer acceptance of loyalty programs; and
- disruptions in relationships with third parties, including marketing alliances and affiliations with e-commerce channels.

We may not be able to achieve our objectives for growth in the number of franchised and managed properties, vacation exchange members acquired, rental weeks sold and vacation ownership interests sold.

There can be no assurance that we will be successful in achieving our objectives for increasing the number of franchised and managed properties in our lodging business, the number of vacation exchange members

acquired by our vacation exchange business, the number of rental weeks sold by our vacation rental business and the number of tours generated and vacation ownership interests sold by our vacation ownership business. The reasons we may not achieve our growth objectives include, but are not limited to:

- our failure to introduce new branded offerings that gain market acceptance or to maintain the competitiveness of our existing brands;
- our ability to enter into and maintain strategic arrangements;
- the risks associated with entering new markets and the possible lack of demand for our products and services in such markets; and
- our failure to secure required governmental permits.

Disruptions and other impairment of our information technologies and systems could adversely affect our business.

Any disruption or other impairment in our technology capabilities could harm our business. Our businesses depend upon the use of sophisticated information technologies and systems, including technology and systems utilized for reservation systems, vacation exchange systems, property management, communications, procurement, member record databases, call centers, operation of our loyalty programs and administrative systems. The operation of these technologies and systems is dependent upon third-party technologies, systems and services for which there is no assurance of continued or uninterrupted availability and operational and maintenance support by the applicable third-party vendors on commercially reasonable terms. We cannot assure you that we will be able to continue to operate effectively and maintain our information technologies and systems.

In addition, our information technologies and systems are expected to require refinements and enhancements on an ongoing basis, and we expect that advanced new technologies and systems will continue to be introduced. There can be no assurance that we will be able to replace existing technologies and systems or obtain or introduce new technologies and systems as quickly as our competitors or in a cost-effective manner. Also, there can be no assurance that we will achieve the benefits anticipated or required from any new technology or system that we may seek to implement or that we will be able to devote financial resources to new technologies and systems in the future. In addition, our information technologies and systems are vulnerable to damage or interruption from various causes, including: (i) acts of God and other natural disasters, war and acts of terrorism; (ii) power losses, computer systems failures, Internet and telecommunications or data network failures, operator error, losses of and corruption of data and similar events; and (iii) computer viruses, penetration by individuals seeking to disrupt operations or misappropriate information and other physical or electronic breaches of security. We maintain certain disaster recovery capabilities for critical functions in most of our businesses, including certain disaster recovery services from SunGard Data Systems Inc. and International Business Machines Corporation. We are also currently in the process of adding disaster recovery capabilities to our recently acquired franchise and management businesses of Wyndham Hotels and Resorts and portions of our vacation ownership business. However, there can be no assurance that these capabilities will successfully prevent a disruption to or material adverse effect on our businesses or operations in the event of a disaster or other business interruption. Any extended interruption in our technologies or systems could significantly curtail our ability to conduct our business and generate revenue. Additionally, our business interruption insurance may be insufficient to compensate us for losses that may occur.

Our international operations are subject to risks not generally experienced by our U.S. operations.

Our international operations are subject to risks not generally experienced by our U.S. operations, and if such risks materialize, our profitability may be adversely affected. Such risks include, but are not limited to:

- exposure to local economic conditions;
- potential adverse changes in the diplomatic relations of foreign countries with the United States;

- hostility from local populations;
- restrictions on the withdrawal of foreign investment and earnings;
- government policies against businesses owned by foreigners;
- investment restrictions or requirements;
- diminished ability to legally enforce our contractual rights in foreign countries;
- foreign exchange restrictions;
- fluctuations in foreign currency exchange rates;
- withholding and other taxes on remittances and other payments by subsidiaries; and
- changes in foreign taxation structures.

We are subject to risks from laws of various international jurisdictions that limit the right and ability of non-U.S. entities to pay dividends and remit earnings to affiliated companies, unless specified conditions have been met. In addition, we may incur substantial tax liabilities, which would adversely affect our profitability, if we repatriate any of the cash generated by our international operations back to the United States.

We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business.

We cannot predict with certainty the cost of defense, the cost of prosecution or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies or damage awards, and adverse results in such litigation and other proceedings may harm our business. Such litigation and other proceedings may include, but are not limited to, actions relating to intellectual property, commercial arrangements, employment and labor law, personal injury, death, property damage or other harm resulting from acts or omissions by individuals or entities outside of our control, including franchisees, property owners, resorts with units that are exchanged through our vacation exchange business and resorts in which we sell vacation ownership interests. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in our business and injunctions prohibiting our use of business processes or technology that is subject to third-party patents or other third-party intellectual property rights.

We generally are not liable for the actions of our franchisees, owners and resorts with units that are exchanged through our vacation exchange business, and resorts in which we sell vacation ownership interests; however, there is no assurance that we would be insulated from liability in all cases.

We are subject to certain risks related to our indebtedness, our securitization of assets, the extension of credit by us and the cost and availability of capital.

In connection with our debt obligations or the securitization of certain of our assets, as applicable, we are subject to the following risks, among others:

- the risk that cash flows from operations or available lines of credit will be insufficient to meet required payments of principal and interest of non asset-backed debt when due and the risk that we may default on the covenants in our debt agreements that we anticipate will limit our ability to, among other things, borrow additional money, sell assets or engage in mergers. If we cannot make our payments on our debt and we cannot refinance our debt or we are unable to comply with these covenants, we would be in default under our debt agreements. Unless any such default is waived by our lenders, the debt could become immediately payable, which could materially adversely affect us;
- the risk that our leverage may adversely affect our ability to obtain additional financing for working capital, capital expenditures, acquisitions, surety bonds required by regulators to protect funds of

purchasers of vacation ownership interests pending deeding and resort completion (which surety bonds are required in lieu of escrowing all or a portion of purchaser funds), or other purposes, if required;

- the risk that our leverage requires the dedication of a significant portion of our cash flows to the payment of our indebtedness, thereby reducing the availability of cash flows to fund working capital, capital expenditures or other operating needs;
- the risk that (to the extent we maintain floating rate indebtedness) interest rates increase; and
- the risk that we may not be able to securitize our vacation ownership contract receivables because of, among other factors, the performance of the vacation ownership contract receivables, the market for vacation ownership loan-backed notes and asset-backed notes in general and the ability to insure the securitized vacation ownership contract receivables, and the risk that the actual amount of uncollectible accounts on our securitized vacation ownership contract receivables and other credit we extend is greater than our allowances for doubtful accounts.

The financial results of our vacation ownership business may be affected by the cost and availability of capital for the development or acquisition of vacation ownership resorts by us, for the financing of purchases of vacation ownership interests and for the renovation and maintenance of properties by vacation ownership resorts. The cost of capital affects the costs of developing or acquiring new properties because property owners generally have to borrow funds to develop or acquire new properties and affects the costs of renovation because property owners generally have to borrow funds to renovate properties.

The profitability of our vacation ownership business from our financing of customers' purchases of vacation ownership interests may be adversely affected by interest rate risk and risks associated with customer default.

In connection with our vacation ownership business, we generally provide financing at a fixed interest rate for significant portions of the aggregate purchase prices of vacation ownership interests we sell to customers. If interest rates were to increase significantly, we may not increase the interest rate offered to finance purchases of vacation ownership interests by the same amount of the interest rate increase. As a result, the spread between our rate of borrowing and the interest rate we charge our customers would decrease, and such decrease would adversely affect our profitability from financing activities. Conversely, if interest rates were to decrease and remain at historically low levels for extended periods, the likelihood of early prepayments would increase as customers may seek alternative financing sources. If customers prepaid their loans and refinanced at lower interest rates, our profitability from financing activities would decrease.

Our principal source of funding cash requirements for the vacation ownership business is borrowing against and selling the vacation ownership contract receivables that arise from our financing of customers' purchases of vacation ownership interests. When we finance the sale of a vacation ownership interest, we receive contract receivables at a fixed interest rate. We have revolving credit facilities under which we borrow against the vacation ownership contract receivables until the receivables qualify to be securitized. Once the vacation ownership contract receivables qualify to be securitized, we sell them and use the proceeds of the sales to repay our revolving credit facilities and, as a result of such repayment, replenish our ability to borrow under the revolving credit facilities to finance new vacation ownership contract receivables.

Our revolving credit facilities are, and are expected to continue to be, at variable interest rates. Any significant increase in interest rates on our borrowing against vacation ownership contract receivables or significant increase in prepayment rates on the current vacation ownership contract receivables could have a material adverse effect on the cost of borrowing under our credit facilities. Any adverse change in the securitization markets or significant declines in the credit qualities of our vacation ownership contract receivables could result in our having insufficient borrowing availability under our credit facilities to maintain our operations at current levels.

In addition, we face certain credit risks related to our consumer financing of vacation ownership interests. Purchasers of vacation ownership interests who finance a portion of the purchase price present a risk of default.

The average expected cumulative gross default rate of our portfolio of vacation ownership contract receivables is approximately 16.3%. The actual rate of such defaults may exceed our average expected cumulative gross default rate as a result of various factors, some of which are beyond our control, including general economic conditions. Consequently, the profitability of our vacation ownership business may be adversely affected. Despite the risk of default for purchasers of vacation ownership interests, we do not verify all potential purchasers' credit histories prior to offering each potential purchaser the opportunity to finance a portion of the purchase price of the vacation ownership interests, but, in some instances, we obtain credits scores from potential purchasers who wish to obtain financing on more favorable terms. To reduce the potential adverse effect on Wyndham Worldwide caused by purchasers of vacation ownership interests who finance a portion of their purchases but subsequently default, we obtain security interests in the vacation ownership interests purchased by our customers, but the value we recover from the secured vacation ownership interests is not, in all instances, sufficient to cover the outstanding debt.

Our debt rating may suffer a downgrade, which may restrict our access to capital markets.

After giving effect to our separation, our syndicated credit facilities have been rated BBB and Baa2 by Standard & Poor's and Moody's, respectively. As a result of global economic and political events or natural disasters, it is possible that the rating agencies may downgrade the rating and/or outlook for many of the companies in the hospitality industry, including our company, and a downgrade could increase our borrowing costs and therefore could adversely affect our financial results. In addition, it is possible that rating agencies may downgrade our rating and our outlook for the company based on our results of operations and financial condition. A downgrade in our credit rating could, in particular, increase our costs of capital under our credit facilities and the amounts of collateral required by our letters of credit. Pricing of any amounts drawn under our syndicated bank credit facilities includes a spread to LIBOR that increases as our ratings from Standard & Poor's and Moody's decrease. The amounts of collateral required by our letters of credit may increase as a result of a downgrade in our credit rating. A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Each rating should be evaluated independently of any other rating.

We are subject to foreign currency exchange rate risk.

Changes in foreign currency exchange rates and in international monetary and tax policies could have a materially adverse effect on our business, results of operations and financial condition. We are subject to foreign currency exchange rate risk and risks associated with changes in international monetary and tax policies in connection with doing business abroad, principally in the United Kingdom, Western Continental Europe, South Africa, Mexico, Venezuela and Singapore. We may seek to mitigate our foreign exchange rate risk through strategic structuring of international business entities, swap agreements and borrowings denominated in foreign currencies, but we cannot assure that these strategies will be successful.

Several of our businesses are subject to extensive regulation, and the cost of compliance or failure to comply with such regulations may adversely affect our profitability.

The cost of compliance or failure to comply with the extensive regulations to which several of our businesses are subject may adversely affect our profitability. Our businesses are regulated by the states or provinces (including local governments) and countries in which our operations are conducted and in which our franchised and managed properties, resorts with units that are exchanged through our vacation exchange business, accommodations for our vacation rental business and resorts in which we sell vacation ownership interests are, in each case, located, marketed or sold. If we are not in substantial compliance with applicable laws and regulations, we may be subject to regulatory actions, fines, penalties and potential criminal prosecution. In addition, a significant number of purchasers of vacation ownership interests could have rescission rights, which could require us to return all funds received from rescinding purchasers in exchange for the return of their vacation ownership interests to us.

Our businesses are subject, for example, to privacy laws and regulations enacted in the United States and other jurisdictions around the world that govern the collection and use of personal data of our customers and our ability to contact our customers and prospective customers, including through telephone or facsimile. Our vacation ownership business, for example, is subject to U.S. federal privacy regulation, including the federal Telemarketing Sales Rule with its "do not call" and "do not fax" provisions, and state privacy regulations. Many states have laws and regulations regarding the sale of vacation ownership properties, such as real estate licensing laws, travel sale licensing laws, anti-fraud laws, telemarketing laws, telephone solicitation laws, including "do not call" and "do not fax" regulations and restrictions on the use of predictive dialers, prize, gift and sweepstakes laws, and labor laws. Violations of certain provisions of these laws may limit the ability of our vacation ownership business to market, sell and finance vacation ownership interests. In addition, our vacation ownership business could be subject to damages and administrative enforcement actions. Any of these results could adversely affect the profitability of our vacation ownership business. The United States and other jurisdictions are in the process of considering passing additional laws and regulations to protect the privacy of customers and prospective customers. In addition, our vacation ownership business is subject to risks arising from the requirement under Australian law that all persons conducting vacation ownership sales and marketing and vacation ownership club activities hold an Australian Financial Services License, which subjects holders to several rules and regulations. In light of these and any future laws and regulations, there can be no assurance that we will be able to continue to market our services efficiently and maintain our rate of sales growth.

Liability arising under environmental laws, ordinances and regulations may adversely affect the results of our vacation ownership business, and non-compliance with such laws, ordinances and regulations may subject us to penalties from environmental violations, and we would have to take whatever steps are necessary to achieve compliance. We may incur costs in connection with environmental clean-up if hazardous or toxic substances are found at resorts we own or manage or resorts we previously owned or managed or may acquire in the future. Under various federal, state and local laws, ordinances and regulations, the current or previous owner, manager or operator of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances, including asbestos, located on or in, or emanating from, such property, for related costs of investigation and property damage or for the cost of removal of underground storage tanks. Environmental laws, ordinances and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous or toxic substances.

For a detailed description of the regulations to which we are subject, see "Business—Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Legal Proceedings."

The cost of compliance or failure to comply with the Sarbanes-Oxley Act of 2002 may adversely affect our business.

As a new reporting company under the Exchange Act, we will be subject to certain provisions of the Sarbanes-Oxley Act of 2002, which may result in higher compliance costs and may adversely affect our financial results and our ability to attract and retain qualified members of our Board of Directors or qualified executive officers. The Sarbanes-Oxley Act affects corporate governance, securities disclosure, compliance practices, internal audits, disclosure controls and procedures and financial reporting and accounting systems. Section 404 of the Sarbanes-Oxley Act, for example, requires companies subject to the reporting requirements of the U.S. securities laws to do a comprehensive evaluation of its and its consolidated subsidiaries' internal control over financial reporting. The failure to comply with Section 404, when we are required to comply, may result in investors' losing confidence in the reliability of our financial statements, which may result in a decrease in the market value of our common stock, prevent us from providing the required financial information in a timely manner, which could materially and adversely impact our business, our financial condition and the market value of our common stock, prevent us from otherwise complying with the standards applicable to us as a public company and subject us to adverse regulatory consequences.

Seasonality of our businesses may cause fluctuations in our gross revenues and net earnings.

We experience seasonal fluctuations in our gross revenues and net earnings from our franchise and management fees, exchange fees for transactions, commission income earned from renting vacation properties and sales of vacation ownership interests. Revenues from franchise and management fees are generally higher in the second and third quarters than in the first or fourth quarters because of increased leisure travel during the summer months. Vacation exchange transaction revenues are normally highest in the first quarter, which is generally when members of RCI plan and book their vacations for the year. Rental transaction revenues earned from booking vacation rentals to non-member customers is usually highest in the third quarter, when vacation rentals are highest. Revenues from sales of vacation ownership interests are generally higher in the second and third quarters than in other quarters. The seasonality of our business may cause fluctuations in our quarterly operating results. As we expand into new markets and geographical locations, we may experience increased or different seasonality dynamics that create fluctuations in operating results different from the fluctuations we have experienced in the past.

Our revenues are highly dependent on the travel industry and declines in or disruptions to the travel industry, such as those caused by terrorism, acts of God or war, may adversely affect our financial condition and results of operation.

Declines in or disruptions to the travel industry may adversely affect our financial condition and results of operation. Our revenues and profits, and in turn our financial condition, may be significantly adversely affected by exogenous events that generally adversely affect the travel industry. Such events include terrorist incidents and threats (and heightened travel security measures instituted in response to such incidents and threats), acts of God (such as earthquakes, hurricanes, fires, floods and other natural disasters), war, bird flu and other pandemics, the financial instability of many of the air carriers, airline job actions and strikes, and increases in gas and other fuel prices. The occurrence or worsening of any of these types of events could result in a decrease in overall travel and consequently in a decrease in travel by non-local visitors to locations in which franchised and managed properties, resorts with units that are exchanged through our vacation exchange business, properties that are rented through our vacation rental businesses and resorts in which we sell vacation ownership interests have a presence. These types of events may also result in a general economic downturn, which may reduce the amount of discretionary spending that our customers have available for travel and vacations. In addition, from time to time, hurricanes or other adverse weather events may reduce the number of rooms available in our lodging business or the number of units available in resorts in which we exchange and sell intervals or interests, as applicable.

Our businesses may be adversely affected by a deterioration in general economic conditions or a weakening of one or more of the industries in which we operate.

A prolonged economic slowdown, significant price increases, adverse events relating to the travel and leisure industry and local, regional and national economic conditions and factors, such as unemployment, fuel prices, recession and macroeconomic factors, could hurt our operations and therefore adversely affect our results. The risks associated with our businesses are more acute during periods of economic slowdown or recession because such periods may be accompanied by decreased discretionary consumer and corporate spending. A weakening of one or more of the lodging, vacation exchange and rental, and vacation ownership industries could also hurt our operations and therefore adversely affect our results.

We are dependent on our senior management, and a loss of any of our senior managers may adversely affect our business and results of operations.

We believe that our future growth depends, in part, on the continued services of our senior management team. Losing the services of any members of our senior management team could adversely affect our strategic and customer relationships and impede our ability to execute our growth strategies. We do not currently maintain key person life insurance policies for our executive officers.

There may be risks associated with completing future acquisitions that we may decide to do.

If we pursue strategic acquisitions, there may be risks associated with them. We may be unable to identify acquisition targets that complement our businesses, and if we are able to identify suitable acquisition targets, we may not be able to complete acquisitions of such targets on commercially reasonable terms. Our ability to complete acquisitions depends on a variety of factors, including our ability to obtain financing on acceptable terms and requisite government approvals. If we are able to complete acquisitions, there is no assurance that we will be able to achieve the revenue and cost benefits that we expected in connection with such acquisitions or to successfully integrate the acquired businesses into our existing operations.

We are subject to risks relating to the concentration of a significant portion of the resorts in which we sell vacation ownership interests, our sales offices and the customers of our vacation ownership business in certain vacation areas and areas where our customers live, as applicable.

The concentration of a significant portion of the resorts in which we sell vacation ownership interests and of our sales offices in certain vacation areas and the concentration of a significant number of the customers of our vacation ownership business in certain geographic regions, in each case, may result in our results of operations being more sensitive to local and regional economic conditions and other factors, including competition, natural disasters such as hurricanes, and economic downturns, than our results of operations would be absent such geographic concentrations. Many sales offices and resorts in which we sell vacation ownership interests, for example, are concentrated in the Southeastern United States, a region that is prone to hurricanes. Local and regional economic conditions and other factors may differ materially from prevailing conditions in other parts of the world.

Florida, Nevada and California are examples of areas with concentrations of sales offices. For the twelve months ending December 31, 2005, approximately 14%, 14% and 12% of our vacation ownership interest sales revenue was generated in sales offices located in Florida, Nevada and California, respectively. In addition, as of March 31, 2006, approximately 27% of our outstanding vacation ownership contract receivables portfolio relates to customers who reside in California.

The private resale of vacation ownership interests could adversely affect our vacation ownership resorts and vacation exchange businesses.

The private resale of vacation ownership interests could adversely affect the sales and operations of our vacation ownership business and new member acquisition by our vacation exchange business. We sell vacation ownership interests to buyers for purposes of leisure and not for investment. We believe that the number of private resale of vacation ownership interests by buyers is presently limited and that any sales of vacation ownership interests are typically at prices substantially below the original purchase price. The availability of vacation ownership interests for resale may make ownership of vacation ownership interests less attractive to prospective buyers.

Moreover, as the vacation ownership industry grows, the number of private resales of vacation ownership interests may increase. An increase in the supply of vacation ownership interests available for resale may divert demand for or depress the market price of vacation ownership interests we sell. In addition, private resales of vacation ownership interests may adversely impact our vacation exchange business' new member acquisition because purchases made through resales may not result in enrollment in our vacation exchange programs.

Revenues from our lodging business are indirectly affected by our franchisees' pricing decisions.

Revenues from our lodging business are dependent upon the revenues of our franchisees and therefore on our franchisees' pricing decisions, which affect our franchisees' revenues. Pricing decisions on individual room rates are made by each individual franchisee. Although we can assist franchisees in understanding how best to take advantage of opportunities in their respective markets, we have no power to compel or command pricing decisions on the part of franchisees. The ability of an individual franchisee to maintain and increase room rates is a function of the franchisee's ability to market the hotel property locally and maintain the property in a manner necessary for the franchised hotel to compete for guests effectively.

Risks Relating to the Separation

We may be unable to achieve some or all of the benefits that we expect to achieve from our separation from Cendant.

As a stand alone, independent public company, we believe that our business will benefit from, among other things, allowing our management to design and implement corporate policies and strategies that are based primarily on the characteristics of our business, allowing us to focus our financial resources wholly on our own operations and implement and maintain a capital structure designed to meet our own specific needs. However, by separating from Cendant there is a risk that our company may be more susceptible to market fluctuations and other adverse events than we would have been were we still a part of the current Cendant. As part of Cendant we were able to enjoy certain benefits from Cendant's operating diversity, purchasing and borrowing leverage, available capital for investments and opportunities to pursue integrated strategies with Cendant's other businesses. As such, we may not be able to achieve some or all of the benefits that we expect to achieve as a stand alone, independent hospitality company.

We have no operating history as a separate public company, and our historical and pro forma financial information is not necessarily representative of the results we would have achieved as a separate publicly traded company and may not be a reliable indicator of our future results.

The historical and pro forma financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the following factors:

- Prior to our separation, our business was operated by Cendant as part of its broader corporate organization, rather than as an independent company. Cendant or one of its affiliates performed various corporate functions for us, including, but not limited to, tax administration, certain governance functions (including compliance with the Sarbanes-Oxley Act of 2002 and internal audit) and external reporting. Our historical and pro forma financial results reflect allocations of corporate expenses from Cendant for these and similar functions. These allocations are less than the comparable expenses we believe we would have incurred had we operated as a separate publicly traded company.
- Currently, our business is integrated with the other businesses of Cendant. Historically, we have shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. While we expect to enter into short-term transition agreements that will govern certain commercial and other relationships among us, Cendant and the other separated companies after the separation, those temporary arrangements may not capture the benefits our businesses have enjoyed as a result of being integrated with the other businesses of Cendant. The loss of these benefits could have an adverse effect on our business, results of operations and financial condition following the completion of the separation.
- Generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, have historically been satisfied as part of the corporate-wide cash management policies of Cendant. Following the completion of the separation, Cendant will not be providing us with funds to finance our working capital or other cash requirements. Without the opportunity to obtain financing from Cendant, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements.
- Subsequent to the completion of our separation, the cost of capital for our business may be higher than Cendant's cost of capital prior to our separation because Cendant's credit ratings are higher than what ours are contemplated to be following the separation.
- Other significant changes may occur in our cost structure, management, financing and business operations as a result of our operating as a company separate from Cendant.

We may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as an independent company, and we may experience increased costs after the separation or as a result of the separation.

Following the completion of our separation, Cendant and the other separated companies will be contractually obligated to provide to us only those services specified in the Transition Services Agreement and the other agreements we enter into with Cendant and the other separated companies in preparation for the separation. The Transition Services Agreement expiration date varies by service provided and is generally less than one year from the date of our separation, with the exception of certain services such as information technology services and telecommunications services, which will transition over varying periods (up to two years with respect to information technology services, and until certain third-party contracts expire with respect to telecommunications services). We may be unable to replace in a timely manner or on comparable terms the services or other benefits that Cendant previously provided to us that are not specified in the Transition Services Agreement or the other agreements. Also, upon the expiration of the Transition Services Agreement or other agreements, many of the services that are covered in such agreements will be provided internally or by unaffiliated third parties, and we expect that in some instances, we will incur higher costs to obtain such services than we incurred under the terms of such agreements. In addition, if Cendant or the other separated companies do not continue to perform effectively the transition services and the other services that are called for under the Transition Services Agreement and other agreements, we may not be able to operate our business effectively and our profitability may decline. Furthermore, after the expiration of the Transition Services Agreement and the other agreements, we may be unable to replace in a timely manner or on comparable terms the services specified in such agreements.

We may have received better terms from unaffiliated third parties than the terms we received in our agreements with Cendant and the other separated companies.

The agreements related to our separation from Cendant and the other separated companies, including the Separation and Distribution Agreement, Tax Sharing Agreement, Transition Services Agreement and the other agreements, were negotiated in the context of our separation from Cendant while we were still part of Cendant and, accordingly, may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties. The terms of the agreements we negotiated in the context of our separation related to, among other things, allocation of assets, liabilities, rights, indemnifications and other obligations among Cendant, the other separated companies and us. We may have received better terms from unaffiliated third parties because such parties may have competed with other potential suppliers to win our business. See "Certain Relationships and Related Party Transactions."

We will be responsible for certain of Cendant's contingent and other corporate liabilities.

Under the Separation and Distribution Agreement and other agreements, subject to certain exceptions contained in the Tax Sharing Agreement, we and Realogy will each assume and be responsible for 37.5% and 62.5%, respectively, of certain of Cendant's contingent and other corporate liabilities including those relating to unresolved tax and legal matters and associated costs and expenses. However, in the event that the sale of Travelport is not completed, we, Realogy and Travelport will each assume and be responsible for 30%, 50% and 20%, respectively, of these contingent and other liabilities, and Travelport will have no responsibility. More specifically, we generally will assume and be responsible for the payment of our share of (i) all taxes imposed on Cendant and certain other subsidiaries and (ii) certain contingent and other corporate liabilities of Cendant and/or its subsidiaries to the extent incurred on or prior to the earlier of (x) December 31, 2006 or (y) the date of the separation of Travelport from Cendant. These contingent and other corporate liabilities include liabilities relating to, arising out of or resulting from (i) certain of Cendant's terminated or divested businesses, including among others, Cendant's former PHH and Marketing Services (Affinion) businesses, (ii) liabilities relating to the Travelport sale, including, in general (but subject to certain exceptions), liabilities for taxes of Travelport for taxable periods through the date of the Travelport sale, (iii) the Securities Action, the PRIDES Action and the ABI Actions (for a further description of these litigation matters, see "Business—Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Legal Proceedings—Legal—Cendant Corporate

Litigation"), (iv) generally any actions with respect to the separation plan or the distributions made or brought by any third party and (v) payments under certain identified contracts (or portions thereof) that were not allocated to any specific party in connection with the separation. However, in almost all cases, contingent and other corporate liabilities do not include liabilities that are specifically related to the business of one of the four separated companies which will be allocated 100% to the relevant company, including any liabilities related to the business disclosure in a separated company's registration statement on Form 10 or similar disclosure document filed or distributed in connection with the separation plan. Assuming our separation from Cendant occurred on March 31, 2006 and the sale of Travelport is completed, we would have recorded liabilities of $321 million relating to our assumption of Cendant's contingent and other corporate liabilities, which are reflected on our pro forma balance sheet. (See "Unaudited Pro Forma Condensed Combined Financial Statements.") This amount does not reflect liabilities that may be required to be established in connection with the guarantees we expect to provide Cendant in connection with the separation. Any such liabilities, which could be material, will reflect the fair value of the guarantees, which is currently being determined.

If any party responsible for such liabilities were to default in its payment, when due, of any such assumed obligations related to any such contingent corporate liability, each non-defaulting party (including Avis Budget Group, Inc.) would be required to pay an equal portion of the amounts in default. Accordingly, we may, under certain circumstances, be obligated to pay amounts in excess of our share of the assumed obligations related to such contingent and other corporate liabilities including associated costs and expenses.

Many lawsuits are currently outstanding against Cendant, some of which relate to accounting irregularities arising from some of the CUC International, Inc. business units acquired when HFS Incorporated merged with CUC to form Cendant. While Cendant has settled many of the principal lawsuits relating to the accounting irregularities, these settlements do not encompass all litigation associated with the accounting irregularities. We do not believe that it is feasible to predict or determine the final outcome or resolution of these unresolved proceedings. Although we will share any costs and expenses arising out of this litigation with Realogy (and with Travelport if the sale of Travelport is not completed), an adverse outcome from such unresolved proceedings or liabilities or other proceedings for which we have assumed partial liability under the Separation and Distribution Agreement could be material with respect to our earnings in any given reporting period.

Additionally, Realogy (and not us) will act as the managing party and will manage and assume control of most legal matters related to the contingent and other corporate liabilities and assets of Cendant. Furthermore, assuming the sale of Travelport is completed, Realogy will have full control of most decisions relating to the settlement, resolution or disposition of most legal matters relating to contingent and other corporate liabilities (including certain tax-related matters) and assets and we will be responsible for 37.5% of any payments made in respect of such matters.

For a more detailed description of the Separation and Distribution Agreement and treatment of certain historical Cendant contingent and other corporate liabilities, see "Certain Relationships and Related Party Transactions—Agreements with Cendant—The Separation and Distribution Agreement."

As part of our separation from Cendant, we will incur substantial debt with external lenders, which could subject us to various restrictions and decrease our profitability.

In connection with our separation, we have entered into borrowing arrangements for a total of $2,000 million, which is comprised of a $300 million term loan facility, an $800 million interim loan facility and a $900 million revolving credit facility. At or prior to the distribution, we expect to draw approximately $1,360 million against those facilities, and issue approximately $70 million in letters of credit, leaving approximately $570 million available to provide liquidity for additional letters of credit and for working capital and ongoing corporate needs. All of the approximately $1,360 million of debt we expect to incur will be transferred to Cendant solely to repay a portion of Cendant's corporate debt (including its existing asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses). The Separation and Distribution Agreement provides for an adjustment in the amount of indebtedness we will incur in

connection with our separation in the event that the sum of the borrowings transferred by us, Realogy and Travelport to Cendant, together with the cash at Cendant then available to be utilized to repay its corporate debt, is less than or more than the amount necessary to enable Cendant to make the Separation Payments. In the event that such amounts are less than the amount necessary to enable Cendant to make the Separation Payments, then any insufficiency will result in an upward adjustment in the amount of indebtedness incurred by Travelport, but only to the extent that Travelport is able to obtain such additional debt financing on commercially reasonable terms. Thereafter, if there is still an insufficiency, we will be required to incur additional indebtedness equal to such remaining insufficiency up to $100 million and transfer such additional amounts to Cendant and, to the extent the remaining insufficiency is in excess of $100 million, we and Realogy would be required to incur additional indebtedness equal to 37.5% and 62.5%, respectively, of such excess and transfer such amounts to Cendant.

Although Cendant has agreed to sell Travelport for $4,300 million in cash (which purchase price is subject to adjustment), and upon such sale, we estimate that approximately $760 million of such proceeds will be contributed to us, which we will use to reduce certain of our outstanding indebtedness, we cannot assure you that a sale of Travelport will be completed or as to the timing of the completion of such sale or the amount of proceeds that we expect to receive from such sale. In addition, following any such reduction of our indebtedness, if our Board of Directors deems it appropriate, we may incur additional debt and use the proceeds from such additional debt for general corporate purposes, such as to repurchase shares of our common stock. Subject to market conditions, we intend to replace the interim loan facility in its entirety with a combination of public, senior unsecured medium-term (a duration of between 3 and 10 years), non-convertible, fixed and/or floating rate bonds. In the event of a sale of Travelport, we intend to use a portion of the proceeds contributed to us to pay down the interim facility; in addition, the receipt of such proceeds would likely result in our issuing a proportionally smaller amount of the bonds described above. The remainder of the proceeds from a sale of Travelport, if any, will be used to repay other debt. We cannot assure you that we will be able to refinance the interim loan facility on terms that are reasonable to us. These financing arrangements will contain customary restrictions, covenants and events of default. The terms of these financing arrangements and any future indebtedness may impose various restrictions and covenants on us (such as tangible net worth requirements) that could limit our ability to respond to market conditions, provide for capital investment needs or take advantage of business opportunities. In addition, our financing costs may be higher than they were as part of Cendant. For a more detailed discussion of these borrowings and our liquidity following the separation, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources—Financial Obligations—Pro Forma Indebtedness Following Separation."

We cannot give you any assurance as to when or if the completion of the sale of Travelport will occur or the extent to which we will receive any cash proceeds from such sale to reduce our indebtedness.

Upon the completion of the sale of Travelport, we will have the right under the Separation and Distribution Agreement to receive a portion of the cash proceeds (after giving effect to certain tax liabilities and other expenses incurred by Cendant in connection with the sale and the repayment of any Travelport indebtedness) and we will have the obligation to use such cash proceeds to reduce our indebtedness. We cannot give you any assurance as to when or if the sale of Travelport will be completed. The completion of the sale of Travelport is subject to certain customary conditions precedent and some, including the receipt of requisite regulatory approvals and the absence of any material adverse effect with respect to Travelport, may be outside of Cendant's and Travelport's control. If the sale is not completed by December 31, 2006, all of the shares of common stock of Travelport will be distributed to Cendant's stockholders rather than sold. In such an event, our expected indebtedness would not be reduced below approximately $1,360 million (as such amount may be adjusted as described elsewhere in this information statement) and the prevailing market price of our common stock may be materially adversely affected. The amount of our indebtedness that would be reduced is dependent upon the tax liabilities, expenses and Travelport debt repayments that may arise in connection with such a sale, the amounts of which are presently uncertain. Upon the completion of the sale of Travelport, our right to receive a portion of the proceeds is a contractual right under the Separation and Distribution Agreement and we may be required to take action to enforce our rights under the Separation and Distribution Agreement to receive all of the proceeds that we believe we are entitled to receive.

The ownership by our executive officers and some of our directors of shares of common stock, options or other equity awards of Cendant or any of the other separated companies may create, or may create the appearance of, conflicts of interest.

Because of their current or former positions with Cendant, substantially all of our executive officers, including our Chairman and Chief Executive Officer and our Chief Financial Officer, and some of our non-employee director nominees own shares of Cendant and Realogy common stock and options to purchase shares of Cendant and Realogy common stock or other equity awards. Following Cendant's distribution of Realogy (and Travelport, if the sale of Travelport is not completed) to its stockholders, these officers and non-employee directors will own shares of common stock and options to purchase shares of common stock and other equity awards in these companies. The individual holdings of common stock and options to purchase common stock and other equity awards of Cendant and Realogy (and Travelport, if the sale of Travelport is not completed) may be significant for some of these persons compared to these persons' total assets. Even though our Board will consist of a majority of directors who are independent from Cendant and Realogy (and Travelport, if the sale of Travelport is not completed), the other separated companies and our company, and our executive officers who are currently employees of Cendant will cease to be employees of Cendant upon consummation of the separation, ownership by our directors and officers, after our separation, of common stock or options to purchase common stock and other equity awards of Cendant, Realogy and Travelport creates, or may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for Cendant or Realogy (or Travelport, if the sale of Travelport is not completed) than the decisions have for us.

After the separation, certain of our executive officers and directors may have actual or potential conflicts of interest because of their positions in Cendant and the other separated companies.

Six of our directors or director nominees, Messrs. Holmes (who is also our Chairman and Chief Executive Officer), Buckman, Herrera and Mulroney and Mses. Biblowit and Richards, will continue as directors of Cendant until the time of the completion of Cendant's plan of separation. Upon completion of Cendant's plan of separation, these six directors will resign from Cendant's Board. These common directors could create, or appear to create, potential conflicts of interest when our or Cendant's management and directors face decisions that could have different implications for us and Cendant. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between us and Cendant regarding the terms of the agreements governing the separation and the relationship thereafter between us and Cendant. Potential conflicts of interest could also arise if we and/or Cendant enter into any commercial arrangements with each other in the future. In addition, conflicts of interest may arise with regard to the allocation of the common directors' time between us and Cendant.

If the distribution, together with certain related transactions, were to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, then our stockholders and/or we and Cendant might be required to pay U.S. federal income taxes.

The distribution is conditioned upon Cendant's receipt of an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special tax counsel, substantially to the effect that the distribution, together with certain related transactions, should qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code. The opinion of Skadden Arps will be based on, among other things, certain assumptions as well as on the accuracy of certain factual representations and statements that we and Cendant make to Skadden Arps. In rendering its opinion, Skadden Arps also will rely on certain covenants that we and Cendant enter into, including the adherence by Cendant and us to certain restrictions on our future actions. If any of the representations or statements that we or Cendant make are, or become, inaccurate or incomplete, or if we or Cendant breach any of our covenants, the distribution and such related transactions, might not qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code. You should note that Cendant does not intend to seek a ruling from the Internal Revenue Service, or IRS, as to the U.S. federal income tax treatment of the distribution and such related transactions. The opinion of Skadden Arps

is not binding on the IRS or a court, and there can be no assurance that the IRS will not challenge the validity of the distribution and such related transactions, as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code or that any such challenge ultimately will not prevail.

If the distribution, together with certain related transactions, were to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, then Cendant would recognize gain in an amount equal to the excess of (i) the fair market value of the Wyndham Worldwide common stock distributed to the Cendant stockholders over (ii) Cendant's tax basis in such common stock. Under the terms of the Tax Sharing Agreement, in the event the distribution were to fail to qualify as a reorganization and (i) such failure was not the result of actions taken after the distribution by Cendant, us or any of the other separated companies, we and Realogy would be responsible for 37.5% and 62.5% (or 30% and 50% and Travelport would be responsible for 20% if the sale of Travelport is not completed), respectively, of any taxes imposed on Cendant as a result thereof and (ii) such failure was the result of actions taken after the distribution by one of the separated companies, the party responsible for such failure would be responsible for all taxes imposed on Cendant as a result thereof. In addition, each Cendant stockholder who received Wyndham Worldwide common stock in the distribution generally would be treated as having received a taxable distribution in an amount equal to the fair market value of the Wyndham Worldwide common stock received (including any fractional share sold on behalf of the stockholder), which would be taxable as a dividend to the extent of the stockholder's ratable share of Cendant's current and accumulated earnings and profits (as increased to reflect any current income including any gain recognized by Cendant on the taxable distribution). The balance, if any, of the distribution would be treated as a nontaxable return of capital to the extent of the Cendant stockholder's tax basis in its Cendant stock, with any remaining amount being taxed as capital gain.

Wyndham Worldwide and Cendant might not be able to engage in desirable strategic transactions and equity issuances following the distribution.

Wyndham Worldwide's and Cendant's ability to engage in significant stock transactions could be limited or restricted after the distribution in order to preserve the tax-free nature of the distribution to Cendant. Even if the distribution, together with certain related transactions, otherwise qualifies as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, it would be taxable to Cendant (but not to Cendant stockholders) under Section 355(e) of the Code, if the distribution were deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquired directly or indirectly stock representing a 50% or greater interest, by vote or value, in the stock of either Cendant or Wyndham Worldwide. Current U.S. federal income tax law creates a presumption that the distribution would be taxable to Cendant, but not to its stockholders, if either Wyndham Worldwide or Cendant were to engage in, or enter into an agreement to engage in, a transaction that would result in a 50% or greater change, by vote or value, in Wyndham Worldwide's or Cendant's stock ownership during the four-year period that begins two years before the date of the distribution, unless it is established that the transaction is not pursuant to a plan or series of transactions related to the distribution. Treasury regulations currently in effect generally provide that whether an acquisition transaction and a distribution are part of a plan is determined based on all of the facts and circumstances, including, but not limited to, specific factors described in the Treasury regulations. In addition, the Treasury regulations provide several "safe harbors" for acquisition transactions that are not considered to be part of a plan. These rules may prevent Wyndham Worldwide and Cendant from entering into transactions which might be advantageous to their respective stockholders, such as issuing equity securities to satisfy financing needs or acquiring businesses or assets with equity securities. Thus, even if the distribution, together with certain related transactions, were to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, if acquisitions of Cendant stock or Wyndham Worldwide common stock after the distribution were to cause Section 355(e) of the Code to apply, Cendant would recognize taxable gain as described above, but the distribution would be tax free to each Cendant stockholder (except for cash received in lieu of a fractional share of Wyndham Worldwide common stock).

Under the Tax Sharing Agreement, there are restrictions on Wyndham Worldwide's ability to take actions that could cause the distribution to fail to qualify as a tax-free transaction, including, in certain cases, redeeming

equity securities, selling or otherwise disposing of a substantial portion of its assets or acquiring businesses or assets with equity securities, in each case, for a period of 24 months from the day after the distribution. Moreover, the Tax Sharing Agreement generally provides that Wyndham Worldwide will be responsible for any taxes imposed on Cendant or Wyndham Worldwide as a result of the failure of the distribution, together with certain related transactions, to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code if such failure is attributable to certain post-distribution actions taken by or in respect of Wyndham Worldwide (including its subsidiaries) or its stockholders, such as the acquisition of Wyndham Worldwide by a third party at a time and in a manner that would cause such failure. See "The Separation—Certain U.S. Federal Income Tax Consequences of the Distribution" and "Certain Relationships and Related Party Transactions—Agreements with Cendant, Realogy and Travelport—Tax Sharing Agreement."

Risks Relating to Our Common Stock

There is no existing market for our common stock and a trading market that will provide you with adequate liquidity may not develop for our common stock. In addition, once our common stock begins trading, the market price of our shares may fluctuate widely.

There is currently no public market for our common stock. It is anticipated that on or prior to the record date for the distribution, trading of shares of our common stock will begin on a "when-issued" basis and will continue up to and including through the distribution date. However, there can be no assurance that an active trading market for our common stock will develop as a result of the distribution or be sustained in the future.

We cannot predict the prices at which our common stock may trade after the distribution. The market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control, including:

- a failure by Cendant to complete the sale of Travelport, to receive gross cash proceeds of $4,300 million or to contribute to us all or a portion of the approximately $760 million of such proceeds that we expect to receive;
- our business profile and market capitalization may not fit the investment objectives of Cendant stockholders, especially stockholders who hold Cendant stock based on Cendant's inclusion in the S&P 500 Index, as our common stock may not be included in the S&P 500 Index, and as a result, Cendant stockholders may sell our shares after the distribution;
- a shift in our investor base;
- our quarterly or annual earnings, or those of other companies in our industry;
- actual or anticipated fluctuations in our operating results due to the seasonality of our business and other factors related to our business;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant acquisitions or dispositions;
- the failure of securities analysts to cover our common stock after the distribution;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

A failure by Cendant to complete the sale of Travelport may materially adversely affect the prevailing market price of our common stock.

In the event that Cendant fails to complete the sale of Travelport, we would not receive any of the approximately $760 million of gross cash proceeds we expect to receive upon the completion of the sale. In such event, our initial debt would not be reduced, and the prevailing market price of our common stock may be materially adversely affected.

Investors may be unable to accurately value our common stock.

Investors often value companies based on the stock prices and results of operations of other comparable companies. Currently, no public hospitality company exists with combined size, scale and product offerings directly comparable to ours. As such, investors may find it difficult to accurately value our common stock, which may cause our common stock to trade below its true value.

Substantial sales of common stock may occur in connection with this distribution, which could cause our stock price to decline.

The shares of our common stock that Cendant distributes to its stockholders generally may be sold immediately in the public market. Following the distribution, we believe (based on information as of January 26, 2006) that Barclays Global Investors, N.A. will beneficially own 8.88% of our common stock (see "Security Ownership of Certain Beneficial Owners and Management"). Although we have no actual knowledge of any plan or intention on the part of any 5% or greater stockholder to sell our common stock following the separation, it is possible that some Cendant stockholders, including possibly some of our large stockholders, will sell our common stock received in the distribution for reasons such as that our business profile or market capitalization as an independent company does not fit their investment objectives. Moreover, index funds tied to the Standard & Poor's 500 Index, the Russell 1000 Index and other indices hold shares of Cendant common stock. To the extent our common stock is not included in these indices after the distribution, certain of these index funds will likely be required to sell the shares of our common stock that they receive in the distribution. The sales of significant amounts of our common stock or the perception in the market that this will occur may result in the lowering of the market price of our common stock.

Your percentage ownership in Wyndham Worldwide may be diluted in the future.

Your percentage ownership in Wyndham Worldwide may be diluted in the future because of equity awards that we expect will be granted to our directors, officers and employees and the accelerated vesting of other equity awards. Prior to the separation and record date for the distribution, we expect Cendant will approve the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, or the Plan, which will provide for the grant of equity based awards, including restricted stock, restricted stock units, stock options, stock appreciation rights and other equity-based awards to our directors, officers and other employees, advisors and consultants. It is expected that no more than 43.5 million shares of our common stock will be available for grants pursuant to the Plan, which include (i) shares which may be used for purposes of satisfying our obligations under our Non-Employee Directors Deferred Compensation Plan, Savings Restoration Plan and Officer Deferred Compensation Plan and (ii) approximately 29 million shares necessary to implement the issuance of equity awards relating to our common stock granted pursuant to equitable adjustments of Cendant equity awards, or the Equitable Adjustment Awards. The Equitable Adjustment Awards will become vested on the earlier of (i) the date on which such units would have vested in accordance with the terms of the existing vesting schedule or (ii) the 30th day following the completion of the second of the distributions pursuant to Cendant's separation plan (or, if applicable, following a simultaneous distribution of us and Realogy).

For a more detailed description of the Plan and the Equitable Adjustment Awards, see "Management— Employee Benefit Plans."

The Executive Committee of our Board of Directors will not consist of a majority of independent directors.

We have established an Executive Committee of the Board that consists of our Chairman and Chief Executive Officer, one other non-independent member and one independent member of our Board. Under our by-laws, the Executive Committee shall have and may exercise all of the powers of the Board of Directors when the Board is not in session, including the power to authorize the issuance of stock, except that the Executive Committee shall have no power to (1) alter, amend or repeal the by-laws or any resolution or resolutions of the Board of Directors or (2) take any other action which legally may be taken only by the Board. Accordingly, even though the Board has determined that five out of its seven members are independent, significant actions by the Board may be effected by a committee of directors, the majority of whom are not independent.

Our stockholder rights plan and provisions in our certificate of incorporation and by-laws and of Delaware law may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.

Our certificate of incorporation, by-laws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirors to negotiate with our Board rather than to attempt a hostile takeover. These provisions include, among others:

- a Board of Directors that is divided into three classes with staggered terms;
- elimination of the right of our stockholders to act by written consent;
- rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings;
- the right of our Board to issue preferred stock without stockholder approval; and
- limitations on the right of stockholders to remove directors.

Delaware law also imposes some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. For more information, see “Description of Capital Stock—Anti-takeover Effects of Our Certificate of Incorporation and By-laws and Delaware Law.”

We expect our Board of Directors to adopt a stockholder rights plan prior to the distribution which provides, among other things, that when specified events occur, our stockholders will be entitled to purchase from us a newly created series of junior preferred stock. The preferred stock purchase rights are triggered by the earlier to occur of (i) ten business days (or a later date determined by our Board before the rights are separated from our common stock) after the public announcement that a person or group has become an “acquiring person” by acquiring beneficial ownership of 15% or more of our outstanding common stock or (ii) ten business days (or a later date determined by our Board before the rights are separated from our common stock) after a person or group begins a tender or exchange offer that, if completed, would result in that person or group becoming an acquiring person. The issuance of preferred stock pursuant to the stockholder rights plan would cause substantial dilution to a person or group that attempts to acquire us on terms not approved by our Board of Directors. For a more detailed description of our rights plan, see “Description of Capital Stock—Rights Plan.”

We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with our Board and by providing our Board with more time to assess any acquisition proposal. These provisions are not intended to make our company immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our Board determines is not in the best interests of our company and our stockholders.

We cannot assure you that we will pay any dividends.

There can be no assurance that we will have sufficient surplus under Delaware law to be able to pay any dividends. This may result from extraordinary cash expenses, actual expenses exceeding contemplated costs, funding of capital expenditures, or increases in reserves. If we do not pay dividends, the price of our common stock that you receive in the distribution must appreciate for you to receive a gain on your investment in Wyndham Worldwide. This appreciation may not occur.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in our public filings or other public statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other public statements. These forward-looking statements were based on various facts and were derived utilizing numerous important assumptions and other important factors, and changes in such facts, assumptions or factors could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans," "may increase," "may fluctuate" and similar expression or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward looking in nature and not historical facts. You should understand that the following important factors could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- terrorist attacks, such as the September 11, 2001 terrorist attacks, may negatively affect the travel industry, result in a disruption in our business and adversely affect our financial results;
- adverse developments in general business, economic and political conditions or any outbreak or escalation of hostilities on a national, regional or international basis;
- competition in our existing and future lines of business, and the financial resources of competitors;
- our failure to comply with regulations and any changes in laws and regulations, including hospitality, vacation rental and vacation ownership-related regulations, telemarketing regulations, privacy policy regulations and state, federal and international tax laws;
- seasonal fluctuation in the travel business;
- local and regional economic conditions that affect the travel and tourism industry;
- our failure to complete future acquisitions or to realize anticipated benefits from completed acquisitions;
- actions by our franchisees that could harm our business;
- our inability to access the capital and/or the asset-backed markets on a favorable basis;
- the loss of any of our senior management;
- risks inherent in operating in foreign countries, including exposure to local economic conditions, government regulation, currency restrictions and other restraints, changes in tax laws, expropriation, political instability and diminished ability to legally enforce our contractual rights;
- our failure to provide fully integrated disaster recovery technology solutions in the event of a disaster or other business interruption;
- the final resolutions or outcomes with respect to Cendant's contingent and other corporate liabilities and any related actions for indemnification made pursuant to the Separation and Distribution Agreement;
- a failure by Cendant to complete the sale of Travelport, to receive gross cash proceeds of $4,300 million (which purchase price is subject to adjustment) or to contribute to us all or a portion of the $760 million of such proceeds that we expect to receive;
- our inability to operate effectively as a stand-alone, publicly traded company; and
- the costs associated with becoming compliant with the Sarbanes-Oxley Act of 2002 and the consequences of failing to implement effective internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002 by the date that we must comply with that section of the Sarbanes-Oxley Act.

Other factors not identified above, including the risk factors described in the "Risk Factors" section of this information statement, may also cause actual results to differ materially from those projected by our forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond our control.

You should consider the areas of risk described above, as well as those set forth under the heading "Risk Factors" above, in connection with considering any forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless we are required to do so by law.

THE SEPARATION

General

On October 23, 2005, the Board of Directors of Cendant preliminarily approved a plan to separate Cendant into four independent, publicly traded companies—one for each of Cendant's Hospitality Services (including Timeshare Resorts), Real Estate Services, Travel Distribution Services and Vehicle Rental businesses. As preliminarily approved, the separation was to occur through distributions to Cendant stockholders of all of the shares of common stock of three subsidiaries of Cendant that hold or will hold the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of the businesses other than the Vehicle Rental business which will remain after the distributions.

After preliminarily approving the separation plan, the Cendant Board established a separation committee of its Board to meet regularly to assist with and oversee the separation process. The members of the separation committee are Robert W. Pittman, Martin L. Edelman and Sheli Z. Rosenberg.

Since October 23, 2005, the Cendant Board and the separation committee met numerous times with and without members of Cendant's senior management team to discuss the separation. In these meetings, the Cendant Board and the separation committee considered, among other things, the benefits to the businesses and to Cendant stockholders that are expected to result from the separation (see "—Reasons for the Separation"), the capital allocation strategies and dividend policies for the separated companies, the allocation of Cendant's existing assets, liabilities and businesses among the separated companies, the terms of certain commercial relationships among the separated companies that will exist following the separation, the corporate governance arrangements that will be in place at each company following the separation and the appropriate members of senior management at each company following the separation.

On April 24, 2006, Cendant announced that as an alternative to distributing shares of Travelport to Cendant stockholders, Cendant was also exploring the sale of Travelport. On June 30, 2006, Cendant entered into an agreement to sell Travelport to an affiliate of the Blackstone Group for $4,300 million in cash. Cendant expects the sale of Travelport to close in August 2006, subject to the satisfaction and/or waiver of certain conditions contained in the Travelport purchase agreement, and, promptly following the completion of such sale, Cendant will be obligated, pursuant to the Separation and Distribution Agreement, to contribute a significant portion of the cash proceeds from such sale to us and Realogy.

In furtherance of this plan, on [ ], 2006, the Cendant Board approved the distributions of all of the shares of our and Realogy's common stock held by Cendant to holders of Cendant common stock. The distributions of the shares of our common stock are being made in furtherance of the separation plan. On [ ], 2006, the distribution date, each Cendant stockholder will receive one share of our common stock (and a related preferred stock purchase right) for every five shares of Cendant common stock and one share of Realogy's common stock (and a related preferred stock purchase right) for every four shares of Cendant common stock held at the close of business on the record date, as described below. Following the distribution, Cendant stockholders will own 100% of our and Realogy's common stock. You will not be required to make any payment, surrender or exchange your shares of Cendant common stock or take any other action to receive your shares of our and Realogy's common stock. In connection with the plan of separation, it is expected that Cendant will change its name to Avis Budget Group, Inc.

Furthermore, the distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see "—Conditions to the Distribution."

Internal Reorganization Prior to Our Distribution

Prior to our distribution, Cendant will implement an internal reorganization that will result in Wyndham Worldwide, a Delaware corporation and an already-existing, wholly owned subsidiary of Cendant, holding the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of Cendant's Hospitality Services (including Timeshare Resorts) businesses.

The Number of Shares You Will Receive

For every five shares of Cendant common stock that you owned at the close of business on [ ], 2006, the record date, you will receive one share of our common stock (and a related preferred stock purchase right) on the distribution date. Cendant will not distribute any fractional shares of our common stock to its stockholders. Instead, the distribution agent will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate net cash proceeds of the sales pro rata (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the distribution. The distribution agent, in its sole discretion, without any influence by Cendant or us, will determine when, how, through which broker-dealer and at what price to sell the whole shares. Any broker-dealer used by the distribution agent will not be an affiliate of either Cendant or us. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.

When and How You Will Receive the Dividend

Cendant will distribute the shares of our common stock on [ ], 2006, the distribution date. Mellon Investor Services, which currently serves as the transfer agent and registrar for Cendant's common stock, will serve as transfer agent and registrar for our common stock and as distribution agent in connection with the distribution.

If you own Cendant common stock as of the close of business on the record date, the shares of Wyndham Worldwide common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Registration in book-entry form refers to a method of recording stock ownership when no physical share certificates are issued to stockholders, as is the case in this distribution. **If you sell shares of Cendant common stock in the "regular-way" market up to and including through the distribution date, you will be selling your right to receive shares of our common stock in the distribution.**

Commencing on or shortly after the distribution date, if you hold physical stock certificates that represent your shares of Cendant common stock and you are the registered holder of the Cendant shares represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of our common stock that have been registered in book-entry form in your name. If you have any questions concerning the mechanics of having shares of our common stock registered in book-entry form, we encourage you to contact Mellon Investor Services at the address set forth on page 23 of this information statement.

Most Cendant stockholders hold their shares of Cendant common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your Cendant common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of our common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares of our common stock held in "street name," we encourage you to contact your bank or brokerage firm.

Mellon Investor Services, as distribution agent, will not deliver any fractional shares of our common stock in connection with the distribution. Instead, Mellon Investor Services will aggregate all fractional shares and sell them on behalf of the holders who otherwise would be entitled to receive fractional shares. The aggregate net cash proceeds of these sales, which generally will be taxable for U.S. federal income tax purposes, will be distributed pro rata (based on the fractional shares such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the distribution. See "—Certain U.S. Federal Income Tax Consequences of the Distribution" below for an explanation of the tax consequences of the distribution. If you physically hold Cendant common stock certificates and are the registered holder, you will receive a check from the distribution agent in an amount equal to your pro rata share of the aggregate net cash

proceeds of the sales. We estimate that it will take approximately two weeks from the distribution date for the distribution agent to complete the distributions of the aggregate net cash proceeds. If you hold your Cendant stock through a bank or brokerage firm, your bank or brokerage firm will receive on your behalf your pro rata share of the aggregate net cash proceeds of the sales and will electronically credit your account for your share of such proceeds.

Results of the Separation

After our separation from Cendant, we will be a separate, publicly traded company. Immediately following the distribution, we expect to have approximately 7,769 stockholders of record, based on the number of registered stockholders of Cendant common stock on June 29, 2006, and approximately 200 million shares of our common stock outstanding. The actual number of shares to be distributed will be determined on the record date and will reflect any exercise of Cendant options between the date the Cendant Board declares the dividend for the distribution and the record date for the distribution.

Before our separation from Cendant, we will enter into a Separation and Distribution Agreement and several other agreements with Cendant's other businesses to effect the separation and provide a framework for our relationships with Cendant's other businesses after the separation. These agreements will govern the relationship among us, Cendant, Realogy and Travelport subsequent to the completion of the separation plan and provide for the allocation among us, Cendant, Realogy and Travelport of Cendant's assets, liabilities and obligations (including employee benefits and tax-related assets and liabilities) attributable to periods prior to our separation from Cendant. The Separation and Distribution Agreement, in particular, requires Wyndham Worldwide to assume certain of Cendant's contingent and other corporate liabilities and establishes the amount of the debt that each separated company will initially incur to repay Cendant's corporate debt and, in the case of Travelport only, to repay other corporate obligations and to fund the actual and estimated cash expenses borne by Cendant relating to the separation.

For a more detailed description of these agreements, see "Certain Relationships and Related Party Transactions," included elsewhere in this information statement.

The distribution will not affect the number of outstanding shares of Cendant common stock or any rights of Cendant stockholders.

Incurrence of Debt

Under the Separation and Distribution Agreement, we, Realogy and Travelport have agreed to take certain actions so that we, Realogy and Travelport, and not Cendant, will bear economic responsibility for general liabilities and obligations of Cendant (including costs and expenses and corporate indebtedness) other than those that relate primarily to Cendant's Vehicle Rental business. To effect this arrangement, each of us, Realogy and Travelport anticipate entering into, borrowing facilities at the time of or, in the case of Travelport, prior to its respective separation from Cendant, the cash proceeds of which will be transferred to Cendant to repay Cendant's corporate debt and, with respect to the amount transferred by Travelport, to repay other corporate obligations and to fund the actual and estimated cash expenses borne by Cendant relating to the separation. For these purposes, Realogy is expected to borrow approximately $2,225 million at the time of its separation and we expect to borrow approximately $1,360 million at the time of our separation. The allocation of debt among the parties was based upon estimates of the relative future ability of each party to service its debt, each party's ability to maintain acceptable debt ratings and the possibility that Travelport may be sold rather than separated. We anticipate that Cendant will repay its corporate indebtedness at or around the time of our separation.

The Separation and Distribution Agreement provides for an adjustment in the amount of indebtedness we will incur in connection with our separation in the event that the sum of the borrowings transferred by us, Realogy and Travelport to Cendant, together with the cash at Cendant then available to be utilized to repay its

corporate debt, is less than or more than the amount necessary to enable Cendant to make the Separation Payments. Any insufficiency resulting from comparing the sum of the borrowings transferred by us, Realogy and Travelport to Cendant, together with the cash at Cendant then available to be utilized to repay its corporate debt, to the amount necessary to enable Cendant to make the Separation Payments will result in an upward adjustment to the amount of indebtedness allocated to Travelport to the extent that Travelport is able to obtain such additional debt financing on commercially reasonable terms; as a result, such additional amount of Travelport indebtedness will be repaid out of the proceeds of the Travelport sale (if such a sale is thereafter completed) and therefore will reduce the amount of residual proceeds available for distribution to us and Realogy (see "Certain Relationships and Related Party Transactions—Agreements with Cendant, Realogy and Travelport—Separation and Distribution Agreement"). Any additional insufficiency beyond the additional amount of indebtedness that Travelport could incur on commercially reasonable terms will be satisfied through the incurrence of additional indebtedness by us equal to such remaining insufficiency up to $100 million, and we will transfer such additional amounts to Cendant. To the extent the remaining insufficiency is in excess of $100 million, we and Realogy would be required to incur additional indebtedness equal to 37.5% and 62.5%, respectively, of such excess and transfer such amounts to Cendant. In the event that the borrowings transferred by us, Realogy and Travelport, together with Cendant's cash, result in an excess in the amounts necessary to enable Cendant to make the Separation Payments, measured at the time of our separation, then such excess (a "priority excess") will be allocated between us and Realogy in the manner described in the next paragraph below.

Any cash costs and expenses related to the plan of separation incurred by Cendant following the date of the adjustment described above that have not otherwise been included in the estimated costs and expenses through the completion of the plan of separation for the purposes of the adjustment will be treated as contingent liabilities under the Separation and Distribution Agreement and therefore borne 37.5% by us and 62.5% by Realogy (or if the sale of Travelport is not completed, we will assume 30%, Realogy will assume 50% and Travelport will assume 20%). If the amount of cash costs and expenses estimated to be incurred prior to the completion of the plan of separation for the above-described adjustment exceeds the actual cash costs and expenses incurred by Cendant, such excess (a "Cendant excess amount") will be allocated in the following manner: (i) in the event that a priority excess exists, all or a portion of the Cendant excess amount will be allocated to us and Realogy on a 37.5% and 62.5% basis, respectively, up to the amount of the priority excess and (ii) any remaining Cendant excess amount will be treated as a contingent asset to which we will be entitled to 37.5% and Realogy will be entitled to 62.5% (or if the sale of Travelport is not completed, we will be entitled to 30%, Realogy will be entitled to 50% and Travelport will be entitled to 20%).

In addition, following the completion of the sale of Travelport, Cendant will be obligated, pursuant to the Separation and Distribution Agreement, to contribute a significant portion of the cash proceeds from such sale to us and Realogy. Assuming Cendant receives $4,300 million in gross cash proceeds from such sale and contributes to us approximately $760 million from such sale, we estimate that the approximately $1,360 million of indebtedness we expect to incur at the time of our separation would be reduced to approximately $600 million. The actual amount of our remaining indebtedness may be more or less than the amount provided above depending on various adjustments, including, without limitation, purchase price adjustments based on the levels of cash, working capital and certain other expenses at Travelport at the time of its sale, the application of sale proceeds that have priority over contributions to us and the amount outstanding at the time of our distribution under Cendant's asset-linked facility relating to certain assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses (for a detailed description of the use of proceeds from the sale of Travelport, see "Certain Relationships and Related Party Transactions—Agreements with Cendant, Realogy and Travelport—Separation and Distribution Agreement").

Certain U.S. Federal Income Tax Consequences of the Distribution

The following is a summary of certain U.S. federal income tax consequences of the distribution. This summary is based on the Code, Treasury regulations promulgated thereunder and on judicial and administrative interpretations of the Code, all as in effect on the date of this information statement, and is subject to changes in

these or other governing authorities, any of which may have a retroactive effect. This summary assumes that the distribution will be consummated in accordance with the Separation and Distribution Agreement and as described in this information statement. This summary is for general information only and does not purport to be a complete description of the consequences of the distribution nor does it address the effects of any state, local or foreign tax laws on the distribution. The tax treatment of a Cendant stockholder may vary depending upon that stockholder's particular situation, and certain stockholders (including, but not limited to, insurance companies, tax-exempt organizations, financial institutions, broker-dealers, partners in partnerships that hold stock in Cendant, pass-through entities, traders in securities who elect to apply a mark-to-market method of accounting, stockholders who hold their Cendant stock as part of a "hedge," "straddle," "conversion," or "constructive sale transaction," individuals who received Cendant common stock upon the exercise of employee stock options or otherwise as compensation and non-U.S. stockholders) may be subject to special rules not discussed below. The summary assumes that the Cendant stockholders hold their Cendant common stock as capital assets within the meaning of Section 1221 of the Code.

Each stockholder is urged to consult its tax advisor as to the specific tax consequences of the distribution to that stockholder, including the effect of any state, local or foreign tax laws and of changes in applicable tax laws.

The distribution is conditioned upon Cendant's receipt of an opinion of Skadden, Arps, Slate, Meagher & Flom LLP substantially to the effect that the distribution, together with certain related transactions, should qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code. The opinion of Skadden Arps will be based on, among other things, certain assumptions as well as on the accuracy of certain factual representations and statements that we and Cendant make to Skadden Arps. In rendering its opinion, Skadden Arps also will rely on certain covenants that we and Cendant enter into, including the adherence by Cendant and us to certain restrictions on our future actions.

If any of the representations or statements that we or Cendant make are, or become, inaccurate or incomplete, or if we or Cendant breach any of our covenants, the distribution, together with certain related transactions, might not qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code. You should note that Cendant does not intend to seek a ruling from the IRS as to the U.S. federal income tax treatment of the distribution. The opinion of Skadden Arps is not binding on the IRS or a court, and there can be no assurance that the IRS will not challenge the validity of the distribution and related transactions as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code or that any such challenge ultimately will not prevail.

The Distribution

Assuming that the distribution, together with certain related transactions, qualifies as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, the following describes certain U.S. federal income tax consequences to us, Cendant and Cendant stockholders:

- neither we nor Cendant will recognize any gain or loss upon the distribution of Wyndham Worldwide common stock and no amount will be includible in our income or that of Cendant as a result of the distribution, and certain related transactions, other than taxes arising out of internal restructurings undertaken in connection with the separation and with respect to any "excess loss account" or "intercompany transaction" required to be taken into account by Cendant under Treasury regulations relating to consolidated federal income tax returns;
- a Cendant stockholder will not recognize income, gain, or loss as a result of the receipt of our common stock pursuant to the distribution, except with respect to any cash received in lieu of fractional shares of our common stock;
- a Cendant stockholder's tax basis in such stockholder's Cendant common stock and in our common stock received in the distribution (including any fractional share interest in our common stock for which

cash is received) will equal such stockholder's tax basis in its Cendant common stock immediately before the distribution, allocated between the Cendant common stock and our common stock (including any fractional share interest of our common stock for which cash is received) in proportion to their relative fair market values on the date of the distribution;

- a Cendant stockholder's holding period for our common stock received in the distribution (including any fractional share interest of our common stock for which cash is received) will include the holding period for that stockholder's Cendant common stock; and
- a Cendant stockholder who receives cash in lieu of a fractional share of our common stock in the distribution will be treated as having sold such fractional share for cash, and will generally recognize capital gain or loss in an amount equal to the difference between the amount of cash received and the Cendant stockholder's adjusted tax basis in the fractional share. That gain or loss will be long-term capital gain or loss if the stockholder's holding period for its Cendant common stock exceeds one year.

U.S. Treasury regulations require certain Cendant stockholders who receive our common stock in the distribution to attach their U.S. federal income tax returns for the year in which the stock is received a detailed statement setting forth such data as may be appropriate to demonstrate the applicability of Section 355 of the Code to the distribution. Within a reasonable period of time after the distribution, Cendant will provide to our stockholders, either directly or through our stockholders' banks or brokerage firms, the information necessary to comply with this requirement.

Certain U.S. Federal Income Tax Consequences if the Distribution Were Taxable

An opinion of counsel represents counsel's best legal judgment and is not binding on the IRS or any court. If the IRS were to assert successfully that the distribution was taxable, the above consequences would not apply and both Cendant and holders of Cendant common stock who received shares of our common stock in the distribution could be subject to tax, as described below. In addition, future events that may or may not be within Cendant's or our control, including extraordinary purchases of Cendant common stock or our common stock, could cause the distribution not to qualify as tax free to Cendant and/or holders of Cendant common stock. Depending on the circumstances, we may be required to indemnify Cendant for some or all of the taxes and losses resulting from the distribution and certain related transactions not qualifying as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code. See "Certain Relationships and Related Party Transactions—Agreements with Cendant, Realogy and Travelport—Tax Sharing Agreement."

If the distribution were to fail to qualify as a reorganization, then:

- Cendant would recognize gain in an amount equal to the excess of the fair market value of Wyndham Worldwide common stock on the date of the distribution distributed to Cendant stockholders (including any fractional shares sold on behalf of the stockholder) over Cendant's adjusted tax basis in our stock;
- each Cendant stockholder who received Wyndham Worldwide common stock in the distribution would be treated as having received a taxable distribution in an amount equal to the fair market value of such stock (including any fractional shares sold on behalf of the stockholder) on the distribution date. That distribution would be taxable to the stockholder as a dividend to the extent of Cendant's current and accumulated earnings and profits. Any amount that exceeded Cendant's earnings and profits would be treated first as a non-taxable return of capital to the extent of the Cendant stockholder's tax basis in its Cendant common stock with any remaining amounts being taxed as capital gain;
- certain stockholders would be subject to additional special rules governing taxable distributions, such as those that relate to the dividends received deduction and extraordinary dividends; and
- a stockholder's tax basis in Wyndham Worldwide common stock received generally would equal the fair market value of Wyndham Worldwide common stock on the distribution date, and the holding period for that stock would begin the day after the distribution date. The holding period for the stockholder's Cendant common stock would not be affected by the fact that the distribution was taxable.

Even if the distribution, together with certain related transactions, otherwise qualifies as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, it could be taxable to Cendant under Section 355(e) of the Code if one or more persons were to acquire directly or indirectly stock representing a 50% or greater interest by vote or value, in Cendant or us during the four-year period beginning on the date which is two years before the date of the distribution, as part of a plan or series of related transactions that includes the distribution. If such an acquisition of our stock or Cendant's stock were to trigger the application of Section 355(e), Cendant would recognize taxable gain as described above, but the distribution would be tax-free to each Cendant stockholder.

In connection with the distribution, we, Cendant and the other separated companies will enter into a Tax Sharing Agreement pursuant to which we and the other separated companies each will agree to be responsible for certain liabilities and obligations following the distribution. Our indemnification obligations will include a covenant to indemnify Cendant for any losses that it and its subsidiaries incur as a result of any action, misrepresentation or omission by us or one of our subsidiaries that causes the distribution of our common stock by Cendant to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)D and 355 of the Code. We also will be responsible for 37.5% (or 30% if the sale of Travelport is not completed) of any taxes resulting from the failure of the distribution, together with certain related transactions, to qualify as such a reorganization for U.S. federal income tax purposes, which failure is not due to the actions, misrepresentations or omissions of us, any of the other separated companies or our respective subsidiaries. In addition, even if we were not contractually required to indemnify Cendant for tax liabilities if the distribution, together with certain related transactions, were to fail to qualify as such a reorganization for U.S. federal income tax purposes, we nonetheless could be legally liable under applicable tax law for such liabilities if Cendant were to fail to pay them. See "Certain Relationships and Related Party Transactions—Agreements with Cendant Corporation, Realogy and Travelport—Tax Sharing Agreement" for a more detailed discussion of the Tax Sharing Agreement between Cendant and us.

The foregoing is a summary of certain U.S. federal income tax consequences of the distribution under current law and is for general information only. The foregoing does not purport to address all U.S. federal income tax consequences or tax consequences that may arise under the tax laws of other jurisdictions or that may apply to particular categories of stockholders. Each Cendant stockholder should consult its tax advisor as to the particular tax consequences of the distribution to such stockholder, including the application of U.S. federal, state, local and foreign tax laws, and the effect of possible changes in tax laws that may affect the tax consequences described above.

Market for Common Stock

There is currently no public market for our common stock. A condition to the distribution is the listing on the NYSE of our common stock. We have applied to list our common stock on the NYSE under the symbol "WYN."

Trading Between the Record Date and Distribution Date

Beginning on or shortly before the record date and continuing up to and including through the distribution date, there will be two markets in Cendant common stock: a "regular-way" market and an "ex-distribution" market. Shares of Cendant common stock that trade on the regular way market will trade with an entitlement to shares of our common stock distributed pursuant to the distribution. Shares that trade on the ex-distribution market will trade without an entitlement to shares of our common stock distributed pursuant to the distribution. Therefore, if you sell shares of Cendant common stock in the "regular-way" market up to and including through the distribution date, you will be selling your right to receive shares of Wyndham Worldwide common stock in the distribution. If you own shares of Cendant common stock at the close of business on the record date and sell those shares on the "ex-distribution" market up to and including through the distribution date, you will still receive the shares of our common stock that you would be entitled to receive pursuant to your ownership of the shares of Cendant common stock.

Furthermore, beginning on or shortly before the record date and continuing up to and including through the distribution date, there will be a "when-issued" market in our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for shares of our common stock that will be distributed to Cendant stockholders on the distribution date. If you owned shares of Cendant common stock at the close of business on the record date, you would be entitled to shares of our common stock distributed pursuant to the distribution. You may trade this entitlement to shares of our common stock, without the shares of Cendant common stock you own, on the "when-issued" market. On the first trading day following the distribution date, "when issued" trading with respect to our common stock will end and "regular-way" trading will begin.

Conditions to the Distribution

We expect that the distribution will be effective on [ ], 2006, the distribution date, provided that, among other conditions described in this information statement, the following conditions shall have been satisfied or, if permissible under the Separation and Distribution Agreement, waived by Cendant:

- the SEC shall have declared effective our registration statement on Form 10, of which this information statement is a part, under the Exchange Act, and no stop order relating to the registration statement is in effect;
- all permits, registrations and consents required under the securities or blue sky laws of states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the distribution shall have been received;
- Cendant shall have received a legal opinion of Skadden, Arps, Slate, Meagher & Flom LLP substantially to the effect that the distribution, together with certain related transactions, should qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code;
- our entry into various new debt facilities with a syndicate of financial institutions, as described in "Description of Material Indebtedness";
- the listing of our common stock on the NYSE shall have been approved, subject to official notice of issuance;
- the Cendant Board shall have received an opinion from Duff & Phelps to the effect that we and Cendant each will be solvent and adequately capitalized immediately after the distribution and that Cendant has sufficient surplus under Delaware law to declare the dividend of Wyndham Worldwide common stock;
- the Cendant Board shall have received an opinion from Evercore to the effect that, as of the date of such opinion, the distribution is fair, from a financial point of view, to the stockholders of Cendant;
- all material government approvals and other consents necessary to consummate the distribution shall have been received;
- certain of our and our subsidiaries' credit facilities shall have been amended to permit our separation from Cendant; and
- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the distribution or any of the transactions related thereto, including the transfers of assets and liabilities contemplated by the Separation and Distribution Agreement, shall be in effect.

The fulfillment of the foregoing conditions does not create any obligation on Cendant's part to effect the distribution, and the Cendant Board has reserved the right, in its sole discretion, to amend, modify or abandon the distribution and related transactions at any time prior to the distribution date. Cendant has the right not to complete the distribution if, at any time, the Cendant Board determines, in its sole discretion, that the distribution is not in the best interests of Cendant or its stockholders or that market conditions are such that it is not advisable to separate the Hospitality Services (including Timeshare Resorts) businesses from Cendant.

Reasons for the Separation

The Cendant Board regularly reviews the various businesses that Cendant conducts to ensure that Cendant's resources are properly being put to use in a manner that is in the best interests of Cendant and its stockholders. Over the last several years, Cendant has achieved increased revenues and earnings. During that time, however, Cendant has found that any real or perceived negative issue at any one of its business units has usually obscured the performance of Cendant as a whole. To this end, the Cendant Board evaluated a number of strategic alternatives to increase value and concluded that a separation would be the most feasible and the most financially attractive approach. The Cendant Board believes that creating independent, focused companies and selling Travelport is the best way to unlock the full value of Cendant's businesses in both the short and long terms. There will be one company for each of Cendant's Hospitality Services (including Timeshare Resorts), Real Estate Services and Vehicle Rental businesses (and Travel Distribution Services if Travelport is not sold).

Cendant believes that the separation of its businesses provides each separated company, including us, with certain opportunities and benefits. The following are some of the opportunities and benefits that the Cendant Board considered in preliminarily approving the separation:

- Although there can be no assurance, Cendant believes that over time following the separation, the common stock of the publicly traded companies should have a higher aggregate market value, on a fully distributed basis and assuming the same market conditions, than if Cendant were to remain under its current configuration. The Cendant Board believes that such value increase in the common stock should enhance the value of equity-based compensation for each publicly traded company's employees and should permit each publicly traded company to effect future acquisitions with such common stock in a manner that preserves capital with less dilution of the existing stockholders' interests than would occur by issuing pre-distribution Cendant common stock, in each case resulting in a real and substantial benefit for the companies.
- The separation will allow the management of each separated company to design and implement corporate policies and strategies that are based primarily on the business characteristics of that company and to concentrate its financial resources wholly on its own operations.
- Each separated company will maintain a sharper focus on its core business and growth opportunities, which will allow each separated company to be better able to make the changes to its business necessary for each such company to respond to developments in the industry in which each company operates. In addition, after the separation, the businesses within each company will no longer need to compete internally for capital with businesses operating in other industries.
- Each separated company will have a capital structure designed to meet its needs. As an independent, publicly traded company, our capital structure is expected to facilitate the acquisitions (including, possibly, acquisitions using Wyndham Worldwide common stock as currency), joint ventures, partnerships and internal expansion that are important for us to remain competitive in our industry. Cendant believes that our stock should be an attractive acquisition currency for the typical seller of a business to us. Cendant believes that this should provide Wyndham Worldwide with the ability to finance acquisitions with equity in a manner that preserves capital with less dilution of its stockholders' interests than would occur by issuing pre-distribution Cendant common stock.
- The separation will provide investors with three (or four if Travelport is not sold) investment options that may be more attractive to investors than the investment option of one combined company and will provide investors with the opportunity to invest in each of the publicly traded companies individually. The Cendant Board believes that certain investors may want to invest only in companies that are focused on only one industry and that the demand for the publicly traded companies by such investors may increase the demand for each company's shares relative to the demand for Cendant's shares. The separation is intended to reduce the complexities surrounding investor understanding and give current investors in Cendant the ability to choose how to diversify their Cendant holdings.

- The separation will permit the creation of equity securities, including options and restricted stock units, for each of the publicly traded companies with a value that is expected to reflect more closely the efforts and performance of each company's management. Such equity securities should enable each publicly traded company to provide incentive compensation arrangements for its key employees that are directly related to the market performance of each company's common stock, and Cendant believes such equity-based compensation arrangements should provide enhanced incentives for performance and improve the ability for each company to attract, retain and motivate qualified personnel.

The Cendant Board considered a number of other potentially negative factors in evaluating the separation, including the decreased capital available for investment, the loss of synergies from operating as one company, potential disruptions to the businesses as a result of the separation, the potential impact of the separation on the anticipated credit ratings of the separated companies, risks associated with refinancing Cendant's debt, risks of being unable to achieve the benefits expected to be achieved by the separation and the reaction of Cendant stockholders to the separation, the risk that the plan of execution might not be completed and the one-time and on-going costs of the separation. The Cendant Board concluded that the potential benefits of the separation outweighed these factors.

In view of the wide variety of factors considered in connection with the evaluation of the separation and the complexity of these matters, the Cendant Board did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to the factors considered. The individual members of the Cendant Board likely may have given different weights to different factors.

The Cendant Board has received an opinion from Evercore to the effect that, as of the date of such opinion, the distribution of the shares of Wyndham Worldwide common stock is fair, from a financial point of view, to the stockholders of Cendant. In addition, the Cendant Board also has received an opinion from Duff & Phelps to the effect that Wyndham Worldwide and Cendant each will be solvent and adequately capitalized immediately after the distribution and that Cendant has sufficient surplus under Delaware law to declare the dividends of Wyndham Worldwide and Realogy common stock.

Opinion of Evercore Group L.L.C.

On June 26, 2006, Evercore delivered its oral opinion to the Cendant Board, which opinion was subsequently confirmed in writing, that the distribution of the shares of Wyndham Worldwide common stock to the holders of shares of Cendant common stock was fair, from a financial point of view, to such holders. Evercore provided the fairness opinion for the information and assistance of the Cendant Board in connection with the Board's consideration of whether to declare the distribution. In determining its conclusion of fairness, Evercore evaluated the merits of the distribution relative to the alternative of preserving the status quo. The fairness opinion does not constitute a recommendation to any Cendant stockholder as to how such holder should respond to the distribution and therefore does not constitute a recommendation as to whether such holder should hold or sell shares of Cendant common stock or shares of Wyndham Worldwide common stock. A copy of the fairness opinion that Evercore delivered to the Cendant Board is attached to this information statement as Annex A. Stockholders are encouraged to read the opinion in its entirety. The following is a summary of Evercore's opinion and the methodology that Evercore used to render its opinion.

For purposes of the fairness opinion and the analyses underlying the fairness opinion, Evercore assumed and relied upon, without assuming any responsibility for independent verification of, the accuracy and completeness of publicly available information and of the information supplied or otherwise made available to, discussed with or reviewed by Evercore. To enable Evercore to perform the analyses underlying the fairness opinion, members of Cendant's management provided Evercore with certain financial projections (including Cendant's outlook with respect to the long-term growth prospects of Cendant's businesses) relating to Cendant and Wyndham Worldwide. Evercore assumed that the financial projections were reasonably prepared on bases reflecting the best available estimates and good faith judgments of the future competitive, operating and regulatory

environments and financial performances of Cendant and Wyndham Worldwide. Additionally, Evercore relied upon the assessments of Cendant's management with respect to the business, operational and strategic risks, incremental costs and incremental cost savings arising from the distribution.

Evercore did not make or assume any responsibility for making any independent valuation or appraisal of the assets or liabilities of Cendant or any of its subsidiaries, and Evercore was not furnished with any such valuations or appraisals. In addition, Evercore did not evaluate the solvency or fair value of Cendant or any of its subsidiaries or of Wyndham Worldwide or any of its subsidiaries under any state or federal laws relating to bankruptcy, insolvency or similar matters. For the purposes of its analyses, Evercore assumed that the distribution, together with certain related transactions, would qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code and, accordingly, that, for U.S. federal income tax purposes: (x) no income, gain or loss would be recognized by Cendant stockholders as a result of the receipt of Wyndham Worldwide common stock pursuant to the distribution, except with respect to any cash received in lieu of fractional shares of Wyndham Worldwide common stock and (y) no gain or loss would be recognized by Cendant or Wyndham Worldwide upon the distribution of Wyndham Worldwide common stock and no amount would be includible in the income of Wyndham Worldwide or Cendant as a result of the distribution and certain related transactions other than taxes arising out of internal restructuring transactions undertaken in connection with the separation and with respect to any "excess loss account" or "intercompany transaction" required to be taken into account by Cendant under Treasury regulations relating to consolidated federal income tax returns which were assumed to be not in excess of the aggregate amounts estimated by the management of Cendant and provided to Evercore in connection with its analysis. Evercore assumed that all necessary governmental and regulatory and other approvals or consents (contractual or otherwise) for the distribution had been or would be timely obtained or made and that no restrictions would be imposed or costs incurred (other than costs in the amounts estimated by management of Cendant and provided to Evercore in connection with its analysis) that would have an adverse effect on Cendant and its subsidiaries or on Wyndham Worldwide and its subsidiaries following the distribution. Evercore further assumed that the distribution would comply with all applicable U.S. federal and state laws and foreign laws, including, without limitation, laws relating to the payment of dividends, bankruptcy, insolvency, reorganization, fraudulent conveyance, fraudulent transfer and other similar laws affecting the rights of creditors. Evercore is not a legal, regulatory, accounting or tax expert. Evercore assumed the accuracy and completeness of assessments by Cendant and its advisors with respect to legal, regulatory, accounting and tax matters.

Evercore was not authorized to solicit, and did not solicit, any proposals from any third parties for the acquisition of Cendant or Wyndham Worldwide, and Evercore did not make any determination as to whether any such proposals could be obtained if solicited. Other than the alternative of preserving the status quo, Evercore did not consider and therefore Evercore's fairness opinion does not address the relative merits of the distribution as compared to other business strategies that might have been available to Cendant and the underlying business decision of Cendant to proceed with the distribution.

Evercore's fairness opinion does not express any view as to the prices at which the shares of Cendant common stock or the shares of Wyndham Worldwide common stock will trade following the distribution. The actual values of and prices at which the shares of Cendant common stock and the shares of Wyndham Worldwide common stock will trade following the distribution will depend on a variety of factors including, without limitation, prevailing interest rates, dividend rates, market conditions, general economic conditions and other factors that generally influence the prices of securities. Evercore's fairness opinion does not address whether the aggregate market value of the outstanding shares of Cendant common stock and the outstanding shares of Wyndham Worldwide common stock following the distribution will exceed the aggregate market value of the outstanding shares of Cendant common stock at any time prior to the distribution or the aggregate market value of the outstanding shares of Cendant common stock in the absence of the distribution. The shares of Cendant common stock and the shares of Wyndham Worldwide common stock may, after the distribution, initially trade at prices below those at which they would trade on a fully distributed basis.

Evercore's fairness opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to Evercore as of, the date of delivery of the fairness opinion. It should be understood that subsequent developments may affect Evercore's fairness opinion and that Evercore does not have any obligation to update, revise or reaffirm its fairness opinion.

In arriving at its opinion, Evercore has, among other things (i) reviewed certain publicly available business and financial information relating to Cendant and Wyndham Worldwide that it deemed to be relevant; (ii) reviewed certain internal financial statements and other non-public financial and operating data relating to Cendant and Wyndham Worldwide that were prepared and furnished to Evercore by the management of Cendant; (iii) reviewed certain financial projections relating to Cendant and Wyndham Worldwide that were provided by and approved for use in connection with Evercore's opinion by the management of Cendant; (iv) discussed the past and current operations, financial projections and current financial condition of Cendant and Wyndham Worldwide with the management of Cendant; (v) compared certain financial information for Cendant and Wyndham Worldwide with similar information for other relevant companies the securities of which are publicly traded; (vi) reviewed the financial terms of certain publicly available transactions that Evercore deemed comparable to the distribution; (vii) reviewed the historical market prices and trading activity for the shares of Cendant common stock; (viii) reviewed the contemplated allocation of indebtedness and other liabilities to Cendant and Wyndham Worldwide following the distribution (including the potential allocation of proceeds arising from a sale of Travelport); (ix) reviewed a draft of the Form 10 registration statement filed by Wyndham Worldwide in connection with the distribution in substantially final form and assumed that its final form would not vary in any respect material to Evercore's analysis; and (x) performed other examinations and analyses and considered other factors that Evercore deemed appropriate.

Set forth below is a summary of the material information and analyses presented by Evercore to the Cendant Board in connection with rendering Evercore's opinion. The following summary, however, does not purport to be a complete description of the analyses performed by Evercore. The order in which the analyses are described and the results of these analyses do not represent the relative importance of or weight given to these analyses by Evercore. Except as otherwise noted, Evercore's analyses were based on market data as it existed on or before June 21, 2006, and are not necessarily indicative of current market conditions.

In connection with the delivery of its opinion, Evercore reviewed the stock price performance of Cendant common stock as compared to that of the S&P 500 index over the last five years. This analysis demonstrated that both Cendant and Cendant including the value received by Cendant stockholders in the spin-off of PHH Corporation have underperformed the S&P 500 index over the last one-, two-, three-, four- and five-year time periods. Evercore also reviewed the historical forward price / earnings multiple of Cendant common stock as compared to that of the S&P 500 index since 2001, and noted that Cendant has been valued at a discount to this index throughout the timeframe under consideration.

Evercore also analyzed the enterprise value / 2006 EBITDA multiples and the price / 2006 earnings multiples for selected publicly-traded companies that participate in the same industries as Wyndham Worldwide, Realogy, Travelport and Avis Budget Group. Evercore calculated the mean and median for the selected companies underlying each of the different industry groupings. Evercore noted that the mean P/E multiples for each of the underlying industry groupings were higher than Cendant's P/E multiple. Evercore also noted that the mean enterprise value to EBITDA multiples were higher for three of the four industry groupings than Cendant's comparable multiple, and that Dollar Thrifty Group, the only selected industry participant for Avis Budget, had a lower enterprise value to EBITDA multiple than Cendant. Evercore also compared selected Wall Street research analyst estimates for the sum-of-the-parts value for Cendant common stock to Cendant's current share price, and noted that each of the analysts have sum-of-the-parts values that were in excess of the current stock price.

Evercore also estimated the sum-of-the-parts value for Cendant common stock. This analysis included an estimate of the values for each of Wyndham Worldwide, Realogy, Travelport and Avis Budget Group, in each case assuming, among other things, that such securities were fully and widely distributed among investors and

subject only to normal trading activity. This analysis was based on enterprise value / 2006 EBITDA multiples and 2006 EBITDA estimates for Wyndham Worldwide, Realogy and Travelport, and a price / 2006 earnings multiple and 2006 net income estimate for Avis Budget Group. The analysis generally indicated that the sum-of-the-parts value was greater than the current market value for Cendant common stock.

Evercore also reviewed selected Wall Street research analyst commentary relating to the separation plan that has been published subsequent to the announcement of the plan. Additionally, Evercore compared the enterprise value / 2006 EBITDA multiple and the price / 2006 earnings multiple for Cendant using the stock price and financial projection estimates as of the day prior to the announcement of the separation plan (October 21, 2005), to the same multiples using the current stock price and current financial projection estimates. This analysis demonstrated that these valuation multiples for Cendant were higher in the current time period than prior to the announcement of the separation plan.

In addition, Evercore reviewed the 2006 revenue and EBITDA contribution by business unit for Cendant under its current configuration as compared to Cendant pro forma for the distribution and noted that Wyndham Worldwide would be expected to contribute approximately 19% of 2006 revenue and 29% of 2006 EBITDA if Cendant were to remain under its current configuration. Evercore also analyzed the leverage profile and estimated interest expense of Cendant as compared to Wyndham Worldwide, Realogy, Travelport and Avis Budget Group on standalone bases and in the aggregate and noted that the estimated 2006 interest expense costs for the standalone companies in aggregate are expected to be higher than for Cendant under its current configuration. Evercore also reviewed the proposed allocation of contingent and other corporate liabilities as part of the separation plan among Wyndham Worldwide, Realogy, Travelport and Avis Budget Group. Additionally, Evercore reviewed the recurring corporate overhead costs for Cendant under its current configuration as compared to that of the aggregate for Wyndham Worldwide, Realogy, Travelport and Avis Budget Group on standalone bases and noted that the expected costs for the standalone companies in aggregate are not materially higher than for Cendant under its current configuration. Evercore also reviewed the estimated non-recurring costs relating to the separation plan, which are expected to be approximately $1,100 million excluding approximately $100 million of accrued interest costs.

Evercore also compared Wyndham Worldwide's 2006 revenue, 2006 EBITDA, 2006 EBITDA margin and 2003-2005 EBITDA growth rates to the same statistics for the median of the S&P 500 index and selected publicly-traded companies that participate in the same industry as Wyndham Worldwide and noted that Wyndham Worldwide, as compared to the selected industry participants, generally has lower 2006 revenue and 2006 EBITDA, has similar 2006 EBITDA margins, and has similar 2003-2005 revenue and EBITDA growth rates. Evercore also compared the trading multiples for the median of the S&P 500 index to selected publicly-traded companies that participate in the same industry as Wyndham Worldwide, and noted that the selected industry participants trade at higher multiples, on average, than the S&P 500 index with respect to enterprise value / 2006 EBITDA, and price / 2006 earnings.

Evercore also performed an analysis of selected spin-off transactions, none of which were deemed directly comparable to the distribution. The analysis included all transactions where (i) the spin-off was announced after January 1, 2000, (ii) the spun-off company had an equity value greater than $1 billion, and (iii) 100% of the stock of the spun-off company was distributed in the transaction. Cendant's spin-off of PHH Corporation was one of the transactions considered in this analysis. The analysis generally indicated that the parent company common stock price outperformed the S&P 500 index, on average, on the day of announcement and for the period between announcement and the day of the spin-off, relative to the parent company common stock price prior to the announcement of the transaction. The analysis also generally indicated that the parent company common stock price and the fractional share of the spun-off company common stock price reflecting the spin-off ratio generally outperformed the S&P 500 index, on average, over the one month-, three month-, six month- and 12 month- periods following date of the spin-off, relative to the parent company common stock price prior to the announcement of the transaction. Evercore also noted that Cendant, and Cendant including the fractional share in PHH Corporation, underperformed the S&P 500 index throughout the measurement period.

As part of the precedent spin-off analysis, Evercore also reviewed the results of selected academic and Wall Street research analyst studies on the share price performance of both parent company common stock and spun-off company common stock over certain periods of time. These studies generally indicated, among other things, that the mean stock price performance of the parent company common stock and the spun-off company common stock outperformed selected control groups.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. No company utilized in Evercore's analysis as a comparison is directly comparable to Cendant or Wyndham Worldwide, and no precedent transaction is directly comparable to the distribution or the separation plan. Selecting portions of the analyses or of the summary described above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Evercore's opinion. In arriving at its fairness determination, Evercore considered the results of all the analyses performed and did not attribute any particular weight to any factor or analysis considered by it. Rather, Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses.

Cendant engaged Evercore to act as a financial advisor to the Cendant Board in connection with the distribution of shares of Wyndham Worldwide common stock to holders of Cendant common stock based on Evercore's qualifications, experience and reputation and Evercore's knowledge of Cendant's businesses. In addition, Evercore has been engaged by Cendant as an adviser in connection with other parts of the separation plan and the potential sale of Travelport. Evercore is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements and valuations for corporate and other purposes.

The Evercore engagement letter with Cendant provides that, for its services, Evercore is entitled to receive from Cendant a fee of $14.5 million payable in three equal installments, each of which is payable upon the consummation of a distribution contemplated by the separation plan or, in the event that Travelport is sold rather than distributed, upon the closing of such sale. Evercore will also receive a fee, the amount of which is not yet determined, which will replace the fee. In 2005, Evercore received a $500,000 retainer fee from Cendant in connection with its engagement for this transaction. The engagement letter also provides that Evercore will be reimbursed for its reasonable expenses and be indemnified against certain liabilities arising out of Evercore's engagement.

Opinion of Duff & Phelps, LLC

Duff & Phelps, LLC was engaged by Cendant to provide to the Cendant Board a written opinion as to the sufficiency of the surplus of Cendant under Delaware law to make the distributions of Wyndham Worldwide common stock and Realogy common stock and as to the solvency and capitalization of each of Cendant, Wyndham Worldwide and Realogy after giving effect to the distributions. On October 23, 2005, Duff & Phelps made a presentation to the Cendant Board summarizing its preliminary conclusions, based on information available to Duff & Phelps as of October 23, 2005, with respect to the solvency and capitalization of each of Cendant, Wyndham Worldwide and Realogy and with respect to the surplus of Cendant. On June 26, 2006, Duff & Phelps made a definitive presentation to the Cendant Board and delivered a written opinion to the Cendant Board to the effect that:

(1) Immediately prior to the distributions, Cendant would have adequate surplus under Delaware General Corporation Law to effect the distributions, and

(2) After giving effect to the distributions, Cendant, Wyndham Worldwide and Realogy would be solvent and adequately capitalized.

Duff & Phelps' opinion is attached to this information statement as Annex B. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review

undertaken by Duff & Phelps in connection with the opinion. You should read the opinion carefully and in its entirety. Duff & Phelps' opinion was delivered for the benefit of Cendant, Wyndham Worldwide and Realogy and their respective boards of directors.

In preparing its opinion, Duff & Phelps undertook a number of investigations and analyses that it deemed appropriate, including meetings with senior management regarding the history, current operations, future outlook and "contingent and other liabilities" of each of Cendant, Wyndham Worldwide and Realogy; analyses of financial, market and transaction information on public companies deemed comparable to each of Cendant, Wyndham Worldwide and Realogy and on transactions deemed comparable to the separation of each of Wyndham Worldwide and Realogy from Cendant; and a review of industry information and trends germane to each of Cendant's and Wyndham Worldwide's businesses. In addition, in preparing its opinion, Duff & Phelps reviewed Cendant's annual reports, filings with the SEC and audited and unaudited historical financial statements; certain internally prepared financial reports, including financial projections for Cendant, Wyndham Worldwide and Realogy; and presentations delivered to the Cendant Board by certain of Cendant's other financial advisors.

Duff & Phelps noted that its opinion was based on discussions with management of Cendant and Cendant's Hospitality Services (including Timeshare Resorts) and Real Estate Services businesses and on market conditions and the operating performance and financial condition of each of Cendant and Cendant's Hospitality Services (including Timeshare Resorts) and Real Estate Services businesses as such market conditions, operating performance and financial condition existed as of June 26, 2006. Duff & Phelps relied upon the accuracy and completeness of all of the financial, accounting, tax and other information discussed with Duff & Phelps or reviewed by Duff & Phelps and assumed such accuracy and completeness for purposes of expressing its opinion. In that regard, Duff & Phelps assumed with Cendant's consent, that certain internal analyses and forecasts for Cendant and Cendant's Hospitality Services (including Timeshare Resorts) and Real Estate Services businesses prepared by management of Cendant and Cendant's Hospitality Services (including Timeshare Resorts) and Real Estate Services businesses have been prepared on a basis reflecting the best currently available estimates and judgments of Cendant and Cendant's Hospitality Services (including Timeshare Resorts) and Real Estate Services businesses. Duff & Phelps noted that nothing has come to its attention in the course of its engagement by the Cendant Board which would lead Duff & Phelps to believe that any information provided to Duff & Phelps or assumptions made by Duff & Phelps are insufficient or inaccurate in any material respect or that it is unreasonable for Duff & Phelps to use and rely upon such information or make such assumptions. Duff & Phelps also noted that it did not make an independent evaluation or appraisal of the assets and liabilities, including "contingent and other liabilities," of Cendant and Cendant's Hospitality Services (including Timeshare Resorts) and Real Estate Services businesses and Duff & Phelps was not furnished with any such evaluation or appraisal.

Cendant specifically requested that Duff & Phelps determine whether, as of the date of the distributions and after giving effect to the distributions:

(1) The "fair saleable value" of the assets of each of Cendant, Wyndham Worldwide and Realogy, as applicable, exceeds the sum of its respective liabilities, including all contingent and other liabilities;

(2) The "present fair saleable value" of the assets of each of Cendant, Wyndham Worldwide and Realogy, as applicable, exceeds the amount that will be required to pay its respective probable liabilities, including all contingent and other liabilities, on its respective existing debts as such debts become absolute and matured;

(3) Each of Cendant, Wyndham Worldwide and Realogy, as applicable, will not have an unreasonably small amount of capital for the respective businesses in which it is engaged or is proposed to be engaged following the distribution, based on discussions with management of Cendant, Wyndham Worldwide and Realogy, as applicable;

(4) Each of Cendant, Wyndham Worldwide and Realogy, as applicable, will be able to pay its respective liabilities, including all "contingent and other liabilities," as they become absolute and matured;

(5) The fair saleable value of Cendant's assets exceeds the value of its liabilities, including all contingent and other liabilities, by an amount that is greater than its stated capital amount (pursuant to Section 154 of the Delaware General Corporation Law); and

(6) The sum of the assets of each of Cendant, Wyndham Worldwide and Realogy, as applicable, at fair valuation is greater than all its respective debts at fair valuation.

Under Delaware law, distributions may be paid out of surplus, which is defined under Delaware law as the excess, if any, at any given time, of the net assets of the corporation (which is the amount by which total assets exceeds total liabilities) over the amount of the corporation's capital. For the purposes of preparing its preliminary conclusions and final conclusions, Duff & Phelps defined the following terms and phrases as follows:

- "Fair saleable value" means the aggregate amount of net consideration (as of the date of Duff & Phelps' opinion), after giving effect to reasonable costs of sale or taxes, where the probable amount of any such taxes is disclosed to Duff & Phelps by Cendant, that could be expected to be realized from an interested purchaser by a seller, in an arm's-length transaction under present conditions in a current market for the sale of assets of a comparable business enterprise, where both parties are aware of all relevant facts and neither party is under any compulsion to act, where such seller is interested in disposing of the entire operation as a going concern, presuming the business will be continued in its present form and character, and with reasonable promptness, not to exceed one year.
- "Present fair saleable value" means the aggregate amount of net consideration (as of the date of Duff & Phelps' opinion) after giving effect to reasonable costs of sale or taxes, where probable amount of any such taxes is disclosed to Duff & Phelps by Cendant, that could be expected to be realized from an interested purchaser by a seller, in an arm's-length transaction under present conditions in a current market for the sale of assets of a comparable business enterprise, where both parties are aware of all relevant facts and neither party is under any compulsion to act, where such seller is interested in disposing of the entire operation as a going concern, presuming the business will be continued in its present form and character, and with reasonable promptness, not to exceed six months.
- "Liabilities, including all contingent and other liabilities" has the meanings that are generally determined in accordance with applicable federal laws governing determinations of the insolvency of debtors.
- "Contingent and other liabilities" means contingent and other liabilities as either publicly disclosed, set forth in written materials delivered to Duff & Phelps by Cendant, Wyndham Worldwide or Realogy or identified to Duff & Phelps by officers or representatives of Cendant, Wyndham Worldwide or Realogy.
- "Not have an unreasonably small amount of capital for the respective businesses in which it is engaged or is proposed to be engaged" and "able to pay its respective liabilities, including all 'contingent and other liabilities,' as they mature" means that Cendant, Wyndham Worldwide or Realogy, as applicable, will be able to generate enough cash from operations, planned asset dispositions, refinancing or a combination thereof to meet its respective obligations (including all contingent and other liabilities) as they become due.

For the purposes of preparing its opinion, Duff & Phelps conducted "balance sheet tests" to determine whether, as of the date of the distributions and after giving effect to the distributions, (i) the fair saleable value and the present fair saleable value, as applicable, of the assets of each of Cendant, Wyndham Worldwide and Realogy would exceed, as applicable, the sum of the respective liabilities, including all contingent and other liabilities, or the amount that would be required to pay its respective probable liabilities, including all contingent and other liabilities, on the respective existing debt of each of Cendant, Wyndham Worldwide and Realogy as such liabilities become absolute and matured; (ii) the sum of the assets of each of Cendant, Wyndham Worldwide and Realogy, as applicable, at fair valuation would be greater than the respective expected debts of each of Cendant, Wyndham Worldwide and Realogy at fair valuation; and (iii) the fair saleable value of the assets of Cendant would exceed the value of its liabilities, including all contingent and other liabilities, by an amount that

is greater than its stated capital amount pursuant to Section 154 of the Delaware General Corporation Law. Duff & Phelps has tailored the balance sheet tests so as to enable Duff & Phelps to reach a conclusion with respect to each of the determinations that Duff & Phelps has been requested to make. As the first part of a balance sheet test, Duff & Phelps used various methodologies, including a discounted cash flow analysis and an analysis of the trading multiples for comparable, public companies and companies involved in merger and acquisition transactions, to estimate the enterprise values of each of Cendant, Wyndham Worldwide and Realogy, as applicable. As the second part of a balance sheet test, Duff & Phelps compared the enterprise values of each of Cendant, Wyndham Worldwide and Realogy, as applicable, to the respective liabilities, including all contingent and other liabilities, expected to be allocated to each of Cendant, Wyndham Worldwide and Realogy, as applicable. As part of its opinion, Duff & Phelps determined that, based on information available to it on June 26, 2006, as of the date of the distributions and after giving effect to the distributions on the terms described to Duff & Phelps, each of Cendant, Wyndham Worldwide and Realogy, as applicable, would pass the balance sheet tests.

For the purposes of preparing its opinion, Duff & Phelps conducted "capital adequacy tests" to determine whether, after giving effect to the distributions, each of Cendant, Wyndham Worldwide and Realogy, as applicable, would not have an unreasonably small amount of capital for the respective businesses in which it is engaged or is proposed to be engaged following the consummation of the distributions, based on discussions with management of Cendant, Wyndham Worldwide or Realogy, as applicable. The capital adequacy test involves the analysis of detailed cash flow projections for each of Cendant, Wyndham Worldwide and Realogy and an analysis of the respective debt capacities and abilities to access the capital markets of each of Cendant, Wyndham Worldwide and Realogy to estimate current and projected sources of capital to operate its respective businesses and an analysis of current and projected capital needs of each of Cendant, Wyndham Worldwide and Realogy. As part of the capital adequacy test, Duff & Phelps compared the ability of each of Cendant, Wyndham Worldwide and Realogy to satisfy its respective current and projected, as applicable, capital needs from its respective current and projected, as applicable, capital sources. Duff & Phelps also compared the respective current and projected, as applicable, capital needs of each of Cendant, Wyndham Worldwide and Realogy to the capital needs of similar publicly traded companies.

For the purposes of preparing its opinion, Duff & Phelps conducted "cash flow tests" to determine whether, after giving effect to the distributions, each of Cendant, Wyndham Worldwide and Realogy would be able to pay its respective liabilities, including all contingent and other liabilities, as they become absolute and matured. As part of the cash flow tests, Duff & Phelps analyzed detailed cash flow projections of the payment of liabilities, including all contingent and other liabilities, by each of Cendant, Wyndham Worldwide and Realogy and analyzed the ability of each of Cendant, Wyndham Worldwide and Realogy to produce free cash flow, sell assets and access the capital markets to meet its respective liabilities. In addition, Duff & Phelps analyzed various cash flow coverage ratios based on the projections.

As part of both the cash flow and capital adequacy tests, Duff & Phelps conducted sensitivity analyses using financial assumptions that represent reasonable downside scenarios versus the base case financial assumptions that Duff & Phelps analyzed. Duff & Phelps compared the assumptions under these sensitivity analyses to company-specific or industry performance metrics under historical industry "shocks" or economic downturns. Based on these analyses, Duff & Phelps assessed the ability of each of Cendant, Wyndham Worldwide and Realogy to weather a future industry shock or economic downturn. As part of its opinion, Duff & Phelps concluded that, based on information available to Duff & Phelps on June 26, 2006, it is highly likely each of Cendant, Wyndham Worldwide and Realogy could weather a disruption or downturn in its respective businesses.

As part of its opinion, Duff & Phelps determined that, based on information available to it on June 26, 2006, after giving effect to the distributions on the terms described to Duff & Phelps, each of Cendant, Wyndham Worldwide and Realogy would pass the capital adequacy and cash flow tests.

The preparation of an opinion of the type described above is a complex process and is not necessarily susceptible to a summary description. Selecting portions of the summary set forth above, without considering the

summary as a whole, could create an incomplete view of the processes underlying Duff & Phelps' opinion. In addition, analyses underlying opinions of the type described above are based upon forecasts of future results and therefore are not necessarily indicative of actual future results or financial condition. Because such analyses, which are based upon numerous factors or events beyond the control of the parties or their respective advisors, are inherently subject to uncertainty, none of Cendant, Wyndham Worldwide, Realogy or Duff & Phelps or any other person assumes responsibility if future results or financial condition are different from those forecast.

Cendant selected Duff & Phelps to advise the Cendant Board on the above-described matters because Duff & Phelps is a nationally recognized, independent financial advisory firm that has substantial experience in providing fairness and solvency opinions in connection with transactions similar to the distributions.

Duff & Phelps has provided certain financial advisory services to Cendant and its affiliates from time to time in connection with certain financial reporting requirements for which services Duff & Phelps has received compensation. During the past two years, Cendant paid Duff & Phelps $507,000 (which excludes any amounts paid in connection with the separation as described below) for these services. Duff & Phelps also may provide certain services to Cendant, Wyndham Worldwide, Realogy and their respective affiliates in the future for which services Duff & Phelps expects to receive compensation.

The Duff & Phelps engagement letter with Cendant provides that, for its services, Duff & Phelps is entitled to receive from Cendant a fee of $1.2 million due and payable as follows: $200,000 upon execution of the engagement letter, $400,000 on October 31, 2005 and an aggregate of $600,000 (in three equal installments) upon notice that Duff & Phelps is prepared to deliver its respective opinions in connection with our distribution and the distributions of Realogy and Travelport (or, in the event of a sale of Travelport, upon the closing of such sale). The engagement letter also provides that Duff & Phelps be reimbursed for its reasonable out-of-pocket expenses and be indemnified against various liabilities.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to Cendant stockholders who are entitled to receive shares of Wyndham Worldwide common stock in the distribution. The information statement is not, and is not to be construed as, an inducement or encouragement to buy, hold or sell any of our securities. We believe that the information in this information statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither Cendant nor we undertake any obligation to update such information except in the normal course of our respective public disclosure obligations.

DIVIDEND POLICY

The declaration and payment of future dividends to holders of our common stock will be at the discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our businesses, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors that our Board deems relevant. There can be no assurance that we will continue to pay any dividend if we commence the payment of dividends.

CAPITALIZATION

The following table, which should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the combined historical financial statements and accompanying notes, included elsewhere in this information statement, sets forth our cash and cash equivalents, secured assets and combined capitalization as of March 31, 2006 on an historical basis and on a pro forma basis after giving effect to the following planned transactions:

- the contribution to Wyndham Worldwide of all the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of Cendant's Hospitality Services (including Timeshare Resorts) businesses,
- the planned distribution of our common stock to Cendant stockholders by Cendant (assuming a five to one distribution ratio) and the related transfer to us of certain corporate assets and liabilities (for which we are expected to assume approximately 30%) from Cendant (including those relating to unresolved tax and legal matters, which may not be resolved for several years),
- the borrowing arrangements for a total of $2,000 million, of which we intend to draw approximately $1,360 million; we expect to transfer the initial borrowings to Cendant for it to repay the then-outstanding balance of the asset-linked facility and to repay other corporate indebtedness of Cendant,
- the funding of $11 million of estimated financing costs to be incurred in connection with the above planned borrowings, and
- estimated liabilities of $31 million to reflect the estimated fair value of guarantees provided to Cendant and affiliates in connection with the separation in excess of our portion of the corporate liabilities allocated to Wyndham Worldwide from Cendant's balance sheet.

In addition, such financial data also reflects an adjustment eliminating intercompany balances approximating $1,159 million due from Cendant.

The following Separation Pro Forma amounts have been further adjusted to give effect to the following post separation adjustments for the sale of Travelport, which transaction is expected to close following our separation from Cendant:

- reduction in outstanding borrowings from approximately $1,360 million to approximately $600 million which reflects the application of the proceeds expected to be received by Wyndham Worldwide from Cendant's sale of Travelport,
- reduction in debt financing costs of $2 million due to lower anticipated outstanding borrowings,
- increase in the amount of certain contingent and other corporate liabilities of Cendant being assumed by us, guarantees provided to Cendant and affiliates and estimated incremental costs associated with continuing Cendant costs specific to certain legal matters due to the definitive sale agreement and an increase in the expected assumption rate from 30% to 37.5%, and
- reduced interest expense as a result of Travelport proceeds being utilized to repay a portion of our borrowings.

The pro forma adjustments are based upon available information and assumptions that we believe are reasonable; however, such adjustments are subject to change based upon the finalization of the terms of the separation and the underlying separation agreements. The pro forma adjustments do not reflect estimates for any contingent assets and liabilities that we may be entitled to receive upon either positive or negative resolution of certain unresolved matters.

	March 31, 2006		
	Historical	Separation Pro Forma	Travelport Sale Pro Forma
		(in millions)	
Cash and cash equivalents	$ 115	$ 104	$ 106
Secured assets[a]	$ 3,240	$ 1,897	$ 1,897
Securitized vacation ownership debt	$ 1,167	$ 1,167	$ 1,167
Other debt:			
Vacation ownership asset-linked debt	575	—	—
Bank borrowings			
Vacation ownership	104	104	104
Vacation rental	66	66	66
Vacation rental capital leases	141	141	141
Other	35	35	35
Revolving credit facility	—	260	260
Term loan	—	300	300
Interim loan facility	—	800	40
Total debt	2,088	2,873	2,113
Total invested equity[b]	5,063	2,826	3,464
Total capitalization	$ 7,151	$ 5,699	$ 5,577

(a) Represents the portion of vacation ownership contract receivables, other vacation ownership related assets, and other vacation exchange and rental assets that collateralize our outstanding secured obligations. The pro forma amount reflects a reduction associated with the expected repayment of the existing asset-linked facility of Cendant which will result in the corresponding assets no longer being secured.

(b) The pro forma amount reflects an adjustment primarily related to the elimination of intercompany balances due from Cendant, the expected transfer of funds to Cendant through planned issuances of debt and the assumption of certain Cendant corporate contingent and other liabilities.

SELECTED HISTORICAL COMBINED FINANCIAL DATA

The following table presents our selected historical combined financial data and operating statistics. The combined statement of income data for the three months ended March 31, 2006 and 2005 and the combined balance sheet data as of March 31, 2006 have been derived from our unaudited combined condensed financial statements, included elsewhere in this information statement. The combined statement of income data for each of the years in the three-year period ended December 31, 2005 and the combined balance sheet data as of December 31, 2005 and 2004 have been derived from our audited combined financial statements, included elsewhere in this information statement. The combined statement of income data for the years ended December 31, 2002 and 2001 and the combined balance sheet data as of December 31, 2003, 2002 and 2001 have been derived from unaudited combined financial statements that are not included in this information statement. Such unaudited combined financial statements have been prepared on the same basis as the audited combined financial statements and, in the opinion of our management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth in this information statement.

The selected historical combined financial data and operating statistics presented below should be read in conjunction with our combined financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this information statement. Our historical combined financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity during the periods presented, including changes that will occur in our operations and capitalization as a result of the separation and distribution from Cendant. Refer to "Unaudited Pro Forma Combined Condensed Financial Statements" for a further description of the anticipated changes.

	As of or For the Three Months Ended March 31,		As of or For the Year Ended December 31,				
	2006	2005	2005 As Restated	2004 As Restated	2003	2002	2001
				(in millions, except operating statistics)			
Statement of Income Data:							
Net revenues	$ 870	795	$ 3,471	$ 3,014	$ 2,652	$ 2,241	$ 1,556
Expenses	722	668	2,851	2,414	2,157	1,753	1,236
Operating income	148	127	620	600	495	488	320
Interest expense (income), net	(2)	2	(6)	13	(5)	(22)	(23)
Income before income taxes and minority interest	150	125	626	587	500	510	343
Provision (benefit) for income taxes	57	(5)	195	234	186	189	41
Minority interest, net of tax	—	—	—	4	15	13	—
Income before cumulative effect of accounting change	93	130	431	349	299	308	302
Cumulative effect of accounting change, net of tax	(65)	—	—	—	—	—	—
Net income	$ 28	$ 130	$ 431	$ 349	$ 299	$ 308	$ 302
Balance Sheet Data:							
Secured assets[a]	$ 3,240		$ 3,169	$ 2,811	$ 1,865	$ 142	$ —
Total assets	9,610		9,167	8,343	7,041	5,509	3,605
Total debt[b]	2,088		2,042	1,768	1,132	168	12
Total invested equity[c]	5,063		5,033	4,679	4,283	3,860	2,569
Operating Statistics:							
Lodging							
Weighted average rooms[d]	521,000	517,000	519,000	508,200	524,700	543,300	540,300
Number of properties[e]	6,300	6,400	6,300	6,400	6,400	6,500	6,600
RevPAR[f]	$ 30.45	$ 25.53	$ 31.00	$ 27.55	$ 25.92	$ 25.33	$ 26.81

	As of or For the Three Months Ended March 31,		As of or For the Year Ended December 31,				
	2006	2005	2005 As Restated	2004 As Restated	2003	2002	2001
			(in millions, except operating statistics)				
Vacation Exchange and Rental							
Average number of members [g]	3,292,000	3,148,000	3,209,000	3,054,000	2,948,000	2,885,000	2,736,000
Annual dues and exchange revenue per member [h]	$ 152.10	$ 159.12	$ 135.76	$ 134.82	$ 131.13	$ 124.82	$ 120.60
Vacation rental transactions [i]	385,000	367,000	1,300,000	1,104,000	882,000	691,000	478,000
Average price per vacation rental [j]	$ 677.49	$ 745.17	$ 690.03	$ 680.87	$ 599.25	$ 488.55	$ 373.79
Vacation Ownership [k]							
Gross vacation ownership interest sales [l] (in millions)	$ 357	$ 281	$ 1,396	$ 1,254	$ 1,146	$ 932	$ 441
Tours [m]	208,000	195,000	934,000	859,000	925,000	759,000	348,000
Volume Per Guest (VPG) [n]	$ 1,475	$ 1,349	$ 1,368	$ 1,287	$ 1,138	$ 1,158	$ 1,278

(a) Represents the portion of vacation ownership contract receivables, other vacation ownership related assets and other vacation exchange and rental assets that collateralize our debt. Refer to Note 6 to the Interim Combined Condensed Financial Statements and Note 12 to the Annual Combined Financial Statements for further information.
(b) Primarily represents debt related to secured assets.
(c) Represents Cendant's net investment (capital contributions and earnings from operations less dividends) in Wyndham Worldwide and accumulated other comprehensive income.
(d) Represents the weighted average number of hotels rooms available for rental for the year at lodging properties operated under franchise and management agreements.
(e) Represents the number of lodging properties operated under franchise and management agreements at the end of the year.
(f) Represents revenue per available room and is calculated by multiplying the percentage of available rooms occupied for the year by the average rate charged for renting a lodging room for one day.
(g) Represents members of our vacation exchange programs who pay annual membership dues. For additional fees, such participants are entitled to exchange intervals for intervals at other properties affiliated with our vacation exchange business. In addition, certain participants may exchange intervals for other leisure-related products and services.
(h) Represents total revenues from annual membership dues and exchange fees generated for the year divided by the average number of vacation exchange members during the year.
(i) Represents the gross number of transactions that are generated in connection with customers booking their vacation rental stays through us. In our European vacation rental businesses, one rental transaction is recorded each time a standard one-week rental is booked; however, in the United States one rental transaction is recorded each time a vacation rental stay is booked, regardless of whether it is less than or more than one week.
(j) Represents the gross rental price generated from renting vacation properties to customers divided by the number of rental transactions.
(k) Trendwest Resorts, Inc. was acquired on April 30, 2002 and Fairfield Resorts, Inc. was acquired on April 2, 2001. The results of operations have been included from the acquisition dates forward.
(l) Represents gross sales of vacation ownership interests, including tele-sales upgrades, which is a component of upgrade sales.
(m) Represents the number of tours taken by guests in our efforts to sell vacation ownership interests.
(n) Represents revenue per guest and is calculated by dividing the gross vacation ownership interest sales, excluding tele-sales upgrades, which is a component of upgrade sales, by the number of tours.

In presenting the financial data above in conformity with general accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources—Critical Accounting Policies," included elsewhere in this information statement for a detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

Between January 1, 2003 and March 31, 2006, we completed a number of acquisitions, the results of operations and financial position of which have been included beginning from the relevant acquisition dates. During this period, our acquisitions included the Wyndham Hotels and Resorts brand, Two Flags Joint Venture LLC, Ramada International, Landal GreenParks, Canvas Holidays Limited and FFD Development Company,

LLC. See Note 3 to the Annual Combined Financial Statements for a more detailed discussion of these acquisitions. In 2002, we acquired Trendwest Resorts, Inc., a marketer and seller of vacation ownership interests for $849 million, which resulted in $687 million of goodwill. In 2001, we acquired Fairfield Resorts, Inc., a marketer and seller of vacation ownership interests for $760 million, which resulted in $524 million of goodwill.

Additionally, on January 1, 2002, we adopted the non-amortization provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." Accordingly, our results of operations for 2001 include $39 million of amortization expense related to goodwill and indefinite-lived intangible assets, while our results of operations for the three months ended March 31, 2006 and March 31, 2005 and the years ended December 31, 2005, 2004, 2003 and 2002 do not reflect such amortization.

We incurred restructuring charges of $41 million in 2001, which primarily consisted of various strategic initiatives generally aimed at improving the overall level of organizational efficiency, consolidating and rationalizing existing processes, and reducing cost structures in our lodging and vacation exchange and rental businesses. We incurred charges of $14 million in 2005 as a result of our commitment to various strategic initiatives targeted principally at reducing costs, enhancing organizational efficiency and consolidating and rationalizing existing processes and facilities within our vacation exchange and rental business.

During first quarter 2006, we recorded a non-cash charge of $65 million, after tax, to reflect the cumulative effect of accounting changes as a result of our adoption of SFAS No. 152, "Accounting for Real Estate Time-Sharing Transactions" on January 1, 2006. See Note 1 to the Interim Combined Condensed Financial Statements for further details.

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

The following Unaudited Pro Forma Combined Condensed Balance Sheet as of March 31, 2006 and the Unaudited Pro Forma Combined Condensed Statement of Income for the three months ended March 31, 2006 have been derived from our unaudited combined condensed financial statements included elsewhere in this information statement. The Unaudited Pro Forma Combined Condensed Statement of Income for the year ended December 31, 2005 has been derived from our combined financial statements included elsewhere in this information statement.

The following unaudited pro forma financial statements have been adjusted to give effect to the following planned transactions:

- the contribution to Wyndham Worldwide Corporation of all the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of Cendant's Hospitality Services (including Timeshare Resorts) businesses,
- the planned distribution of our common stock to Cendant stockholders by Cendant (assuming a five to one distribution ratio) and the related transfer to us from Cendant of certain corporate assets and liabilities of Cendant (including certain corporate assets and liabilities for which we are expected to assume approximately 30%) (including those relating to unresolved tax and legal matters, which may not be resolved for several years),
- the borrowing arrangements for a total of $2,000 million, of which we intend to draw approximately $1,360 million; we expect to transfer the initial borrowings to Cendant for it to repay the then-outstanding balance of the asset-linked facility and to repay other corporate indebtedness of Cendant.
- the funding of $11 million of estimated financing costs to be incurred in connection with the above planned borrowings,
- estimated incremental costs associated with operating as a separate public company,
- estimated incremental interest expense associated with the above planned borrowings, which is calculated based upon expected interest rates, and
- estimated liabilities of $31 million to reflect the estimated fair value of guarantees provided to Cendant and affiliates in connection with the separation in excess of our portion of the corporate liabilities allocated to Wyndham Worldwide from Cendant's balance sheet.

In addition, such financial data also reflects an adjustment eliminating intercompany balances approximating $1,159 million due from Cendant.

The following unaudited pro forma combined financial statements have been further adjusted to give effect to the following post separation adjustments for the sale of Travelport, which transaction is expected to close following our separation from Cendant:

- reduction in outstanding borrowings from approximately $1,360 million to approximately $600 million which reflects the application of the proceeds expected to be received by Wyndham Worldwide from Cendant's sale of Travelport,
- reduction in debt financing costs of $2 million due to lower anticipated outstanding borrowings,
- increase in the amount of certain contingent and other corporate liabilities of Cendant being assumed by us, guarantees provided to Cendant and affiliates and estimated incremental costs associated with continuing Cendant costs specific to certain legal matters due to the definitive sale agreement and an increase in the expected assumption rate from 30% to 37.5%, and
- reduced interest expense as a result of Travelport proceeds being utilized to repay a portion of our borrowings.

The section entitled "The Separation," included elsewhere in this information statement, provides a more detailed description of the separation of Wyndham Worldwide from Cendant.

The Unaudited Pro Forma Combined Condensed Balance Sheet assumes that the distribution and related transactions occurred on March 31, 2006 and the Unaudited Pro Forma Combined Condensed Statements of Income assume that the distribution and related transactions occurred on January 1, 2005 for the pro forma statement of income presented for the three months ended March 31, 2006 and on January 1, 2005 for the pro forma statement of income presented for the year ended December 31, 2005. The pro forma adjustments are based upon available information and assumptions that we believe are reasonable; however, such adjustments are subject to change based upon the finalization of the terms of the separation and the underlying separation agreements.

Management believes that the assumptions used to derive the Unaudited Pro Forma Combined Condensed Financial Statements are reasonable given the information available; however, such adjustments are subject to change based upon the finalization of the terms of the separation and the underlying separation agreements. The Unaudited Pro Forma Combined Condensed Financial Statements have been provided for informational purposes only and are not necessarily indicative of the financial condition or results of future operations or the actual financial condition or results that would have been achieved had the transactions occurred on the dates indicated. These Unaudited Pro Forma Combined Condensed Financial Statements (together with the footnotes thereto) should be read in conjunction with the information provided under the sections entitled "Business," "Selected Historical Combined Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this information statement and our audited annual and unaudited interim historical combined financial statements and accompanying notes thereto, also included elsewhere in this information statement.

The Unaudited Pro Forma Combined Condensed Statements of Income do not reflect non-recurring pre-tax charges directly related to our separation (which are currently estimated to be in the range of $70 million to $110 million), which will impact net income within the 12 months following our separation, the majority of which will be non-cash. Included within such range is an estimated $50 million to $60 million relating to the acceleration of certain Cendant equity awards.

WYNDHAM WORLDWIDE
UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS OF MARCH 31, 2006
(in millions)

	Historical As Reported	Separation Adjustments	Separation Pro Forma	Adjustments for Travelport Sale	Travelport Sale Pro Forma
Assets					
Current assets:					
Cash and cash equivalents	$ 115	$ (11)[a]	$ 104	$ 2 [j]	$ 106
Trade receivables, net	484	—	484	—	484
Vacation ownership contract receivables, net	230	—	230	—	230
Inventory	497	—	497	—	497
Deferred income taxes	121	103 [b]	224	14 [k]	238
Due from Cendant, net	1,159	(1,159)[c]	—	—	—
Other current assets	314	5 [d]	319	—	319
Total current assets	2,920	(1,062)	1,858	16	1,874
Long-term vacation ownership contract receivables, net	1,812	—	1,812	—	1,812
Non-current inventory	245	—	245	—	245
Property and equipment, net	760	17 [d]	777	—	777
Goodwill	2,647	—	2,647	—	2,647
Trademarks	585	—	585	—	585
Franchise agreements and other intangibles, net	412	—	412	—	412
Other non-current assets	229	11 [a]	240	(2)[j]	238
Total assets	$ 9,610	$ (1,034)	$ 8,576	$ 14	$ 8,590
Liabilities and invested equity					
Current liabilities:					
Current portion of long-term debt:					
Securitized vacation ownership debt	$ 184	$ —	$ 184	—	184
Other	196	—	196	—	196
Accounts payable	368	174 [e]	542	29 [m]	571
Contingent tax liability due to former parent	—	190 [f]	190	78 [l]	268
Deferred income	480	—	480	—	480
Accrued expenses and other current liabilities	456	31 [i]	487	26 [m]	513
Total current liabilities	1,684	395	2,079	133	2,212
Long-term debt:					
Securitized vacation ownership debt	983	—	983	—	983
Other	725	785 [g]	1,510	(760)[n]	750
Deferred income taxes	825	(28)[b]	797	(7)[k]	790
Deferred income	265	—	265	—	265
Other non-current liabilities	65	51 [e]	116	10 [n]	126
Total liabilities	4,547	1,203	5,750	(624)	5,126
Total invested equity	5,063	(2,237)[h]	2,826	638 [o]	3,464
Total liabilities and invested equity	$ 9,610	$ (1,034)	$ 8,576	$ 14	$ 8,590

See Notes to Unaudited Pro Forma Combined Condensed Balance Sheet.

WYNDHAM WORLDWIDE
NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS OF MARCH 31, 2006

Separation Adjustments

(a) Represents the funding of estimated fees and costs expected to be incurred with the planned borrowings of approximately $1,360 million of debt.

(b) Represents incremental net deferred tax assets (assuming a blended tax rate of approximately 38%) associated with the expected transfer of certain Cendant corporate and Realogy assets to, and the expected assumption of certain Cendant contingent and other corporate liabilities by, Wyndham Worldwide upon separation.

(c) Represents the adjustment eliminating the intercompany balance due from Cendant.

(d) Represents the expected transfer to us of certain corporate assets to Wyndham Worldwide from Cendant upon separation. The assets primarily comprise shared Cendant equipment and software that is expected to be used exclusively by Wyndham Worldwide employees and leasehold improvements on facilities that are expected to be occupied by Wyndham Worldwide employees subsequent to the separation, as well as approximately 30% of Cendant's prepaid assets that were established in connection with general business activities and are not directly attributable to a specific Cendant business.

(e) Represents the assumption of reserves in connection with Cendant contingent and other corporate liabilities for which Wyndham Worldwide has agreed to assume responsibility (representing approximately 30% of certain Cendant contingent corporate liabilities associated with legal matters and approximately 30% of certain of Cendant's other accrued corporate liabilities that were incurred in connection with general business activities and are not directly attributable to a specific Cendant business as well as other liabilities of Cendant such as a portion of historical worker's compensation and escheatment liabilities of Cendant). The actual amount that Wyndham Worldwide may be required to pay under this arrangement could vary depending upon the outcome of any unresolved matters, which may not be resolved for several years, and if any party responsible for all or a portion of such liabilities were to default on its obligation to pay certain costs or expenses related to any such liability. The pro forma adjustments do not reflect estimates for any contingent assets and liabilities that we may be entitled to receive upon either positive or negative resolution of certain unresolved matters.

(f) Represents the assumption of a reserve in connection with certain Cendant tax contingencies for which Wyndham Worldwide has agreed to reimburse Cendant in the event of an adverse outcome (representing approximately 30% of Cendant's aggregate reserve for unresolved tax matters). The actual amount that Wyndham Worldwide may be required to pay under this arrangement could vary depending upon the outcome of the unresolved tax matters, which may not be resolved for several years, and if any of the other parties responsible for all or a portion of such liabilities were to default in its payment of costs or expenses related to any such liability. The pro forma adjustments do not reflect estimates for any contingent assets and liabilities that we may be entitled to receive, or for which we may be responsible, upon either positive or negative resolution of certain unresolved matters.

(g) Represents the amount expected to be transferred to Cendant solely for the purposes of permitting Cendant to repay certain corporate indebtedness of Cendant. This amount is a portion of the total expected borrowings of approximately $1,360 million. The remaining portion of the approximately $1,360 million is expected to be utilized by Cendant to repay outstanding borrowings under the existing asset-linked facility of Cendant relating to certain of our assets, which is included in our historical debt amounts. The planned drawn indebtedness of approximately $1,360 million is expected to be comprised of the following facilities: (i) $800 million under an interim loan facility, which we expect to refinance on a long-term basis as soon as practicable after the separation, (ii) $300 million under a term loan facility and (iii) approximately $260 million under a revolving credit facility. (Note: the total amount of the debt borrowed by Wyndham Worldwide is subject to adjustment as described in "The Separation—Incurrence of Debt," included elsewhere in this information statement.)

(h) Represents reductions to total invested equity to reflect the adjustment eliminating $1,159 million of intercompany balances due from Cendant, as described in footnote (c) above and (i) the expected transfer of $785 million to Cendant, which is expected to be funded through the planned borrowings, as described in footnote (h) above, (ii) the assumption of a $190 million reserve in connection with Cendant tax contingencies to be assumed by Wyndham Worldwide, as described in footnote (f) above, (iii) the assumption of $225 million of reserves in connection with other Cendant corporate liabilities to be assumed by Wyndham Worldwide, as described in footnote (f) above, and (iv) the establishment of $31 million of reserves in connection with guarantees extended by Wyndham Worldwide to Cendant and affiliates. These reductions are partially offset by increases to equity to reflect (i) the expected transfer of $22 million of assets to Wyndham Worldwide from Cendant upon separation, as described in footnote (d) above and (ii) $131 million representing the net tax effect of the above pro forma transactions, as described in footnote (b) above.

(i) Represents the estimated fair value of $31 million for guarantees extended by Wyndham Worldwide to Cendant and affiliates in accordance with the Separation and Distribution Agreement in excess of those liabilities recorded on Cendant's balance sheet. These guarantees have been recorded in accordance with Financial Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" with the assistance of third-party experts. The guarantees primarily relate to certain contingent litigation liabilities, contingent tax liabilities, deferred compensation arrangements and Cendant contingent and other corporate liabilities.

Travelport Sale Adjustments

(j) Represents the reduction in debt financing costs due to lower anticipated outstanding borrowings as described in (a).

(k) Represents incremental net deferred tax assets and liabilities associated with the increase in the expected assumption rate from 30% to 37.5% for certain contingent and other corporate liabilities and guarantees to Cendant and affiliates.

(l) Represents the increase in certain contingent tax liabilities as described in (f) which are being assumed or established by Wyndham Worldwide as a result of an increase in the expected assumption rate from 30% to 37.5% and the assumption of a reserve in connection with certain Travelport tax contingencies for which Wyndham Worldwide has agreed to reimburse Cendant in the event of an adverse outcome (representing approximately 37.5% of Travelport's aggregate reserve for this unresolved tax matter).

(m) Represents the increase in certain contingent and other corporate liabilities as described in (e) and (i) which are being assumed or established by Wyndham Worldwide as a result of an increase in the expected assumption rate from 30% to 37.5% and the assumption of a certain Travelport tax-related contingent liability for which Wyndham Worldwide has agreed to reimburse Cendant (representing 37.5% of such amount).

(n) Represents the decrease in the borrowings from approximately $1,360 million to approximately $600 million which reflects the application of the proceeds expected to be received by Wyndham Worldwide from the sale of Travelport on our planned borrowings.

(o) Represents the net increase to equity resulting from the matters described in footnotes (k), (l), (m) and (n) above.

WYNDHAM WORLDWIDE
UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2006
(in millions, except per share data)

	Historical As Reported	Separation Adjustments	Separation Pro Forma	Adjustments for Travelport Sale	Travelport Sale Pro Forma
Net revenues	$ 870	$ —	$ 870	$ —	$ 870
Expenses					
Operating	332	—	332	—	332
Cost of vacation ownership interests	67	—	67	—	67
Marketing and reservation	174	—	174	—	174
General and administrative	115	12 [(a)]	127	1 [(f)]	128
Provision for loan losses	—	—	—	—	—
Depreciation and amortization	34	1 [(b)]	35	—	35
Total expenses	722	13	735	1	736
Operating income	148	(13)	135	(1)	134
Interest expense (income), net	(2)	24 [(c)]	22	(11) [(g)]	11
Income before income taxes	150	(37)	113	10	123
Provision for income taxes	57	(14) [(d)]	43	4 [(h)]	47
Income before cumulative effect of accounting change	$ 93	$ (23)	$ 70	$ 6	$ 76
Income before cumulative effect of accounting change					
Earnings per share [(e)]					
Basic			$ 0.35		$ 0.38
Diluted			$ 0.34		$ 0.37
Weighted average shares outstanding [(e)]					
Basic			201.2		201.2
Diluted			203.2 [(i)]		203.2 [(i)]

See Notes to Unaudited Pro Forma Combined Condensed Statements of Income.

WYNDHAM WORLDWIDE
UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2005
(in millions, except per share data)

	Historical As Reported (As Restated)	Separation Adjustments	Separation Pro Forma	Adjustments for Travelport Sale	Travelport Sale Pro Forma
Net revenues	$ 3,471	$ —	$ 3,471	$ —	$ 3,471
Expenses					
Operating	1,199	—	1,199	—	1,199
Cost of vacation ownership interests	341	—	341	—	341
Marketing and reservation	628	—	628	—	628
General and administrative	424	49 (a)	473	3 (f)	476
Provision for loan losses	128	—	128	—	128
Depreciation and amortization	131	4 (b)	135	—	135
Total expenses	2,851	53	2,904	3	2,907
Operating income	620	(53)	567	(3)	564
Interest expense (income), net	(6)	93 (c)	87	(46)(g)	41
Income before income taxes	626	(146)	480	43	523
Provision for income taxes	195	(56)(d)	139	17 (h)	156
Net income	$ 431	$ (90)	$ 341	$ 26	$ 367
Earnings per share(e)					
Basic			$ 1.64		$ 1.76
Diluted			$ 1.61		$ 1.73
Weighted average shares outstanding(e)					
Basic			208.0		208.0
Diluted			212.0(i)		212.0(i)

See Notes to Unaudited Pro Forma Combined Condensed Statements of Income.

WYNDHAM WORLDWIDE
NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND YEAR ENDED DECEMBER 31, 2005

Separation Adjustments

(a) Represents the estimated incremental costs associated with operating as a separate public company ($21 million for the three months ended March 31, 2006 and $85 million for the year ended December 31, 2005), partially offset by the elimination of general corporate overhead allocated by Cendant ($9 million for the three months ended March 31, 2006 and $36 million for the year ended December 31, 2005). The estimated costs associated with operating as a separate public company of $21 million for the three months ended March 31, 2006 and $85 million for the year included December 31, 2005 includes: (i) $11 million and $44 million, respectively, related to staff additions and increases in salaries to replace Cendant support, which was estimated using Cendant historical costs and adjusted for current market conditions, as applicable, (ii) $3 million and $11 million, respectively, related to legal fees (including our share of unresolved Cendant legal matters), which was estimated using Cendant historical costs and adjusted for expected variations as applicable, (iii) $2 million and $9 million, respectively, related to facilities and equipment, which was estimated using Cendant historical costs and adjusted for current market conditions as applicable, (iv) $2 million and $6 million, respectively, related to insurance, which estimate was derived from premium cost projections received from our insurance broker based on current market conditions, (v) $1 million and $5 million, respectively, related to information technology, which was estimated using Cendant historical costs and adjusted for expected variations as applicable, (vi) $1 million and $4 million, respectively, related to Board of Directors and filing related fees, which was estimated using Cendant historical costs and adjusted for expected variations as applicable, (vii) $1 million and $4 million, respectively, related to audit fees, which was estimated using Cendant historical costs and adjusted for expected variations as applicable, (viii) $0 million and $1 million, respectively, related to the outsourcing of the payroll function, which was estimated based upon written quotes received from potential providers, and (ix) $0 million and $1 million, respectively, of other miscellaneous costs. The estimated public company costs exceed the historical allocations from Cendant by $12 million for the three months ended March 31, 2006 and $49 million for the year ended December 31, 2005, which primarily reflects the development of certain infrastructures that were previously maintained at, and leveraged from, Cendant's corporate function and other businesses.

(b) Represents incremental depreciation we expect to incur as a separate public company due to the expected transfer to us of certain assets from Cendant prior to the separation.

(c) Represents the elimination of $11 million and $30 million of interest income for the three months ended March 31, 2006 and the year ended December 31, 2005, respectively, that will no longer be earned from Cendant on intercompany cash balances held by Cendant, the elimination of $7 million and $19 million of interest expense for the three months ended March 31, 2006 and the year ended December 31, 2005, respectively, related to the existing asset-linked facility of Cendant relating to certain of our assets, which is expected to be repaid, and the $18 million and $74 million of incremental interest expense for the three months ended March 31, 2006, and the year ended December 31, 2005, respectively, in connection with the planned borrowings of (i) $800 million of debt under an interim loan facility bearing interest at LIBOR plus 55 basis points, (ii) $300 million of debt under a term loan facility bearing interest at LIBOR plus 55 basis points and (iii) approximately $260 million of debt under a revolving credit facility bearing interest at LIBOR plus 55 basis points. The incremental interest expense assumes an average principal amount outstanding of approximately $1,360 million and a weighted average interest rate of approximately 6.0% on the aggregate borrowings. A change of one-eighth of 1% (12.5 basis points) in the interest rate associated with these borrowings would result in additional annual interest expense of $2 million (in the case of an increase to the rate) or an annual reduction to interest expense of $2 million (in the case of a decrease in the rate).

(d) Represents the income tax effects of footnotes (a), (b) and (c) above at an effective tax rate of approximately 38%.

(e) Earnings per share and weighted average shares outstanding reflect the estimated number of common shares we expect to have outstanding upon the completion of the distribution (based on an expected distribution ratio of one share of Wyndham Worldwide for every five shares of Cendant). These amounts do not reflect the impact of Cendant accelerating the vesting provisions of certain outstanding equity awards, which is expected to occur on the 30th day following the completion of the second of the distributions by Cendant, as such impact will be calculated using balances then-outstanding, which are not currently determinable. Additionally, in connection with the separation of Wyndham Worldwide, Cendant expects to cancel equity awards that were granted at "above-target" levels. See "Management—Employee Benefit Plans—2006 Equity and Incentive Plan—Equitable Adjustments to Outstanding Cendant Equity-Based Awards," included elsewhere in this information statement. Based upon the equity awards outstanding as of March 31, 2006 and December 31, 2005 and in connection with Cendant's plan to equitably adjust its outstanding equity awards, we would have expected to issue approximately 25 million and 26 million stock options, respectively, and approximately two million and three million restricted shares, respectively, at the date of separation. We also intend to grant equity awards in Wyndham Worldwide common stock to our employees, which are not reflected in the pro forma amounts, as the actual awards have not yet been determined.

Travelport Sale Adjustments

(f) Represents the estimated incremental costs of $1 million and $3 million for the quarter ended March 31, 2006 and for the year ended December 31, 2005, respectively, associated with Wyndham Worldwide bearing 37.5% instead of 30% of continuing Cendant costs specific to certain legal matters.

(g) Represents the interest expense reduction of $11 million and $46 million for the quarter ended March 31, 2006 and for the year ended December 31, 2005, respectively, due to the reduction in borrowings from approximately $1,360 million to approximately $600 million which reflects the application of the proceeds expected to be received by Wyndham Worldwide from Cendant's sale of Travelport.

(h) Represents the income tax effects of footnotes (f) and (g) above at an effective tax rate of approximately 38%.

(i) We would have had approximately 206 million and 215 million shares of common stock outstanding on a fully diluted basis as of March 31, 2006 and December 31, 2005, respectively, assuming:

- the fully diluted shares outstanding of Cendant common stock as of March 31, 2006, and the issuance of one share of Wyndham Worldwide common stock for every five shares of Cendant common stock;
- we accelerate all eligible equity awards outstanding as of March 31, 2006 in the manner described in "Management—Employee Benefit Plans—Equitable Adjustments to Outstanding Cendant Equity-Based Awards"; and
- the issuance of 3.1 million shares of Wyndham Worldwide common stock underlying the 2006 Annual Grant of incentive awards of approximately $80 million (see "Management—Employee Benefit Plans—2006 Equity and Incentive Plan") based upon an estimated $30 per share trading price of Wyndham Worldwide's common stock on the distribution date.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Interim Combined Condensed Financial Statements and the Annual Combined Financial Statements and accompanying Notes thereto, included elsewhere in this information statement. Unless otherwise noted, all dollar amounts are in millions and those relating to our results of operations are presented before taxes.

Restatement of Combined Statements of Income, Balance Sheets, Cash Flows and Invested Equity

We have restated our annual combined statements of cash flows to reflect income taxes payable to Cendant as effectively cash settled by us within operating cash flows with an equal offsetting adjustment to investing cash flows. The reclassification is being made to reflect the change in amounts due from Cendant on a net basis in investing activities in our annual combined statements of cash flows. Accordingly, our combined statements of cash flows have been restated for all periods presented in our Annual Combined Financial Statements. We also restated our annual combined statement of income, balance sheets, cash flows and invested equity. Such restatement corrected (i) the effect of entries recorded in reverse in 2005 and (ii) the goodwill balance for adjustments relating to previous acquisitions. These errors were limited to our vacation exchange and rental business. The restated amounts are described in Note 22 to our Annual Combined Financial Statements.

Wyndham Worldwide, which holds or will hold substantially all of the assets and liabilities of Cendant's Hospitality Services (including Timeshare Resorts) businesses, is a global provider of hospitality products and services. We operate in the following three segments:

- **Lodging**—franchises hotels in the upscale, middle and economy segments of the lodging industry and provides property management services to owners of our upscale branded hotels.
- **Vacation Exchange and Rental**—provides vacation exchange products and services to owners of intervals of vacation ownership interests and markets vacation rental properties primarily on behalf of independent owners.
- **Vacation Ownership**—markets and sells vacation ownership interests, or VOIs, to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.

SEPARATION PLAN

On October 23, 2005, the Board of Directors of Cendant preliminarily approved a plan to separate Cendant into four independent, publicly traded companies—one for each of Cendant's Hospitality Services (including Timeshare Resorts), Real Estate Services, Travel Distribution Services and Vehicle Rental businesses. On April 24, 2006, Cendant announced that as an alternative to distributing shares of Travelport Cendant was also exploring the sale of Travelport. On June 30, 2006, Cendant entered into an agreement to sell Travelport to an affiliate of the Blackstone Group for $4,300 million in cash. On [ ], 2006, the Board of Directors of Cendant approved the distributions of all of the shares of common stock of Wyndham Worldwide and Realogy. Following the distributions, Cendant stockholders will own 100% of the common stock of Wyndham Worldwide and Realogy. In connection with the plan of separation, it is expected that Cendant will change its name to Avis Budget Group, Inc.

In connection with our separation, we entered into borrowing arrangements for a total of $2,000 million, which is comprised of a $300 million term loan facility, an $800 million interim loan facility and a $900 million revolving credit facility. At or prior to the distribution, we expect to draw approximately $1,360 million against those facilities and issue approximately $70 million in letters of credit, leaving approximately $570 million available to provide liquidity for additional letters of credit and for working capital and ongoing corporate needs. Approximately $600 million of the proceeds received in connection with these borrowings is

expected to be utilized to repay the approximately $600 million of borrowings we currently expect will be outstanding at the time of our separation under Cendant's asset-linked facility relating to certain of our assets, while the remaining proceeds (approximately $760 million) are expected to be transferred to Cendant solely for the purpose of permitting Cendant to repay other of its corporate indebtedness. The Separation and Distribution Agreement provides for an adjustment in the amount of indebtedness we will incur in connection with our separation in the event that the sum of the borrowings transferred by us, Wyndham Worldwide and Travelport to Cendant, together with the cash at Cendant then available to be utilized to repay its corporate debt, is less than or more than the amount necessary to enable Cendant to make the Separation Payments. See "The Separation—Incurrence of Debt."

We expect to refinance borrowings under the $800 million interim loan facility with permanent financing after the distribution. Additionally, pursuant to the Separation and Distribution Agreement, we expect to be allocated a portion of certain of Cendant's corporate assets and assume a portion of certain of Cendant's contingent and other corporate liabilities, including those arising from unresolved tax and legal matters, which are not currently reflected on the Combined Balance Sheets. See "Certain Relationships and Related Party Transactions" and "The Separation" for more information. The actual amount that we may be required to pay under these arrangements could vary depending upon the outcomes of any unresolved matters, which may not be resolved for several years, and if any party responsible for all or a portion of such liabilities were to default on its obligation to pay certain costs or expenses related to any such liability. Additionally, generally accepted accounting principles prohibit us and Cendant from recording estimates for any contingent assets that we may be entitled to receive upon positive resolution of certain unresolved matters. The benefit resulting from such matters, if any, will not be recorded within Wyndham Worldwide's financial statements until realization is assured beyond a reasonable doubt.

Following the completion of the sale of Travelport, Cendant will be obligated, pursuant to the Separation and Distribution Agreement, to contribute a significant portion of the cash proceeds from such sale to us and Realogy. Assuming Cendant receives $4,300 million in gross cash proceeds from such sale and contributes to us approximately $760 million from such sale, the approximately $1,360 million of initial indebtedness we expect to incur at the time of our separation would be reduced to approximately $600 million. The actual amount of our remaining indebtedness may be more or less than the amount provided above depending on various adjustments, including, without limitation, purchase price adjustments based on the levels of cash, working capital and certain other expenses at Travelport at the time of its sale, the application of sale proceeds that have priority over contributions to us and the amount outstanding at the time of our distribution under Cendant's asset-linked facility relating to certain assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses (for a detailed discussion of our planned borrowings in connection with our separation, see "Description of Material Indebtedness"). Following any such reduction of our indebtedness, if our Board of Directors deems it appropriate, we may incur additional debt and use the proceeds from such additional debt for general corporate purposes, such as to repurchase shares of our common stock.

TRENDS

We believe that the following trends, among others, may affect and/or have impacted our financial condition and results of operations:

- Globally, travel spending is expected to grow by 5% in 2006.
- In 2006, the expected level of spending for the U.S. hospitality industry is estimated to be 16% higher than the spending in 2000, the year prior to the September 11, 2001 terrorist attacks.
- In the United States, revenue per available room, or RevPAR increased 8.4% in 2005 versus 2004.
- The American Resort Development Association estimated that on January 1, 2005, there were approximately 3.9 million households that owned one or more vacation ownership interests in the United States which represents a 14.7% increase from the prior year in the number of households that owned interests.

The trends noted above were obtained from (i) the Travel Industry Association Economic Review of Travel in America, 2005 edition, (ii) the PricewaterhouseCoopers LLP U.S. Lodging Forecast, March 2006 and (iii) the American Resort Development Association 2005 United States Study.

RESULTS OF OPERATIONS

We enter into agreements to franchise our lodging franchise systems to independent hotel owners. Our standard franchise agreement typically has a term of 15 to 20 years and provides a franchisee with certain rights to terminate the franchise agreement before the term of the agreement under certain circumstances. The principal source of revenues from franchising hotels is ongoing franchise fees, which are comprised of royalty fees and other fees relating to marketing and reservation fees. Ongoing franchise fees typically are based on a percentage of gross room revenues of each franchisee and are accrued as the underlying franchisee revenues are earned and due from the franchisees. An estimate of uncollectible ongoing franchise fees is charged to bad debt expense and included in operating expenses on the Combined Statements of Income. Lodging revenue also includes initial franchise fees, which are recognized as revenue when all material services or conditions have been substantially performed, which is when a franchised hotel opens for business or a franchise agreement is terminated as the franchised hotel will not open.

Our franchise agreements require the payment of fees for certain services, including marketing and reservations. With such fees, we provide our franchised properties with a suite of operational and administrative services, including access to (i) an international, centralized, brand-specific reservations system, (ii) advertising, (iii) promotional and co-marketing programs, (iv) referrals, (v) technology, (vi) training and (vii) volume purchasing. We are contractually obligated to expend the marketing and reservation fees we collect from franchisees in accordance with the franchise agreements; as such, revenues earned in excess of costs incurred are accrued as a liability for future marketing or reservation costs. Costs incurred in excess of revenues are expensed. In accordance with our franchise agreements, we include an allocation of certain overhead costs required to carry out marketing and reservation activities within marketing and reservation expenses.

We also provide property management services for hotels under management contracts. Management fees are comprised of base fees, which typically are calculated based upon a specified percentage of gross revenues from hotel operations, and incentive management fees, which typically are calculated based upon a specified percentage of a hotel's operating profit or the amount by which a hotel's operating profit exceeds specified targets. Management fee revenue is recognized when earned in accordance with the terms of the contract. We incur certain reimbursable costs on behalf of managed hotel properties and reports reimbursements received from managed properties as revenue and the costs incurred on their behalf as expenses. The revenue is recorded as a component of service fees and membership on the Combined Statements of Income. The costs, which principally relate to payroll costs at managed properties where we are the employer, are reflected as a component of operating expenses on the Combined Statements of Income. The reimbursements from hotel owners are based upon the costs incurred with no added margin; as a result, these reimbursable costs have little to no effect on our operating income. Management fee revenue and revenue related to payroll reimbursements was $1 million and $17 million, respectively, during the year ended December 31, 2005 and $1 million and $16 million, respectively, during the three months ended March 31, 2006.

Within our lodging segment, we measure operating performance using the following key operating statistics: (i) weighted average rooms, which represents the weighted average number of hotel rooms available for rental for the year at lodging properties operated under franchise and management agreements, (ii) number of properties, which represents the number of lodging properties operated under franchise and management agreements at the end of the year and (iii) RevPAR, which is calculated by multiplying the percentage of available rooms occupied for the year by the average rate charged for renting a lodging room for one day.

As a provider of vacation exchange services, we enter into affiliation agreements with developers of vacation ownership properties to allow owners of intervals to trade their intervals for certain other intervals within our

vacation exchange business and, for some members, for other leisure-related products and services. Additionally, as a marketer of vacation rental properties, generally we enter into contracts for exclusive periods of time with property owners to market the rental of such properties to rental customers. Our vacation exchange business derives a majority of its revenues from annual membership dues and exchange fees from members trading their intervals. Annual dues revenue represents the annual membership fees from members who participate in our vacation exchange business and, for additional fees, have the right to exchange their intervals for certain other intervals within our vacation exchange business and, for certain members, for other leisure-related products and services. We record revenue from annual membership dues as deferred income on the Combined Balance Sheets and recognize it on a straight-line basis over the membership period during which delivery of publications, if applicable, and other services are provided to the members. Exchange fees are generated when members exchange their intervals for equivalent values of rights and services, which may include intervals at other properties within our vacation exchange business or other leisure-related products and services. Exchange fees are recognized as revenue when the exchange requests have been confirmed to the member. Our vacation rental business derives its revenue principally from fees, which generally range from approximately 25% to 50% of the gross rent charged to rental customers. The majority of the time, we act on behalf of the owners of the rental properties to generate our fees. We provide reservation services to the independent property owners and receive the agreed-upon fee for the service provided. We remit the gross rental fee received from the renter to the independent property owner, net of our agreed-upon fee. Revenue from such fees is recognized in the period that the rental reservation is made, net of expected cancellations. Upon confirmation of the rental reservation, the rental customer and property owner generally have a direct relationship for additional services to be performed. Cancellations for 2005 and 2004 totaled approximately 2% of rental transactions booked. Our revenue is earned when evidence of an arrangement exists, delivery has occurred or the services have been rendered, the seller's price to the buyer is fixed or determinable, and collectibility is reasonably assured. We also earn rental fees in connection with properties we own or lease under capital leases and such fees are recognized when the rental customer's stay occurs, as this is the point at which the service is rendered.

Within our vacation exchange and rental segment, we measure operating performance using the following key operating statistics: (i) average number of vacation exchange members, which represents participants in our vacation exchange programs who pay annual membership dues and are entitled, for additional fees, to exchange their intervals for other intervals within our vacation exchange business and, for certain members, for other leisure-related products and services, (ii) annual membership dues and exchange revenue per member, which represents the total annual dues and exchange fees generated for the year divided by the average number of vacation exchange members during the year, (iii) vacation rental transactions, which represents the gross number of transactions that are generated in connection with customers booking their vacation rental stays through us and (iv) average price per vacation rental, which represents the gross rental price generated from renting vacation properties to customers divided by the number of rental transactions.

We market and sell VOIs to individual consumers, provide property management services at resorts and provide consumer financing in connection with the sale of VOIs. Our vacation ownership business derives the majority of its revenues from sales of VOIs and derives other revenues from consumer financing and property management. Our sales of VOIs are either cash sales or seller-financed sales. In order for us to recognize revenues of VOI sales under the full accrual method of accounting described in SFAS No. 66, "Accounting of Sales of Real Estate" for fully constructed inventory, a binding sales contract must have been executed, the statutory rescission period must have expired (after which time the purchasers are not entitled to a refund except for nondelivery by us), receivables must have been deemed collectible and the remainder of our obligations must have been substantially completed. In addition, before we recognize any revenues on VOI sales, the purchaser of the VOI must have met the initial investment criteria and, as applicable, the continuing investment criteria, by executing a legally binding financing contract. A purchaser has met the initial investment criteria when a minimum down payment of 10% is received by us. In those cases where financing is provided to the purchaser by us, the purchaser is obligated to remit monthly payments under financing contracts that represent the purchaser's continuing investment. The contractual terms of seller-provided financing agreements require that the contractual level of annual principal payments be sufficient to amortize the loan over a customary period for

the VOI being financed, which is generally seven to ten years, and payments under the financing contracts begin within 45 days of the sale and receipt of the minimum down payment of 10%. If all of the criteria for a VOI sale to qualify under the full accrual method of accounting have been met, as discussed above, except that construction of the VOI purchased is not complete, we recognize revenues using the percentage-of-completion method of accounting provided that the preliminary construction phase is complete and that a minimum sales level has been met (to assure that the property will not revert to a rental property). The preliminary stage of development is deemed to be complete when the engineering and design work is complete, the construction contracts have been executed, the site has been cleared, prepared and excavated, and the building foundation is complete. The completion percentage is determined by the proportion of real estate inventory costs and certain sales and marketing and interest costs incurred to total estimated costs. These estimated costs are based upon historical experience and the related contractual terms. The remaining revenue and related costs of sales, including commissions and direct expenses, are deferred and recognized as the remaining costs are incurred. Until a contract for sale qualifies for revenue recognition, all payments received are accounted for as restricted cash and deposits within other current assets and deferred income, respectively, on the Combined Balance Sheets. Commissions and other direct costs related to the sale are deferred until the sale is recorded. If a contract is cancelled before qualifying as a sale, non-recoverable expenses are charged to operating expense in the current period on the Combined Statements of Income.

We also offer consumer financing as an option to customers purchasing VOIs, which are typically collateralized by the underlying VOI. Generally, the financing terms are for seven to ten years. An estimate of uncollectible amounts is recorded at the time of the sale with a charge to the provision for loan losses on the Combined Statements of Income. The interest income earned from the financing arrangements is earned on the principal balance outstanding over the life of the arrangement.

We also provide day-to-day-management services, including oversight of housekeeping services, maintenance and certain accounting and administrative services for property owners' associations and clubs. In some cases, our employees serve as officers and/or directors of these associations and clubs in accordance with their by-laws and associated regulations. Management fee revenue is recognized when earned in accordance with the terms of the contract and is recorded as a component of service fees and membership on the Combined Statements of Income. The costs, which principally relate to the payroll costs for management of the associations, clubs and the resort properties where we are the employer, are reflected as a component of operating expenses on the Combined Statements of Income. Reimbursements are based upon the costs incurred with no added margin and thus presentation of these reimbursable costs has little to no effect on our operating income. Management fee revenue and revenue related to reimbursements was $24 million and $34 million during the three months ended March 31, 2006, respectively, $91 million and $124 million during the year ended December 31, 2005, respectively, $95 million and $103 million during the year ended December 31, 2004, respectively, and $82 million and $86 million during the year ended December 31, 2003, respectively. During the three months ended March 31, 2006 and the years ended December 31, 2005, 2004 and 2003, one of the associations that we manage paid RCI Global Vacation Network $3 million, $11 million, $9 million and $6 million, respectively, for exchange services.

Within our vacation ownership segment, we measure operating performance using the following key metrics: (i) gross VOI sales, including tele-sales upgrades, which is a component of upgrade sales, (ii) tours, which represents the number of tours taken by guests in our efforts to sell VOIs and (iii) volume per guest, or VPG, which represents revenue per guest and is calculated by dividing the gross VOI sales, excluding tele-sales upgrades, by the number of tours.

We record lodging-related marketing and reservation revenues, as well as property management services revenues for our lodging and vacation ownership segments, in accordance with Emerging Issues Task Force Issue 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," which requires that these revenues be recorded on a gross basis.

Discussed below are our combined results of operations and the results of operations for each of our reportable segments. The reportable segments presented below represent our operating segments for which separate financial information is available and which is utilized on a regular basis by our chief operating decision maker to assess performance and to allocate resources. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of our reportable segments based upon revenue and "EBITDA," which is defined as net income before depreciation and amortization, interest (excluding interest on securitized vacation ownership debt), income taxes and minority interest, each of which is presented on the Combined Statements of Income. Our presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

EBITDA includes cost allocations from Cendant representing our portion of general corporate overhead of $9 million for both the three months ended March 31, 2006 and 2005. For the years ended December 31, 2005, 2004 and 2003, Cendant allocated $36 million, $30 million and $29 million, respectively. Cendant allocates such costs to us based on a percentage of our forecasted revenues. General corporate expense allocations include costs related to Cendant's executive management, tax, accounting, legal, treasury and cash management, certain employee benefits and real estate usage for common space. The allocations are not necessarily indicative of the actual expenses that would have been incurred had we been operating as a separate, stand-alone public company for the periods presented.

Three Months Ended March 31, 2006 vs. Three Months Ended March 31, 2005

Our combined results comprised the following:

	Three Months Ended March 31,		
	2006	2005	Change
Net revenues	$870	$795	$ 75
Expenses	722	668	54
Operating income	148	127	21
Interest expense (income), net	(2)	2	(4)
Income before income taxes and minority interest	150	125	25
Provision (benefit) for income taxes	57	(5)	62
Income before cumulative effect of accounting change	93	130	(37)
Cumulative effect of accounting change, net of tax	(65)	—	(65)
Net income	$ 28	$130	$ (102)

During first quarter 2006, our net revenues increased $75 million (9%) principally due to (i) an $89 million increase in net sales of VOIs at our vacation ownership businesses due to higher tour flow and an increase in VPG; (ii) $31 million of incremental revenue generated by the acquisition of the Wyndham Hotels and Resorts brand, which was acquired in October 2005 and included in our results from that date forward; and (iii) a $11 million increase in net consumer financing revenues earned on vacation ownership contract receivables. These increases were partially offset by a decrease in revenues of $61 million as a result of the classification of the provision for loan losses as a reduction of revenues during the first quarter of 2006 in connection with the adoption of SFAS No. 152, "Accounting for Real Estate Time-Sharing Transactions" ("SFAS No. 152"). Total expenses increased $54 million (8%) principally reflecting (i) a $38 million increase in organic operating expenses primarily related to additional commission expense resulting from increased VOI sales and commission rates, increased costs related to the property management services that we provide at our vacation ownership business and increased volume-related expenses and staffing costs due to growth in our contact centers; (ii) $30 million of expenses generated by the acquisition of Wyndham; and (iii) a $9 million increase in organic marketing and reservation expenses primarily resulting from increased marketing initiatives across all our businesses. These increases were partially offset by a decrease of $25 million in provision for loan losses and a

decrease of $2 million in cost of vacation ownership interests. The $2 million decrease in cost of vacation ownership interests includes $26 million of increased cost of sales primarily associated with increased VOI sales more than offset by $28 million of estimated future inventory recoveries. Such decreases are the result of the reclassification of the provision for loan losses from expenses to net revenues and the reduction of cost of sales of inventory as a result of our adoption of SFAS No. 152.

Depreciation and amortization increased $2 million primarily due to the capital investments made throughout 2005. Interest expense (income), net decreased $4 million in first quarter 2006 primarily as a result of higher intercompany interest income. Our effective tax rate increased to 38% in first quarter 2006 from (4%) in first quarter 2005 primarily due to the absence of a one-time tax benefit recognized in first quarter 2005 related to changes in tax basis differences in assets of foreign subsidiaries.

During first quarter 2006, we also recorded a non-cash charge of $65 million, after tax, to reflect the cumulative effect of accounting changes as a result of our adoption of SFAS No. 152.

As a result of these items, our net income decreased $102 million (78%) quarter-over-quarter.

Following is a discussion of the results of each of our reportable segments during the first quarter:

	Revenues			EBITDA		
	2006	2005	% Change	2006	2005	% Change
Lodging	$144	$112	29	$ 41	$ 40	3
Vacation Exchange and Rental	282	287	(2)	77	86	(10)
Vacation Ownership	445	400	11	64	40	60
Total Reportable Segments	871	799	9	182	166	10
Corporate and Other(a)	(1)	(4)	*	—	(7)	*
Total Company	$870	$795	9	182	159	14
Less: Depreciation and amortization				34	32	
Interest expense (income), net				(2)	2	
Income before income taxes and minority interest				$150	$125	

(*) Not meaningful.
(a) Includes the elimination of transactions between segments.

Lodging

Revenues and EBITDA increased $32 million (29%) and $1 million (3%), respectively, in first quarter 2006 compared with first quarter 2005, primarily due to the acquisition of the franchise and property management businesses of the Wyndham Hotels and Resorts brand.

The operating results of our lodging business reflect the acquisition of the franchise and property management businesses of the Wyndham Hotels and Resorts brand in October 2005, which contributed incremental revenues and EBITDA of $31 million and $2 million, respectively, to 2006 results. Included within the $31 million of revenues generated by Wyndham is approximately $25 million related to reimbursable expenses, which has no impact on EBITDA. Apart from this acquisition, revenues in our lodging business were relatively consistent quarter-over-quarter as a $4 million (5%) increase in royalty, marketing and reservation fund revenues and a $3 million increase in revenues generated by our TripRewards loyalty program in first quarter 2006, were offset by the absence of a $7 million gain recognized in first quarter 2005 on the sale of a lodging-related investment. The $4 million increase in royalty, marketing and reservation fund revenues was primarily due to a 10% increase in RevPAR, partially offset by a 4% decrease in weighted average rooms available. The RevPAR increase reflects (i) increases in both price and occupancy principally attributable to an overall

improvement in the economy lodging segment in which our hotel brands primarily operate, (ii) the termination of underperforming properties throughout 2005 that did not meet our required quality standards or their financial obligations to us and (iii) the strategic assignment of personnel to field locations designed to assist franchisees in improving their hotel operating performance. The decrease in weighted average rooms available reflects our termination of underperforming properties, as discussed above, the expiration of franchise agreements and certain franchisees exercising their right to terminate their agreements.

EBITDA further reflects an increase of approximately $1 million (1%) in operating, marketing and administrative expenses (excluding the impact of the acquisition discussed above) primarily resulting from a $3 million increase in expenses used to fund marketing related initiatives for our TripRewards loyalty programs, partially offset by a decrease of $2 million in other administrative expenses.

Vacation Exchange and Rental

Revenues and EBITDA decreased $5 million (2%) and $9 million (10%), respectively, in first quarter 2006 compared with first quarter 2005, primarily reflecting a $4 million reduction in fees generated from providing travel services and a $4 million increase in expenses, as discussed below. Travel service fee revenues declined primarily as a result of lower rates in 2006 relating to an outsourcing agreement to provide services to third-party travel club members.

Net revenues from rental transactions declined $1 million (1%) primarily due to a 9% decrease in the average price per rental, partially offset by a 5% increase in rental transaction volume. The reduction in net revenues from rental transactions and the average price per rental includes the translation effects of foreign exchange movements, which unfavorably impacted rental revenues by $7 million and accounted for 7% of the total 9% reduction in the average price per rental. Exclusive of the currency impact, the average price per rental decreased 2% due to the higher priced rentals for Easter holiday week in Europe, which dates occurred in the first quarter in 2005 as compared with the second quarter in 2006. The increase in rental transaction volume was primarily driven by increased rental demand for our vacation interval inventory from our existing RCI exchange members and increased arrivals at our owned Landal GreenParks.

Annual dues and exchange revenues were constant quarter-over-quarter. The impact on revenues from a 5% increase in the average number of members was offset by a 4% reduction in the average annual dues and exchange revenues generated per member. Exchange volume remained relatively constant in total; however, points-based transactions represented 18% of the total exchange transactions in first quarter 2006 compared with 15% in first quarter 2005, representing a continued shift to more points-based exchanges. Since points are exchangeable for various other travel-related products and services as well as vacation stays for various lengths of time, points-based exchange activity will generally result in higher transaction volumes with lower average fees as compared to the standard one-week for one-week exchange activity in our RCI Weeks exchange program. Vacation exchange volume and price are also impacted by the mix of domestic and international exchanges. Generally, when a member transacts for a timeshare interval outside of his or her global region, a higher exchange fee will be generated from the transacting member.

EBITDA further reflects a quarter-over-quarter increase in expenses of $4 million (2%) primarily driven by (i) $9 million of incremental expenses incurred for future revenue generation, including increased marketing campaigns, timing of certain other marketing expenses, expansion of property recruitment efforts and investment in our consulting and international activities, (ii) a $6 million increase in volume-related expenses, which was substantially comprised of cost of sales on increased rentals of vacation stay intervals and higher reservation call center staffing costs to support member growth and increased call volumes and (iii) $3 million of costs primarily related to higher corporate overhead allocations. These increases were partially offset by (i) the favorable impact of foreign currency translation on expenses of $7 million, (ii) a $4 million reduction in employee incentive program expenses in first quarter 2006 and (iii) $3 million of lower costs to restructure operations incurred in first quarter 2006 versus first quarter 2005.

Vacation Ownership

Revenues and EBITDA increased $45 million (11%) and $24 million (60%), respectively, in first quarter 2006 compared with first quarter 2005. The operating results reflect organic growth in vacation ownership sales and consumer finance income as well as the impact of the adoption of SFAS No. 152. Exclusive of the estimated impact of SFAS No. 152 on our first quarter 2006 results, revenues and EBITDA increased $72 million (18%) and $12 million (30%), respectively.

Exclusive of the impact of SFAS No. 152, net sales of VOIs at our vacation ownership business increased by an estimated $60 million (21%) in first quarter 2006 principally driven by a 9% increase in VPG and a 7% increase in tour flow. VPG benefited from increased sales of premium inventory and tour flow was positively impacted by the continued development of the Trendwest in-house sales program and continued improvement in local marketing efforts. Revenues and EBITDA increased $13 million and $8 million, respectively, in first quarter 2006 due to incremental net interest income earned on contract receivables primarily due to growth in the portfolio. In addition, during first quarter 2006, we recognized $7 million of incremental property management fees primarily as a result of growth in the number of units under management.

EBITDA further reflects an increase of approximately $55 million (15%) in operating, marketing and administrative expenses primarily resulting from (i) $16 million of increased cost of sales primarily associated with increased VOI sales, (ii) $13 million of additional commission expense associated with increased VOI sales and increased commission rates, (iii) $8 million of additional vacation ownership contract receivables provisions recorded in first quarter 2006, (iv) $6 million of incremental costs primarily incurred to fund additional staffing needs to support continued growth in the business, (v) $6 million of incremental marketing spent to support sales efforts and (vi) $5 million of increased costs related to the property management services discussed above.

Year Ended December 31, 2005 vs. Year Ended December 31, 2004

Our combined results comprised the following:

	Year Ended December 31,		
	2005	2004	Change
Net revenues	$3,471	$3,014	$ 457
Expenses	2,851	2,414	437
Operating income	620	600	20
Interest expense (income), net	(6)	13	(19)
Income before income taxes and minority interest	626	587	39
Provision for income taxes	195	234	(39)
Minority interest, net of tax	—	4	(4)
Net income	$ 431	$ 349	$ 82

During 2005, our net revenues increased $457 million (15%) principally due to (i) a $134 million increase in net sales of VOIs at our vacation ownership businesses due to higher tour flow and an increase in VPG; (ii) $114 million of incremental revenue generated by the acquisitions of the Wyndham Hotels and Resorts brand, Ramada International, Landal GreenParks and Canvas Holidays Limited, the results of which are included from their respective acquisition dates forward; (iii) $76 million of incremental organic revenue earned by our vacation exchange and rental business principally reflecting increased rental and exchange transaction volume and a higher average number of members; (iv) a $58 million increase in net consumer financing revenues earned on vacation ownership contract receivables; (v) a $47 million increase in organic revenues at our lodging business, reflecting a favorable increase in RevPAR; and (vi) $17 million of incremental resort management fees as a result of increased rental revenues on unoccupied units, as well as growth in the number of units under management. Total expenses increased $437 million (18%) principally reflecting (i) a $160 million increase in organic operating expenses primarily related to additional commission expense resulting from increased VOI

sales and commission rates, increased costs related to the property management services that we provide at our vacation ownership business and increased fulfillment costs incurred in connection with our RCI Elite Rewards program and increased staffing costs in our contact centers; (ii) $110 million of expenses generated by the acquisitions discussed above; (iii) a $32 million increase in organic marketing and reservation expenses primarily resulting from increased marketing initiatives across all our businesses; (iv) a $30 million increase in provision for loan losses principally related to growth in vacation ownership contract receivables at our vacation ownership business; (v) a $30 million increase in organic general and administrative expense principally due to growth in our vacation exchange and rental and vacation ownership businesses; (vi) $25 million of increased cost of sales primarily associated with increased VOI sales; (vii) the absence of a favorable $15 million settlement recorded by our lodging business in 2004 related to a franchisee receivable; (viii) $14 million of costs incurred to combine the operations of our vacation exchange and rental business; (ix) $13 million of expenses associated with the 2005 Gulf Coast hurricanes, which primarily reflects a provision for estimated vacation ownership contract receivable losses; and (x) $12 million of marketing and related expenses incurred in connection with our TripRewards loyalty program.

Depreciation and amortization increased $12 million primarily due to an increase in information technology capital investments made in 2005, a trend we expect to continue in 2006. Interest expense (income), net decreased $19 million in 2005 primarily as a result of (i) the absence of interest expense incurred in 2004 related to the Two Flags Joint Venture LLC, (ii) favorable interest rate hedge activity year over year, and (iii) a reduction in financing cost amortization. Interest expense is expected to increase in 2006 as a result of the proposed separation of Wyndham Worldwide from Cendant as detailed in the unaudited pro forma combined condensed financial statements. Our effective tax rate decreased to 31.2% in 2005 from 39.9% in 2004 primarily due to a one-time tax benefit related to changes in tax basis differences in assets of foreign subsidiaries. The effective tax rate for 2006 is expected to approximate 38%. As a result of these items, our net income increased $82 million (23%).

Following is a discussion of the results of each of our reportable segments:

	Revenues			EBITDA		
	2005	2004	% Change	2005	2004	% Change
Lodging	$ 533	$ 443	20	$197	$189	4
Vacation Exchange and Rental	1,068	921	16	284	286	(1)
Vacation Ownership	1,874	1,661	13	283	265	7
Total Reportable Segments	3,475	3,025	15	764	740	3
Corporate and Other [(a)]	(4)	(11)	*	(13)	(21)	*
Total Company	$3,471	$3,014	15	751	719	4
Less: Depreciation and amortization				131	119	
Interest expense (income), net				(6)	13	
Income before income taxes and minority interest				$626	$587	

(*) Not meaningful.
(a) Includes the elimination of transactions between segments.

Lodging

Revenues and EBITDA increased $90 million (20%) and $8 million (4%), respectively, in 2005 compared with 2004 reflecting revenue growth from acquisitions and increased RevPAR; however, the EBITDA comparison was negatively impacted by a favorable settlement recorded in second quarter 2004 related to a lodging franchisee receivable and increased marketing-related expenses associated with our TripRewards loyalty program and initiatives to promote our brands (all of which are discussed in greater detail below).

The operating results of our lodging business reflect the acquisitions of the franchise and property management businesses of the Wyndham Hotels and Resorts brand in October 2005 and Ramada International in December 2004. The operating results of Wyndham Hotels and Resorts have been included in our results for three of the twelve months of 2005, but none of 2004. The operating results of Ramada International have been included in our results for the entire twelve months of 2005, but only for one month of 2004. Accordingly, Wyndham Hotels and Resorts and Ramada International contributed incremental revenues of $29 million and $14 million, respectively, and EBITDA of $2 million each to 2005 results. Included within the $29 million of revenue generated by Wyndham Hotels and Resorts is approximately $25 million related to reimbursable expenses, which has no impact on EBITDA. These acquisitions also added approximately 32,000 rooms, which is approximately 6% of the total weighted average rooms available within our lodging franchise system during 2005.

Apart from these acquisitions, revenues in our lodging business increased $47 million (11%). Such increase principally represents (i) $16 million (4%) of higher royalty, marketing and reservation fund revenues, (ii) $16 million of incremental revenues generated by our TripRewards loyalty program during 2005, (iii) an $8 million increase in ancillary revenues and (iv) a $7 million gain recognized on the sale of a lodging-related investment during 2005. The $16 million increase in royalty, marketing and reservation fund revenues primarily resulted from an 8% increase in RevPAR, partially offset by a 4% decrease in weighted average rooms available. The RevPAR increase reflects (i) increases in both price and occupancy rates principally attributable to an overall improvement in the economy lodging segment in which our hotel brands primarily operate, (ii) the termination of underperforming properties throughout 2004 that did not meet our required quality standards or their financial obligations to us and (iii) the strategic assignment of personnel to field locations designed to assist franchisees in improving their hotel operating performance. The decrease in weighted average rooms available reflects our termination of underperforming properties, as discussed above, the expiration of franchise agreements and certain franchisees exercising their right to terminate their agreements. During 2005, there were terminations of 509 properties, as compared to terminations of 517 properties during 2004.

EBITDA further reflects an increase of $43 million (17%) in operating, marketing and administrative expenses (excluding the impact of the acquisitions discussed above) principally resulting from (i) $20 million of higher bad debt expense, primarily due to the absence of a favorable $15 million settlement recorded in 2004 related to a lodging franchisee receivable; (ii) $12 million of marketing and related expenses incurred in connection with our TripRewards loyalty program; and (iii) $9 million of marketing-related expenses primarily related to marketing initiatives to promote our brands.

Vacation Exchange and Rental

Revenues increased $147 million (16%), while EBITDA declined $2 million (1%) in 2005 compared to 2004, reflecting incremental revenues and expenses from vacation rental acquisitions during 2004 and the negative impact on EBITDA from $14 million of costs incurred during 2005 to combine the operational infrastructures of our vacation exchange and rental business (discussed in greater detail below).

We acquired Landal GreenParks and Canvas Holidays Limited, which are both European vacation rental businesses, in May 2004 and October 2004, respectively. The operating results of Landal GreenParks and Canvas Holidays have been included in our results for the entire twelve months in 2005 but for only eight months in 2004 for Landal GreenParks and only three months in 2004 for Canvas Holidays. Accordingly, Landal GreenParks contributed incremental revenues and EBITDA of $41 million and $2 million, respectively, and Canvas Holidays contributed incremental revenues and EBITDA of $30 million and $10 million, respectively, during 2005. The incremental results of Landal GreenParks in 2005 are reflective of the first four months of the year, which is when their operations are seasonally weakest.

Apart from these acquisitions, revenues increased $76 million (8%), which includes (i) a $34 million (9%) increase in rental transaction revenues, (ii) a $24 million (6%) increase in annual dues and exchange

revenues and (iii) a $22 million increase in revenues generated from our RCI Elite Rewards program, a credit card marketing program that we implemented in fourth quarter 2004. Our RCI Elite Rewards program generates revenues based on the volumes of cardholders and credit card spending and incurs related fulfillment costs.

The $34 million increase in rental transaction revenues primarily resulted from a 7% increase in total rental transactions and a $12 million increase due to the conversion of a franchised park to a managed park in January 2005. Prior to the conversion, we received only a franchise fee, whereas subsequent to the conversion, we recognized all of the revenues generated by this park.

The $24 million increase in annual dues and exchange revenues was driven by a 5% increase in the average number of members. Transactions related to our points-based exchange program, RCI Points, represented 17% of the total exchange transactions in 2005 compared with 14% in 2004, representing a continued shift in 2005 to more points-based exchanges. Since points are exchangeable for various other travel-related products and services in addition to vacation stays, points-based exchange activity will generally result in higher transaction volumes with lower average fees as compared to the standard one-week for one-week exchange activity in our RCI Weeks exchange program. Vacation exchange volume and price are derived from (i) a mix of domestic and international exchanges and (ii) a mix of standard one-week for one-week exchanges and exchanges through our RCI Points exchange program, which includes transactions for various lengths of stay and other leisure-related products.

Apart from the aforementioned EBITDA impact of the acquisitions of Landal GreenParks and Canvas Holidays, EBITDA further reflects a year-over-year increase in expenses of $90 million (14%) primarily driven by (i) $20 million of incremental fulfillment costs in connection with our RCI Elite Rewards program as discussed above; (ii) $14 million of costs incurred to combine the operational infrastructures of our vacation exchange and rental business principally in Europe; (iii) higher cost of sales in 2005 of $13 million on the rentals of vacation properties; (iv) $11 million of incremental expenses associated with the conversion of a franchised park to a managed park, as discussed above; (v) $8 million of higher marketing expenses, principally related to increased campaigns and publications; and (vi) $5 million of restructuring costs incurred as a result of the consolidation of certain call centers and back-office functions within our vacation exchange business. The remaining $19 million increase in expenses primarily relates to higher staffing costs and other volume driven expense increases in our call centers and certain infrastructure enhancements.

Vacation Ownership

Revenues and EBITDA increased $213 million (13%) and $18 million (7%), respectively, in 2005 compared with 2004. The EBITDA comparison was negatively impacted by $13 million of expenses incurred during 2005 related to the estimated impact of the hurricanes experienced along the Gulf Coast. Revenue and EBITDA, exclusive of the impact of the Gulf Coast hurricanes, reflect organic growth in vacation ownership sales, a gain on the sale of land and increased consumer finance income.

Net sales of VOIs increased $134 million (11%) in 2005 despite the Gulf Coast hurricanes. Such increase was driven principally by a 9% increase in tour flow and a 6% increase in VPG. This revenue increase includes a $27 million decrease in higher margin upgrade sales at our Trendwest resort properties due to special upgrade promotions conducted during 2004 undertaken to mitigate the negative impact on tour flow from the “do not call” and “do not fax” regulations. Tour flow, as well as volume per transaction, benefited in 2005 from our expanded presence in premium destinations such as Hawaii, Las Vegas and Orlando. Tour flow was also positively impacted by the opening of new sales offices, our strategic focus on new marketing alliances and increased local marketing efforts.

Revenue and related expenses increased $57 million and $8 million, respectively, in 2005 as a result of incremental net interest income earned on our vacation ownership contract receivables primarily due to growth in the consolidated portfolio. Additionally, we receive management fees for property management services that we

provide at certain resorts pursuant to contractual arrangements with property owners' associations. During 2005, we recognized $17 million of incremental resort management fees as a result of increased rental revenues on units, as well as growth in the number of units under management.

Revenue and EBITDA comparisons also benefited from an $11 million gain recorded in 2005 in connection with the disposal of a parcel of land that was no longer consistent with our development plans, partially offset by the absence of a $4 million gain recognized in first quarter 2004 in connection with the sale of a provider of third-party vacation ownership financing and $3 million of revenue generated by such operations in 2004 prior to the sale date.

EBITDA further reflects an increase of $187 million (14%) in operating, marketing and administrative expenses primarily resulting from (i) $43 million of additional commission expense associated with increased VOI sales and increased commission rates; (ii) $31 million of additional vacation ownership contract receivable provisions recorded in 2005; (iii) $29 million of increased costs related to the resort management services discussed above; (iv) $25 million of increased cost of sales primarily associated with increased VOI sales; (v) $18 million of incremental costs incurred primarily to fund additional staffing needs to support continued growth in the business, improve existing properties and integrate the Trendwest and Fairfield contract servicing operations; (vi) $14 million of incremental marketing spent to support sales efforts; and (vii) $13 million of expenses associated with the 2005 Gulf Coast hurricanes, which primarily reflects a provision for estimated vacation ownership contract receivable losses.

Year Ended December 31, 2004 vs. Year Ended December 31, 2003

Our combined results comprised the following:

	Year Ended December 31,		
	2004	2003	Change
Net revenues	$3,014	$2,652	$ 362
Expenses	2,414	2,157	257
Operating income	600	495	105
Interest expense (income), net	13	(5)	18
Income before income taxes and minority interest	587	500	87
Provision for income taxes	234	186	48
Minority interest, net of tax	4	15	(11)
Net income	$ 349	$ 299	$ 50

During 2004, our net revenues increased $362 million (14%) principally due to (i) the acquisition of Landal GreenParks which contributed incremental revenue of $113 million to our 2004 results, (ii) an $83 million increase in net sales of VOIs at our vacation ownership business primarily due to an increase in VPG and increases in upgrade sales, (iii) $82 million of incremental organic revenue earned by our vacation exchange and rental business principally reflecting increased rental transaction volume, a higher average exchange fee and a higher average number of worldwide members, (iv) a $33 million increase in revenues at our lodging business reflecting incremental revenues generated by our TripRewards loyalty program, which was launched in fourth quarter 2003, and a favorable increase in RevPAR and (v) $30 million of incremental resort management fees as a result of increased rental revenues on units, as well as growth in the number of units under management. Total expenses increased $257 million (12%) principally reflecting (i) $99 million of incremental expenses principally related to the acquisition of Landal GreenParks, (ii) a $64 million increase in organic operating expenses principally related to higher staffing costs, other volume related expense increases in our call centers and certain infrastructure enhancements at our vacation exchange and rental business, increased marketing expenditures to promote our brands, the funding cost of rewards earned by customers and program administrative expenses relating to our TripRewards loyalty program in our lodging business and increased costs related to the property

management services that we provide at our vacation ownership business, (iii) a $51 million increase in organic general and administrative expenses principally resulting from increased infrastructure costs and other variable expenses associated with growing our vacation ownership and vacation exchange and rental business and (iv) a $29 million increase in organic marketing and reservation expenses primarily resulting from increased marketing initiatives in our lodging and vacation exchange and rental businesses. Such increases were partially offset by $13 million of lower cost of sales in 2004 on the rentals of vacation properties and the absence of a $9 million accrual recorded in 2003 for hotel occupancy taxes on vacation property rentals prior to 2004.

Depreciation and amortization increased $12 million primarily due to an increase in information technology capital investments made in 2004. Interest expense (income), net increased $18 million in 2004 primarily as a result of increased vacation ownership asset-linked borrowings. Our effective tax rate increased to 39.9% in 2004 from 37.2% in 2003 primarily due to an increase in state taxes. As a result of these items, our net income increased $50 million (17%).

Following is a discussion of the results of each of our reportable segments:

	Revenues			EBITDA		
	2004	2003	% Change	2004	2003	% Change
Lodging	$ 443	$ 410	8	$189	$153	24
Vacation Exchange and Rental	921	726	27	286	220	30
Vacation Ownership	1,661	1,526	9	265	251	6
Total Reportable Segments	3,025	2,662	14	740	624	19
Corporate and Other [(a)]	(11)	(10)	*	(21)	(22)	*
Total Company	$3,014	$2,652	14	719	602	19
Less: Depreciation and amortization				119	107	
Interest expense (income), net				13	(5)	
Income before income taxes and minority interest				$587	$500	

* Not meaningful.

(a) Includes the elimination of transactions between segments.

Lodging

Revenues and EBITDA increased $33 million (8%) and $36 million (24%), respectively, in 2004 compared with 2003.

Royalty, marketing and reservation fund revenues increased $14 million (4%) primarily due to a 6% increase in RevPAR, partially offset by a 3% reduction in weighted average rooms available. The RevPAR increase is primarily the result of an increase in both price and occupancy rates combined with the termination of underperforming properties throughout 2004. The decrease in the weighted average rooms reflects (i) quality control initiatives that commenced in 2003, whereby we terminated from our franchise system certain properties that were not meeting required standards and tightened requirements for properties that were not meeting their financial obligations to us and (ii) certain franchisees exercising their right to terminate their agreements. During 2004, there were terminations of 517 properties, as compared to 480 terminations during 2003.

Additionally, in fourth quarter 2003, we launched TripRewards, a loyalty program that enables customers to earn rewards when staying in hotels franchised under one of our worldwide brands, renting Avis® and Budget® cars and purchasing everyday products and services from the various businesses that participate in the program. The TripRewards program enables us to earn fees on revenues generated by our franchisees from TripRewards members. The program contributed $18 million of incremental revenue during 2004.

EBITDA further reflects a decrease of $3 million (1%) in operating, marketing and administrative expenses, principally reflecting $35 million in favorable bad debt expense period-over-period related to the settlement of a lodging franchise receivable during 2004 that had been previously reserved for during 2003. This was partially offset by (i) an $18 million increase in marketing expenditures to promote our brands, the funding of the cost of rewards earned by customers and program administrative expenses relating to our TripRewards loyalty program; (ii) an increase of $7 million in marketing and reservation related expenses and (iii) an increase in other operating and information technology expenses of $7 million.

Vacation Exchange and Rental

Revenues and EBITDA increased $195 million (27%) and $66 million (30%), respectively, in 2004 compared with 2003.

In May 2004, we completed the acquisition of Landal GreenParks, which contributed revenues and EBITDA of $113 million and $34 million, respectively, during 2004. In October 2004, we completed the acquisition of Canvas Holidays Limited, which contributed an EBITDA loss of $2 million, with no contribution to revenues during 2004. Revenues and the majority of expenses related to these businesses are recognized upon customer arrival, which is heavily weighted towards the peak camping season in the second and third quarters of the year.

Apart from these acquisitions, revenues increased $82 million (11%), which includes (i) a $32 million (14%) increase in rental transaction revenues, (ii) a $25 million (7%) increase in annual dues and exchange revenues and (iii) a $25 million increase in ancillary revenues derived from other travel and leisure-related services and loyalty programs. Included in such increases is the impact of changes in foreign exchange rates, which favorably impacted revenues by $37 million in 2004 as compared with 2003.

The $32 million increase in rental transaction revenues was primarily due to a 12% increase in the average price per rental, which was driven by increased demand for the rental of vacation ownership inventory during 2004 and our increased focus on maximizing inventory utilization.

The $25 million increase in annual dues and exchange revenues was driven by a 4% increase in the average number of worldwide members and a 3% increase in the average annual dues and exchange revenue generated per member. The growth in revenue per member primarily resulted from a 3% increase in the average annual dues per member and a 4% increase in the average price per exchange transaction. Points-based transactions represented 14% of the total exchange transactions in 2004 compared with 11% in 2003, representing a shift in 2004 to more points-based exchanges. Since points are exchangeable for various other travel-related products and services in addition to vacation stays, points-based exchange activity will generally result in higher transaction volumes with lower average fees as compared to the standard one-week for one-week exchange activity in our RCI Weeks exchange program. Accordingly, the shift to more points-based transactions in 2004 resulted in a partial offset to the favorable impact of price increases on the average annual dues and exchange revenue per member.

We experienced an increase in exchange and rental revenues in 2004 despite the negative impact resulting from the Gulf Coast hurricanes during the second half of 2004. As we have a concentration of affiliated resorts in the Gulf Coast, we believe our overall exchange and rental transaction growth during the second half of 2004 was suppressed due to the hurricane activity in the latter half of 2004 as compared to the comparable prior year period.

The $25 million increase in ancillary revenues in 2004 primarily includes (i) a $9 million increase in our European travel agency bookings, (ii) the implementation of our RCI Elite Rewards program in fourth quarter of 2004, which generated $6 million of revenues and (iii) $4 million of incremental vacation ownership inventory sales through bulk distribution channels.

Apart from the aforementioned acquisitions, EBITDA further reflects an increase of $47 million (9%) in expenses which includes: (i) $17 million of higher marketing-related expenses incurred in 2004, primarily due to our decision to increase our investment in vacation ownership-affiliated marketing campaigns and publications;

and (ii) $6 million of incremental fulfillment costs in connection with the implementation of our RCI Elite Rewards program, as discussed above. In addition, operating expenses increased $46 million primarily driven by higher staffing costs, other volume related expense increases in our call centers and certain infrastructure enhancements. Included in the expense increases is the effect of foreign exchange rate movements, which increased expenses by $30 million in 2004 as compared to 2003. Such increases were partially offset by (i) a lower cost of sales in 2004 of $13 million on the rentals of vacation properties and (ii) the absence of a $9 million accrual recorded in 2003 for hotel occupancy taxes on property rentals prior to 2004.

Vacation Ownership

Revenues and EBITDA increased $135 million (9%) and $14 million (6%), respectively, in 2004 compared with 2003.

Net VOI sales increased $83 million (7%) in 2004 primarily driven by (i) a 13% increase in VPG and (ii) a $46 million increase in upgrade sales at our Trendwest brand properties due to special upgrade promotions conducted in 2004 undertaken to mitigate the negative impact on tour flow of the "do not call" and "do not fax" regulations, which became effective in October 2003. Such increases were partially offset by a 7% reduction in tour flow resulting primarily from the negative impact of the "do not call" and "do not fax" regulations, including reduced telemarketers' ability to contact our customers and prospective customers through telephone or facsimile. Net VOI sales were also negatively impacted by a $24 million reduction in the recognition of VOI deferred revenues related to resort properties under construction due to timing of completion of construction (such revenues and related costs are deferred and recognized in future periods as the resort properties are completed).

During 2004, revenue and related expenses generated by our consumer finance business increased $9 million and $27 million, respectively, as a result of (i) consolidating our largest vacation ownership receivable securitization structures during third quarter 2003 and (ii) year-over-year growth in our vacation ownership contract receivables portfolio. Accordingly, as a result of the consolidation, we recorded interest revenues on vacation ownership contract receivables and interest expense incurred on the debt funding of such contracts instead of applying gain on sale accounting to such securitizations, prior to consolidation.

Additionally, we receive management fees for property management services that we provide at certain resorts pursuant to contractual arrangements with property owners' associations. During 2004, we recognized $30 million of incremental resort management fees as a result of increased rental revenues on units, as well as growth in the number of units under management. Revenue and EBITDA also benefited in 2004 due to a $4 million gain recognized in first quarter 2004 in connection with the sale of a provider of third-party vacation ownership financing and $3 million of revenue generated by such operations in 2004 prior to the sale date.

EBITDA further reflects an increase of $94 million (7%) in operating, marketing and administrative expenses (excluding the effect of consolidating our largest vacation ownership receivable securitization structures) in 2004 primarily due to (i) an increase in general and administrative costs of $37 million associated with the growth in our infrastructure, (ii) $18 million of increased costs related to the property management services that we provide, (iii) a $16 million incremental increase in the provision for loan losses over the increase in related revenues, (iv) $8 million of incremental marketing expense used to support the growth in the business and (v) $6 million of additional commission expense associated with increased VOI sales.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

FINANCIAL CONDITION

	March 31, 2006	December 31, 2005	Change	December 31, 2005	December 31, 2004	Change
Total assets	$ 9,610	$ 9,167	$ 443	$ 9,167	$ 8,343	$ 824
Total liabilities	4,547	4,134	413	4,134	3,664	470
Total invested equity	5,063	5,033	30	5,033	4,679	354

Total assets increased $443 million from December 31, 2005 to March 31, 2006 primarily due to (i) a $113 million increase in trade receivables resulting principally from seasonal increases in activity within our vacation exchange and rental businesses in first quarter 2006 compared to fourth quarter 2005, (ii) a $110 million increase in other current assets due to increased activity within our vacation ownership business and the adoption of a new accounting pronouncement related to vacation ownership interest transactions which resulted in the deferral of greater amounts of costs and revenues at March 31, 2006 compared to December 31, 2005, (iii) a $106 million increase in vacation ownership inventories associated with increased property development activity, as well as the reclassification of the estimated value of inventory to be recovered on future defaulted contract receivables losses in accordance with our adoption of SFAS No. 152, a new accounting pronouncement related to vacation ownership interest transactions and (iv) a $42 million increase in property and equipment principally within our vacation ownership business associated with building and leasehold improvements and reclassifications as a result of our adoption of SFAS No. 152. Total liabilities increased $413 million primarily due to (i) a $212 million increase in deferred income primarily due to increased activity within our vacation ownership business and the adoption of SFAS No. 152, as discussed above, (ii) a $129 million increase in accounts payable resulting principally from amounts payable to property owners in connection with rental booking transactions for the peak vacation seasons and (iii) $48 million of additional net borrowings by our vacation ownership business principally reflecting greater securitization of vacation ownership contract receivables and additional borrowings to support the development of vacation ownership properties. Total invested equity increased $30 million principally due to $28 million of net income generated during first quarter 2006.

Total assets increased $824 million from December 31, 2004 to December 31, 2005 primarily due to (i) a $464 million increase in the receivable due from Cendant, principally reflecting operating cash flows we advanced/provided to Cendant during 2005 and (ii) a $411 million increase in vacation ownership contract receivables and inventories associated with increased sales of vacation ownership interests and property development. These increases were partially offset by a $101 million decrease in current deferred income tax assets primarily related to utilization of net operating loss carryforwards. Total liabilities increased $470 million primarily due to (i) $328 million of additional net borrowings by our vacation ownership business principally reflecting greater securitization of vacation ownership contract receivables and additional borrowings to support the development of vacation ownership properties and (ii) $135 million of increased deferred income tax liabilities primarily related to an increase in deferred tax liabilities associated with installment sales and tax amortization, partially offset by an increase in tax basis differences in assets of foreign subsidiaries. Total invested equity increased $354 million principally due to $431 million of net income generated during 2005, partially offset by $106 million of foreign currency translation adjustments.

LIQUIDITY AND CAPITAL RESOURCES

Currently, our financing needs are supported by cash generated from operations. In addition, certain funding requirements of our vacation ownership business are met through the issuance of securitized and other debt to finance vacation ownership contract receivables and the development of vacation ownership properties. Upon completion of the new financings related to our separation, our liquidity will be further augmented through available capacity under our new revolving credit facility and we believe that access to this facility and our current liquidity vehicles will be sufficient to meet our ongoing needs for the foreseeable future.

Cash Flows

As of March 31, 2006, we had $115 million of cash and cash equivalents, an increase of $4 million compared to the balance of $111 million at March 31, 2005. As of December 31, 2005, we had $99 million of cash on hand, an increase of $5 million in the aggregate cash balance from $94 million as of December 31, 2004. The following table summarizes the activity within the components of the cash flows for the three months ended March 31, 2006 and 2005 and years ended December 31, 2005 and 2004:

	Three Months Ended March 31,			Year Ended December 31,		
	2006	2005	Change	2005 As Restated	2004 As Restated	Change
Cash provided by (used in):						
Operating activities	$ 66	$21	$ 45	$ 488	$ 142	$ 346
Investing activities	(95)	5	(100)	(692)	(323)	(369)
Financing activities	44	(6)	50	221	217	4
Effects of changes in exchange rate on cash and cash equivalents	1	(3)	4	(12)	(17)	5
Net change in cash and cash equivalents	$ 16	$17	$ (1)	$ 5	$ 19	$ (14)

Three Months Ended March 31, 2006 vs. Three Months Ended March 31, 2005

During first quarter 2006, we generated $45 million more cash from operating activities as compared to first quarter 2005. Such change principally reflects a net increase relating to deferred income taxes, partially offset by a decrease in operating results and greater working capital requirements (see "Results of Operations—Three Months Ended March 31, 2006 vs. Three Months Ended March 31, 2005" for a detailed account of the change in our results of operations.)

During first quarter 2006, we used $100 million more cash for investing activities as compared to first quarter 2005. The increase in cash outflows primarily relates to (i) a $79 million increase in intercompany funding provided to Cendant in the normal course of business resulting from Cendant sweeping cash from our bank accounts as the cash is generated from our operations; and (ii) an increase of $8 million in capital expenditures.

During first quarter 2006, we generated $50 million more cash from financing activities as compared to first quarter 2005, substantially all of which reflects incremental cash inflows from long-term debt borrowings within our vacation ownership business during first quarter 2006 (see "—Financial Obligations" for a detailed discussion.)

Year Ended December 31, 2005 vs. Year Ended December 31, 2004

During 2005, we generated $346 million more cash from operating activities as compared to 2004. Such change principally reflects a net increase relating to deferred income taxes, additional vacation ownership contract receivable provisions recorded in 2005 and an increase in our results of operations in 2005 (see "Results of Operations—Year Ended December 31, 2005 vs. Year Ended December 31, 2004" for a detailed account of the change in our results of operations.)

During 2005, we used $369 million more cash for investing activities as compared to 2004. The increase in cash outflows primarily relates to (i) a $354 million increase in intercompany funding provided to Cendant in the normal course of business resulting from Cendant sweeping cash from our bank accounts as the cash is generated from our operations; (ii) the absence in 2005 of $41 million in cash proceeds received in connection with the sale of a provider of third-party vacation ownership financing in 2004; and (iii) an increase of $18 million in capital expenditures, the majority of which relates to incremental building and leasehold improvement expenditures

within our vacation ownership business; these incremental cash outflows were partially offset by (i) a $27 million reduction in cash used for acquisitions in 2005 (see Note 3 to our Annual Combined Financial Statements) and (ii) $17 million less cash we were required to set aside in connection with certain borrowing arrangements and business activities of our vacation ownership business. The net intercompany funding to Cendant will be eliminated as a result of the separation.

During 2005, we generated $4 million more cash from financing activities as compared to 2004. This change reflects incremental long-term debt borrowings of $62 million in 2005, which is primarily related to increased borrowings to support growth in our vacation ownership business (see "Financial Obligations" for a detailed discussion), substantially offset by $59 million in dividends paid to Cendant during 2005 resulting from repatriating cash from one of our foreign entities.

We intend to continue to invest in capital improvements and the development of our vacation ownership, vacation rental and mixed-use properties. In addition, we may seek to acquire additional franchise agreements, property management contracts and ownership interests in hotel or vacation rental properties on a strategic and selective basis, either directly or through investments in joint ventures. On April 7, 2006, we completed the previously announced acquisition of the Baymont brand and system of 115 franchised properties for approximately $60 million in cash. We anticipate spending approximately $800 million on capital expenditures and vacation ownership development projects in 2006. Capital expenditures in 2006 are expected to include (i) approximately $105 million to improve technology and maintain technological advantages, (ii) approximately $30 million on routine improvements and (iii) approximately $20 million for renovations and special projects. The remaining $645 million relates to vacation ownership development projects in 2006. The majority of the expenditures required to complete our capital spending programs will be financed through available cash flow and funds provided by Cendant (until our separation). Additional expenditures will be financed through general unsecured corporate borrowings. Our anticipated unused borrowing capacity of $570 million under our $900 million revolving credit facility would be available to finance our capital spending programs.

The Internal Revenue Services ("IRS") is currently examining Cendant's taxable years 1998 through 2002 during which we were included in Cendant's tax returns. Although we and Cendant believe there is appropriate support for the positions taken on our tax returns, we and Cendant have recorded liabilities representing the best estimates of the probable loss on certain positions. We and Cendant believe that its accruals for tax liabilities are adequate for all open years, based on assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. Although we and Cendant believe the recorded assets and liabilities are reasonable, tax regulations are subject to interpretation and tax litigation is inherently uncertain; therefore, our and Cendant's assessments can involve both a series of complex judgments about future events and rely heavily on estimates and assumptions. While we and Cendant believe that the estimates and assumptions supporting the assessments are reasonable, the final determination of tax audits and any other related litigation could be materially different than that which is reflected in historical income tax provisions and recorded assets and liabilities. Based on the results of an audit or litigation, a material effect on our cash flows in the period or periods for which that determination is made could result.

In connection with our separation from Cendant, we expect to incur substantial costs, which are not reflected in our historical cash flow activity, to operate as a separate public company. See "Certain Relationships and Related Party Transactions" in this information statement for more information concerning these costs. Additionally, upon distribution of our common stock to Cendant stockholders, we expect to assume and be responsible for 37.5% (or 30% if the sale of Travelport is not completed) of certain Cendant corporate contingent and other liabilities, including those relating to unresolved legal matters. Subject to certain exceptions contained in the Tax Sharing Agreement, which is filed as an exhibit to our registration statement on Form 10, we are generally responsible for 37.5% (or 30% if the sale of Travelport is not completed) of taxes associated with shared federal, state and foreign income tax returns relating to periods ending on or prior to the separation. Wyndham Worldwide is solely responsible for all tax liabilities resulting from separate income tax returns filed by us or one of our subsidiaries. As such, we may be required to make material cash payments to Cendant and/or

third parties in the future. However, the actual amount that we may be required to record and pay under these arrangements could vary depending upon the outcome of any unresolved matters, which may endure for several years, and if any party responsible for all or a portion of such liabilities were to default on its obligation to pay certain costs or expenses related to any such liability. Additionally, we may be entitled to receive a portion of the benefits recognized by Cendant upon the positive resolution of certain unresolved Cendant matters. See "Certain Relationships and Related Party Transactions" and "The Separation" in this information statement for more information.

Financial Obligations

Indebtedness Prior to Separation

Our indebtedness consisted of:

	March 31, 2006	December 31, 2005	December 31, 2004
Securitized vacation ownership debt	$ 1,167	$1,135	$ 909
Other:			
Vacation ownership asset-linked debt	575	550	425
Bank borrowings:			
Vacation ownership	104	113	136
Vacation rental	66	68	84
Vacation rental capital leases	141	139	167
Other	35	37	47
	$ 2,088	$2,042	$1,768

As of December 31, 2005, available capacity under our borrowing arrangements was as follows:

	Total Capacity[(a)]	Outstanding Borrowings	Available Capacity[(b)]
Securitized vacation ownership debt	$ 1,541	$ 1,135	$ 406
Other:			
Vacation ownership asset-linked debt	600	550	50
Bank borrowings:			
Vacation ownership	132	113	19
Vacation rental	68	68	—
Vacation rental capital leases	139	139	—
Other	37	37	—
	$ 2,517	$ 2,042	$ 475

(a) Capacity is subject to maintaining sufficient assets to collateralize these secured obligations.
(b) Total capacity decreased by $97 million as of March 31, 2006. This change is primarily due to a $95 million reduction of capacity under our securitized vacation ownership facility.

After our separation, the available capacity under our borrowing arrangements is expected to be as follows:

	Total Capacity	Outstanding Borrowings	Available Capacity
Term loan facility	$ 300	$ 300	$ —
Interim loan facility	800	800	—
Revolving credit facility	900	260	570(*)
	$ 2,000	$ 1,360	$ 570

(*) Our capacity under our revolving credit facility will be reduced by $70 million for the issuance of letters of credit in addition to the outstanding borrowings shown above.

The majority of our debt as of March 31, 2006 and December 31, 2005 was issued through the securitization of vacation ownership contract receivables. This debt represents fixed and floating rate term notes for which the weighted average interest rate was 4.1%, 3.3% and 3.2% during the years ended December 31, 2005, 2004 and 2003, respectively. We also have access to an $800 million bank conduit facility, of which $510 million and $394 million were drawn as of March 31, 2006 and December 31, 2005, respectively, which we utilize to securitize vacation ownership contract receivables. This conduit facility bears interest at variable rates and had a weighted average interest rate of 3.2%, 1.4% and 2.0% during the years ended December 31, 2005, 2004 and 2003, respectively. As of March 31, 2006, this debt (including borrowings under the conduit) is collateralized by $1,556 million of underlying vacation ownership contract receivables and related assets. On July 11, 2006, we closed an additional series of notes payable from vacation ownership loans in the initial principal amount of $550 million. The payment of principal and interest on these notes is insured under the terms of a financial guaranty insurance policy. The proceeds from these notes were used to reduce the principal and interest outstanding under the conduit facility referenced above and the remaining proceeds will be used for general corporate purposes.

Interest expense incurred in connection with our securitized vacation ownership debt amounted to $14 million and $9 million during the three months ended March 31, 2006 and 2005, respectively, and $46 million, $36 million and $10 million during the years ended December 31, 2005, 2004 and 2003, respectively. Such interest expense is recorded within the operating expenses on the Combined Statements of Income as we earn consumer finance income on the related securitized vacation ownership contract receivables.

We also borrow under a $600 million asset-linked facility through Cendant to support the creation of certain vacation ownership-related assets and the acquisition and development of vacation ownership properties. This facility expires in May 2007 and bears interest at a rate of LIBOR plus 62.5 basis points. As of March 31, 2006, these borrowings are collateralized by $1,343 million of vacation ownership-related assets, consisting primarily of unsecuritized vacation ownership contract receivables, vacation ownership inventory and restricted cash. The weighted average interest rate on these borrowings was 5.1% and 2.6% for years ended December 31, 2005 and 2004, respectively.

Our vacation ownership related bank borrowings principally represent $103 million outstanding under foreign credit facilities used to support vacation ownership operations in the South Pacific. This facility bears interest at Australian Dollar LIBOR plus 60 basis points and had a weighted average interest rate of 6.3% and 3.3% for the years ended December 31, 2005 and 2004, respectively. As of March 31, 2006, these secured borrowings are collateralized by $121 million of underlying vacation ownership contract receivables and related assets.

As of March 31, 2006 and December 31, 2005, we had bank debt outstanding of $66 million and $68 million, respectively, which was assumed in connection with the acquisition of Landal GreenParks during 2004 and was subsequently refinanced. As of March 31, 2006, the bank debt is collateralized by $120 million of land and related vacation rental assets and had a weighted average interest rate of 3.0% for the years ended December 31, 2005 and 2004.

We lease vacation homes located in European holiday parks as part of our vacation exchange and rental business. These leases are recorded as capital lease obligations with corresponding assets classified within property, plant and equipment on the Combined Balance Sheets. The vacation exchange and rental capital lease obligations had a weighted average interest rate of 7.5% for the years ended December 31, 2005 and 2004.

We also maintain other debt facilities which arise through the ordinary course of operations. As of March 31, 2006, this debt principally reflects $18 million of borrowings under a foreign unsecured credit facility and $11 million of mortgage borrowings related to an office building.

Interest expense incurred in connection with the vacation ownership asset-linked debt, bank borrowings and vacation rental capital leases amounted to $12 million and $9 million during the three months ended March 31, 2006 and 2005, respectively, and $36 million, $38 million and $11 million during the years ended December 31, 2005, 2004 and 2003, respectively. Such interest expense is recorded within the interest expense (income), net on the Combined Statements of Income.

Pro Forma Indebtedness Following Separation

The following table reflects our indebtedness (and related collateralizing assets) as of March 31, 2006 after giving pro forma effect to the planned borrowings in connection with our separation, which are described in more detail in the section entitled "Description of Material Indebtedness," included elsewhere in this information statement.

	As of March 31, 2006	(Adjustments)/ Planned Issuances/ (Repayments)	Separation Pro Forma	Reduction in Borrowings for Travelport Sale	Travelport Sale Pro Forma
Secured assets[a]	$ 3,240	$ (1,343)	$ 1,897	$ —	$ 1,897
Securitized vacation ownership debt	$ 1,167	$ —	$ 1,167	$ —	$ 1,167
Other:					
Vacation ownership asset-linked debt	575	(575)[b]	—	—	—
Bank borrowings					
Vacation ownership	104	—	104	—	104
Vacation rental	66	—	66	—	66
Vacation rental capital leases	141	—	141	—	141
	$ 2,053	$ (575)	$ 1,478	$ —	$ 1,478
Unsecured debt:					
Other	$ 35	$ —	$ 35	$ —	$ 35
Revolving credit facility	—	260[c]	260	—	260
Term loan	—	300[d]	300	—	300
Interim loan facility	—	800[e]	800	(760)	40
	35	1,360	1,395	(760)	635
	$ 2,088	$ 785	$ 2,873	$ (760)	$ 2,113

(a) Represents the portion of vacation ownership contract receivables, other vacation ownership related assets, and other vacation exchange and rental assets that collateralize our outstanding secured obligations. The pro forma amount reflects a reduction associated with the expected repayment of the existing asset-linked facility of Cendant which will result in the corresponding assets no longer being secured.

(b) Represents the repayment of borrowings under the asset-linked facility utilizing proceeds received in connection with the planned borrowings.

(c) Represents borrowings under a 5-year, $800 million revolving credit facility, which will bear interest at LIBOR plus 55 basis points, in addition to a commitment fee of 10 basis points, each of which will be dependent on our credit ratings.

(d) Represents unsecured term loans, which will be due in 2011 and will bear interest at LIBOR plus 55 basis points.

(e) Represents the issuance of term loans, which will be due in 2007 and will bear interest at LIBOR plus 55 basis points, dependent on our credit ratings.

Our new borrowing facilities contain restrictive covenants, including restrictions on indebtedness of material subsidiaries, mergers and certain sales of assets, limitations on liens, liquidations, and sale and leaseback transactions, and the maintenance of certain financial ratios. As of March 31, 2006, on a pro forma basis, we would have been in compliance with all the restrictive covenants including the required financial ratios. See "Description of Material Indebtedness," included elsewhere in this information statement for a description of these restrictive covenants.

LIQUIDITY RISK

Our liquidity position may be negatively affected by unfavorable conditions in the markets in which we operate. Our liquidity as it relates to our vacation ownership financings could be adversely affected if we were to fail to renew any of the facilities on their renewal dates or if we were to fail to meet certain ratios, which may occur in certain instances if the credit quality of the underlying vacation ownership contract receivables deteriorates. Our ability to sell vacation ownership contract receivables depends on the continued ability of the capital markets to provide financing to the entities that buy the vacation ownership contract receivables.

After giving effect to the separation, our syndicated credit facilities have been rated BBB and Baa2 by Standard & Poor's and Moody's, respectively. A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Each rating should be evaluated independently of any other rating.

SEASONALITY

We experience seasonal fluctuations in our gross revenues and net earnings from our franchise and management fees, commission income earned from renting vacation properties, annual subscription fees or annual membership dues, as applicable, and exchange transaction fees and sales of VOIs. Revenues from franchise and management fees are generally higher in the second and third quarters than in the first or fourth quarters, because of increased leisure travel during the summer months. Revenues from rental income earned from booking vacation rentals are generally highest in the third quarter, when vacation rentals are highest. Revenues from vacation exchange transaction fees are generally highest in the first quarter, which is generally when members of our vacation exchange business plan and book their vacations for the year. Revenues from sales of VOIs are generally higher in the second and third quarters than in other quarters. The seasonality of our business may cause fluctuations in our quarterly operating results. As we expand into new markets and geographical locations, we may experience increased or different seasonality dynamics that create fluctuations in operating results different from the fluctuations we have experienced in the past.

SEPARATION FROM CENDANT AND RELATED TRANSACTIONS

Prior to our separation from Cendant, we will enter into a Transition Services Agreement with Cendant, Realogy and Travelport to provide for an orderly transition to being an independent company. Under the Transition Services Agreement, Cendant will agree to provide us with various services, including services relating to human resources and employee benefits, payroll, financial systems management, treasury and cash management, accounts payable services, telecommunications services and information technology services.

In certain cases, services provided by Cendant under the Transition Services Agreement may be provided by one of the separated companies following the date of such company's separation from Cendant. Under the Transition Services Agreement, the cost of each transition service will reflect generally the same payment terms and will be calculated using the same cost allocation methodologies for the particular service as those associated with the costs on the Combined Financial Statements. The cost of each transition service will be based on either a flat fee or an allocation of the cost incurred by the company providing the service. The Transition Services Agreement is being negotiated in the context of a parent-subsidiary relationship and in the context of the separation of Cendant into four independent companies. Unless specifically indicated below, all services to be provided under the Transition Services Agreement will be provided for a specified period of time, and the parties' abilities to terminate those services in advance without penalty will be limited. After the expiration of the arrangements contained in the Transition Services Agreement, we may not be able to replace these services in a timely manner or on terms and conditions, including cost, as favorable as those we have received from Cendant. You should refer to the "Certain Relationships and Related Party Transactions" section of this information statement for a more complete description of these and other intercompany agreements and transactions between us and Cendant or one of the newly separated companies.

We are working to increase our own internal capabilities to reduce our reliance on Cendant for these services. The following table reflects our current estimate of additional costs associated with being an independent public company that are incremental to our historical cost structure and variations in costs resulting from our separation from Cendant, in each case, for the first full 12-month period following our separation from Cendant and upon the completion of the sale of Travelport (refer to the section entitled "Unaudited Pro Forma Combined Condensed Financial Statements"):

	Amount (in millions)
New costs of being a public company:	
Legal fees (including share of unresolved Cendant legal matters)	$ 14(1)
Facilities and equipment	9
Insurance	6
Information technology	5
Board of Directors and filing fees	4
Audit fees	4
Other	1
	43
Variation in costs from separation from Cendant:	
Staff additions and related costs to replace Cendant support	44
Depreciation and amortization related to assets transferred from Cendant	4
Outsourcing of payroll	1
	49
Less: Cendant general corporate overhead allocation	36
Estimated incremental costs	$ 56

(1) If the sale of Travelport is not completed, we expect this amount will decrease to $11 million.

Additionally, in connection with our separation, subject to certain exceptions contained in the Tax Sharing Agreement, we are expected to assume and be responsible for 37.5% (or 30% if the sale of Travelport is not completed) of certain Cendant contingent and other corporate liabilities, including those relating to unresolved tax and legal matters. More specifically, we generally will be responsible for the payment of 37.5% (or 30% if the sale of Travelport is not completed) of (i) all income and non-income taxes imposed on Cendant and certain other subsidiaries the operations (or former operations) of which were determined by Cendant not to relate specifically to our business or to the businesses of Realogy, Travelport or the Vehicle Rental business or their respective subsidiaries, (ii) in the event of a sale of Travelport, liabilities relating to the Travelport sale, including, in general (but subject to certain exceptions), liabilities for taxes of Travelport for taxable periods through the date of the Travelport sale, and (iii) all contingent and other corporate liabilities that are not primarily related to our business or to the businesses of Realogy, Travelport or the Vehicle Rental business that were incurred on or prior to the earlier of (x) December 31, 2006 or (y) the date of the separation of Travelport from Cendant. These contingent and other corporate liabilities include liabilities relating to, arising out of or resulting from (i) certain of Cendant's terminated or divested businesses, including among others, Cendant's former PHH and Marketing Services (Affinion) businesses, (ii) in the event of a sale of Travelport, liabilities relating to the Travelport sale, if any, (iii) the Securities Action, the PRIDES Action and the ABI Actions (for a further description of these litigation matters, see "Business—Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Legal Proceedings—Legal—Cendant Corporate Litigation"), (iv) generally any actions with respect to the separation plan or the distributions made or brought by any third party. Realogy is expected to assume and be responsible for 62.5% (or 50% if the sale of Travelport is not completed) of these liabilities and (v) payments under certain identified contracts (or portions thereof) that were not allocated to any specific party in connection with the separation. However, in almost all cases, contingent and other corporate liabilities do not include liabilities that are specifically related to one of the four separated companies which will be allocated 100% to the relevant company, including any

liabilities related to the filings of Form 10s or distribution of similar disclosure documents by the separated entities in connection with the separation. The allocation of these liabilities among us (37.5%) and Realogy (62.5%) was generally based upon the projected ability of each of us, Realogy and Travelport to satisfy the liabilities if and when they come due. The ability to satisfy liabilities was determined generally by evaluating the approximate percentage of 2005 EBITDA contribution each of us (35%) and Realogy (57%) to Cendant's 2005 EBITDA (before taking into account a non-cash charge at Travelport and excluding the EBITDA contributed by the Vehicle Rental business). Assuming our separation from Cendant occurred on March 31, 2006 and the sale of Travelport is completed, we would have recorded liabilities of $321 million relating to our assumption of such contingent and other corporate liabilities. We will also agree with Realogy to guarantee each other's obligations (as well as the Vehicle Rental business's) under our respective deferred compensation plans for amounts deferred in respect of 2005 and earlier years. The actual amount that we may be required to pay under these arrangements could vary depending upon the outcome of any unresolved matters, which may not be resolved for several years, and if any of the other parties responsible for such liabilities were to default in its payment of costs or expenses related to any such liability.

Certain lawsuits are currently outstanding against Cendant, some of which relate to accounting irregularities arising from some of the CUC International, Inc. business units acquired when HFS Incorporated merged with CUC to form Cendant. While Cendant has settled many of the principal lawsuits relating to the accounting irregularities, these settlements do not encompass all litigation associated with the accounting irregularities. Cendant and we do not believe that it is feasible to predict or determine the final outcome or resolution of these unresolved proceedings. An adverse outcome from such unresolved proceedings or other proceedings for which we have assumed liability under the separation agreements could be material with respect to our consolidated financial position, results of operations or cash flows in any given reporting period. We will be required to record the fair value of such obligations as a liability at the time of separation and a corresponding reduction to equity.

Generally accepted accounting principles prohibit us and Cendant from recording estimates for any contingent assets that we may be entitled to receive upon positive resolution of certain unresolved matters, including those relating to tax and legal matters.

CONTRACTUAL OBLIGATIONS

The following table summarizes our future contractual obligations for the twelve month periods beginning on April 1st of each of the years set forth below:

	2006	2007	2008	2009	2010	Thereafter	Total
Debt [a]	$ 359	$ 801	$ 423	$ 89	$ 67	$ 314	$ 2,053
Unsecured debt [b]	21	2	1	—	11	—	35
Operating leases	33	26	18	14	12	16	119
Other purchase commitments [c]	310	73	14	10	6	8	421
Total	$ 723	$ 902	$ 456	$ 113	$ 96	$ 338	$ 2,628

(a) Amounts exclude interest expense, as the amounts ultimately paid will depend on amounts outstanding under our secured obligations and interest rates in effect during each period.
(b) Excludes future cash payments related to interest expense.
(c) Primarily represents commitments for the development of vacation ownership properties.

The following table summarizes our future contractual obligations for the twelve month periods beginning on April 1st of each of the years set forth below after giving pro forma effect to planned debt issuances/repayments discussed above in connection with the separation plan and the sale of Travelport. The table below does not include future cash payments related to (i) contingent payments that may be made to Cendant and/or third parties at a future date in connection with the arrangements described above, (ii) payments that may result from the transfer to us of certain assets by Cendant or assumption of certain Cendant liabilities by us in connection with the separation plan or (iii) the various guarantees described in Note 13 to our Annual Combined Financial Statements.

	2006	2007	2008	2009	2010	Thereafter	Total
Debt [(a)]	$ 359	$ 226	$ 423	$ 89	$ 67	$ 314	$ 1,478
Unsecured debt [(b)]	21	42	1	—	11	560	635
Operating leases	33	26	18	14	12	16	119
Other purchase commitments [(c)]	310	73	14	10	6	8	421
Total	$ 723	$ 367	$ 456	$ 113	$ 96	$ 898	$ 2,653

(a) Amounts exclude interest expense, as the amounts ultimately paid will depend on amounts outstanding under our secured obligations and interest rates in effect during each period.

(b) This table assumes that pro forma debt of $40 million will be due in 2007 and $560 million will be due after 2010. Excludes future cash payments related to interest expense. All $600 million of the unsecured debt that we issued is variable rate and the interest payments will ultimately be determined by the rates in effect during each period. The 2006 amounts do not include the then-outstanding balance of the asset-linked facility to Cendant that will exist immediately prior to the separation.

(c) Primarily represents commitments for the development of vacation ownership properties.

In addition to the above and in connection with our separation from Cendant, we expect to enter into certain guarantee commitments with Cendant (pursuant to our assumption of certain liabilities and our obligation to indemnify Cendant, Realogy and Travelport for such liabilities) and guarantee commitments related to deferred compensation arrangements with each of Cendant, Wyndham Worldwide and, if Travelport is not sold, Travelport. These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which we expect to assume and be responsible for 37.5% (or 30% if the sale of Travelport is not completed) of these Cendant liabilities. Additionally, if any of the companies responsible for all or a portion of such liabilities were to default in its payment of costs or expenses related to any such liability, we would be responsible for a portion of the defaulting party or parties' obligation. We will also provide a default guarantee related to certain deferred compensation arrangements related to certain current and former senior officers and directors of Cendant, Realogy and, if Travelport is not sold, Travelport. These arrangements, which are discussed in more detail below, will be valued upon our separation from Cendant with the assistance of third-party experts in accordance with Financial Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" and recorded as liabilities on our balance sheet. To the extent such recorded liabilities are not adequate to cover the ultimate payment amounts, such excess will be reflected as an expense to our results of operations in future periods. Following is a discussion of the liabilities on which we will issue guarantees:

- **Contingent litigation liabilities.** We will assume 37.5% (or 30% if the sale of Travelport is not completed) of liabilities for certain litigation relating to, arising out of or resulting from certain lawsuits in which Cendant is named as the defendant. See "Business—Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Legal Proceedings—Legal—Cendant Corporate Litigation." Our indemnification obligation will continue until the underlying lawsuits are resolved. We will indemnify Cendant to the extent that Cendant is required to make payments related to any of the underlying lawsuits. As these indemnification obligations relate to matters in various stages of litigation, the maximum exposure cannot be quantified. Due to the inherent nature of the litigation process, the timing of payments related to these liabilities cannot be reasonably predicted, but is expected to occur over several years.

- **Contingent tax liabilities.** We will be liable for and will pay to Cendant the amount of taxes allocated to us pursuant to the Tax Sharing Agreement for the payment of certain taxes. This liability will remain outstanding until tax audits related to the 2006 tax year are completed or the statutes of limitations governing the 2006 tax year have passed. The maximum exposure cannot be quantified, as this would entail an assessment of an adverse interpretation of tax law. Additionally, the timing of payments related to these liabilities cannot be reasonably predicted, but is likely to occur over several years.
- **Cendant contingent and other corporate liabilities.** We will assume 37.5% (or 30% if the sale of Travelport is not completed) of corporate liabilities of Cendant including liabilities relating to (i) Cendant's terminated or divested businesses, (ii) liabilities relating to the Travelport sale, if any, and (iii) generally any actions with respect to the separation plan or the distributions brought by any third party, in each case to the extent incurred on the earlier of (1) the separation of Travelport or (2) December 31, 2006. Our maximum exposure to loss cannot be quantified as this liability relates primarily to future claims that may be made against Cendant that have not yet occurred.
- **Guarantee related to deferred compensation arrangements.** In the event that Cendant and/or Realogy and/or, if Travelport is not sold, Travelport are not able to meet certain deferred compensation obligations under specified plans for certain current and former officers and directors because of bankruptcy or insolvency, we will guarantee such obligations (to the extent relating to amounts deferred in respect of 2005 and earlier). In the event that Travelport is sold, our guarantee of Cendant's obligations would include certain deferred compensation obligations under specified plans for certain current and former officers of Travelport. This guarantee will remain outstanding until such deferred compensation balances are distributed to the respective officers and directors. As the guarantee relates to the value of the deferred compensation balances at the time Cendant and/or Realogy and/or, if Travelport is not sold, Travelport become insolvent, the maximum exposure cannot be quantified. The timing of payment, if any, related to these liabilities cannot be reasonably predicted.

See Unaudited Pro Forma Combined Condensed Financial Statements for a further discussion and estimate of these amounts. Additionally, see "Certain Relationships and Related Party Transactions" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources—Separation from Cendant and Related Transactions" for more information.

Other Commercial Commitments and Off-Balance Sheet Arrangements

Purchase Commitments. In the normal course of business, we make various commitments to purchase goods or services from specific suppliers, including those related to vacation ownership resort development and other capital expenditures. None of the purchase commitments made by us as of December 31, 2005 (aggregating approximately $349 million) were individually significant; the majority relate to commitments for the development of vacation ownership properties (aggregating $233 million, of which $219 million relates to 2006).

Standard Guarantees/Indemnifications. In the ordinary course of business, we enter into numerous agreements that contain standard guarantees and indemnities whereby we indemnify another party for breaches of representations and warranties. In addition, many of these parties are also indemnified against any third-party claim resulting from the transaction that is contemplated in the underlying agreement. Such guarantees and indemnifications are granted under various agreements, including those governing (i) purchases, sales or outsourcing of assets or businesses, (ii) leases of real estate, (iii) licensing of trademarks, (iv) development of vacation ownership properties, (v) access to credit facilities and use of derivatives and (vi) issuances of debt securities. The guarantees and indemnifications issued are for the benefit of the (i) buyers in sale agreements and sellers in purchase agreements, (ii) landlords in lease contracts, (iii) franchisees in licensing agreements, (iv) developers in vacation ownership development agreements, (v) financial institutions in credit facility arrangements and derivative contracts and (vi) underwriters in debt security issuances. While some of these guarantees and indemnifications extend only for the duration of the underlying agreement, many survive the

expiration of the term of the agreement or extend into perpetuity (unless subject to a legal statute of limitations). There are no specific limitations on the maximum potential amount of future payments that we could be required to make under these guarantees and indemnifications, nor are we able to develop an estimate of the maximum potential amount of future payments to be made under these guarantees and indemnifications as the triggering events are not subject to predictability. With respect to certain of the aforementioned guarantees and indemnifications, such as indemnifications of landlords against third-party claims for the use of real estate property leased by us, we maintain insurance coverage that mitigates any potential payments to be made.

Other Guarantees/Indemnifications. In the normal course of business, our vacation ownership business provides guarantees to certain property owners' associations for funds required to operate and maintain vacation ownership properties in excess of assessments collected from owners of the vacation ownership interests. We may be required to fund such excess as a result of our unsold owned vacation ownership interests or failure by owners to pay such assessments. These guarantees extend for the duration of the underlying subsidy agreements (which generally approximate one year and are renewable on an annual basis) or until a stipulated percentage (typically 80% or higher) of related vacation ownership interests are sold. The maximum potential future payments that we could be required to make under these guarantees was approximately $175 million as of December 31, 2005. We would only be required to pay this maximum amount if none of the owners assessed paid their assessments. Any assessments collected from the owners of the vacation ownership interests would reduce the maximum potential amount of future payments to be made by us. Additionally, should we be required to fund the deficit through the payment of any owners' assessments under these guarantees, we would be permitted access to the property for our own use and may use that property to engage in revenue-producing activities, such as marketing or rental. Historically, we have not been required to make material payments under these guarantees, as the fees collected from owners of vacation ownership interests have been sufficient to support the operation and maintenance of the vacation ownership properties. As of December 31, 2005, we recorded a liability in connection with these guarantees of $11 million.

Securitizations. We pool qualifying vacation ownership contract receivables and sell them to bankruptcy-remote entities. Prior to September 1, 2003, sales of vacation ownership contract receivables were treated as off-balance sheet sales as the entities utilized were structured as bankruptcy-remote QSPEs pursuant to SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." Subsequent to September 1, 2003, newly originated as well as certain legacy vacation ownership contract receivables are securitized through bankruptcy-remote SPEs that are consolidated within our financial statements.

Certain structures that we use to securitize vacation ownership contract receivables prior to September 1, 2003 did not qualify for inclusion in Combined Financial Statements and, therefore, securitizations through these structures were treated as off-balance sheet sales, with us retaining the servicing rights and a subordinated interest. As these securitization facilities are precluded from consolidation pursuant to generally accepted accounting principles, the debt issued by these entities and the collateralizing assets, which we service, are not reflected on the Combined Balance Sheets. The retained interest, however, is reported on the Combined Balance Sheets. Our retained interest of $13 million and $40 million as of December 31, 2005 and 2004, respectively, is recorded within other non-current assets on the Combined Balance Sheets.

During 2003, we recognized pre-tax gains of $39 million on the securitization of vacation ownership contract receivables through the off-balance sheet, bankruptcy-remote QSPEs (prior to our consolidation thereof on September 1, 2003), which were calculated using the following key economic assumptions: 7-15% prepayment speed; 7.0-7.6 weighted average life (in years); 15% discount rate; and 9.5-13.7% anticipated credit losses. Such gains were recorded within consumer financing on the Combined Statement of Income.

Letters of Credit. As of December 31, 2005, we had $44 million of irrevocable standby letters of credit outstanding, which mainly relate to support for development activity at our vacation ownership business.

In addition to the above and in connection with our separation from Cendant, we expect to enter into certain guarantee commitments with Cendant and cross-guarantee commitments with each of the separate stand-alone companies. These guarantee arrangements include certain Cendant contingent and other corporate liabilities including those relating to unresolved tax and legal matters. Such amounts will be valued utilizing third-party experts upon our separation from Cendant in accordance with Financial Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" and recorded as liabilities on our balance sheet. The timing of payment related to these liabilities cannot be reasonably predicted, but is expected to occur over several years. To the extent such recorded liabilities are not adequate to cover the ultimate payment amounts, such excess will be reflected as an expense to our results of operations in future periods. See Unaudited Pro Forma Combined Condensed Financial Statements for a further discussion and estimate of these amounts.

CRITICAL ACCOUNTING POLICIES

In presenting our financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material adverse impact to our combined results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. Presented below are those accounting policies that we believe require subjective and complex judgments that could potentially affect reported results. However, the majority of our businesses operate in environments where we are paid a fee for a service performed, and therefore the results of the majority of our recurring operations are recorded in our financial statements using accounting policies that are not particularly subjective, nor complex.

Vacation Ownership Revenue Recognition. Our sales of VOIs are either cash sales or seller-financed sales. In order for us to recognize revenues of VOI sales under the full accrual method of accounting described in SFAS No. 66, "Accounting of Sales of Real Estate" for fully constructed inventory, a binding sales contract must have been executed, the statutory rescission period must have expired (after which time the purchasers are not entitled to a refund except for non-delivery by us), receivables must have been deemed collectible and the remainder of our obligations must have been substantially completed. In addition, before we recognize any revenues on VOI sales, the purchaser of the VOI must have met the initial investment criteria and, as applicable, the continuing investment criteria, by executing a legally binding financing contract. A purchaser has met the initial investment criteria when a minimum down payment of 10% is received by us. In those cases where financing is provided to the purchaser by us, the purchaser is obligated to remit monthly payments under financing contracts that represent the purchaser's continuing investment. The contractual terms of seller-provided financing arrangements require that the contractual level of annual principal payments be sufficient to amortize the loan over a customary period for the VOI being financed, which is generally seven to ten years, and payments under the financing contracts begin within 45 days of the sale and receipt of the minimum down payment of 10%. We use a methodology to estimate the collectibility of the vacation ownership contract receivables, which includes consideration of such factors as economic conditions, defaults, past due aging and historical write-offs of contracts. We record reserves against these revenues, based on expected default levels, as a provision for loan losses on the Combined Statements of Income (see "Loan Loss Reserves" discussed below).

If all of the criteria for a VOI sale to qualify under the full accrual method of accounting have been met, as discussed above, except that construction of the VOI purchased is not complete, we recognize revenues using the percentage-of-completion method of accounting provided that the preliminary construction phase is complete and that a minimum sales level has been met (to assure that the property will not revert to a rental property). The preliminary stage of development is deemed to be complete when the engineering and design work is complete, the construction contracts have been executed, the site has been cleared, prepared and excavated, and the building

foundation is complete. The completion percentage is determined by the proportion of real estate inventory costs and certain sales and marketing and interest costs incurred to total estimated costs. These estimated costs are based upon historical experience and the related contractual terms. The remaining revenue and related costs of sales, including commissions and direct expenses, are deferred and recognized as the remaining costs are incurred. Until a contract for sale qualifies for revenue recognition, all payments received are accounted for as restricted cash and deposits within other current assets and deferred income, respectively, on the Combined Balance Sheets. Commissions and other direct costs related to the sale are deferred until the sale is recorded. If a contract is cancelled before qualifying as a sale, non-recoverable expenses are charged to the current period as part of operating expenses on the Combined Statements of Income. Changes in costs could lead to adjustments to the percentage of completion status of a project, which may result in difference in the timing and amount of revenue recognized from the construction of vacation ownership properties. This policy changed upon our adoption of Statement of Financial Accounting Standards, "Accounting for Real Estate Time-Sharing Transactions," or SFAS No. 152, and AICPA Statement of Position 04-2, "Accounting for Real Estate Time-sharing Transactions," or SOP 04-2, which is discussed in greater detail in Note 1 to the Interim Combined Condensed Financial Statements and Note 2 to the Annual Combined Financial Statements.

Loan Loss Reserves. In our vacation ownership segment, we provide for estimated vacation ownership contract receivable cancellations at the time the VOI sales are recorded with a charge to establish our provision for loan losses on the Combined Statements of Income. We consider factors such as economic conditions, defaults, past-due aging and historical write-offs of vacation ownership contract receivables to evaluate the adequacy of the allowance. Upon the adoption of SFAS No. 152 and SOP 04-2 on January 1, 2006, the charges to the reserve are classified as a reduction to revenue on a prospective basis.

Business Combinations. A component of our growth strategy has been to acquire and integrate businesses that complement our existing operations. We account for business combinations in accordance with SFAS No. 141, "Business Combinations" and related literature. Accordingly, we allocate the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed based upon their estimated fair values at the date of purchase. The difference between the purchase price and the fair value of the net assets acquired is recorded as goodwill.

In determining the fair values of assets acquired and liabilities assumed in a business combination, we use various recognized valuation methods including present value modeling and referenced market values (where available). Further, we make assumptions within certain valuation techniques including discount rates and timing of future cash flows. Valuations are performed by management or independent valuation specialists under management's supervision, where appropriate. We believe that the estimated fair values assigned to the assets acquired and liabilities assumed are based on reasonable assumptions that marketplace participants would use. However, such assumptions are inherently uncertain and actual results could differ from those estimates.

With regard to the goodwill and other indefinite-lived intangible assets recorded in connection with business combinations, we annually or, more frequently if circumstances indicate impairment may have occurred, review their carrying values as required by SFAS No. 142, "Goodwill and Other Intangible Assets." In performing this review, we are required to make an assessment of fair value for our goodwill and other indefinite-lived intangible assets. When determining fair value, we utilize various assumptions, including projections of future cash flows. A change in these underlying assumptions could cause a change in the results of the tests and, as such, could cause the fair value to be less than the respective carrying amount. In such event, we would then be required to record a charge, which would impact earnings.

The aggregate carrying values of our goodwill and other indefinite-lived intangible assets were $2,647 and $585 million, respectively, as of March 31, 2006 and $2,645 million and $580 million, respectively, as of December 31, 2005. Our goodwill and other indefinite-lived intangible assets are allocated among our three reporting segments. Accordingly, it is difficult to quantify the impact of an adverse change in financial results and related cash flows, as such change may be isolated to one of our reporting segments or spread across our entire organization. In either case, the magnitude of any impairment to goodwill or other indefinite-lived

intangible assets resulting from adverse changes cannot be estimated. However, our businesses are concentrated in one industry and, as a result, an adverse change to the hospitality industry will impact our combined results and may result in impairment of our goodwill or other indefinite-lived intangible assets.

Income Taxes. We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities. We regularly review our deferred tax assets to assess their potential realization and establish a valuation allowance for portions of such assets that we believe will not be ultimately realized. In performing this review, we make estimates and assumptions regarding projected future taxable income, the expected timing of the reversals of existing temporary differences and the implementation of tax planning strategies. A change in these assumptions could cause an increase or decrease to our valuation allowance resulting in an increase or decrease in our effective tax rate, which could materially impact our results of operations.

Changes in Accounting Policies

During first quarter 2006, we adopted the following standards as a result of the issuance of new accounting pronouncements:

- SFAS No. 152, "Accounting for Real Estate Time-Sharing Transactions" and Statement of Position No. 04-2, "Accounting for Real Estate Time-Sharing Transactions"
- SFAS No. 154, "Accounting Changes and Error Corrections—a replacement of APB Opinion No. 20 and FASB Statement No. 3"
- SFAS No. 123(R), "Accounting for Stock-Based Compensation"

We will adopt the following recently issued standards as required:

- SFAS No. 156, "Accounting for Servicing of Financial Assets—an amendment of FASB Statement No. 140"
- FASB Staff Position FIN 46R-6, "Determining the Variability to be Considered in Applying FASB Interpretation No. 46R"

For detailed information regarding these pronouncements and the impact thereof on our business, see Note 1 to our Interim Combined Condensed Financial Statements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We use various financial instruments, particularly swap contracts and interest rate caps to manage and reduce the interest rate risk related to our debt. Foreign currency forwards are also used to manage and reduce the foreign currency exchange rate risk associated with our foreign currency denominated receivables and forecasted royalties, forecasted earnings of foreign subsidiaries and other transactions.

We are exclusively an end user of these instruments, which are commonly referred to as derivatives. We do not engage in trading, market making or other speculative activities in the derivatives markets. More detailed information about these financial instruments is provided in Note 17 to the Annual Combined Financial Statements. Our principal market exposures are interest and foreign currency rate risks.

- Interest rate movements in one country, as well as relative interest rate movements between countries can materially impact our profitability. Our primary interest rate exposure as of December 31, 2005 was to interest rate fluctuations in the United States, specifically LIBOR and commercial paper interest rates due to their impact on variable rate borrowings and other interest rate sensitive liabilities. We anticipate that LIBOR and commercial paper rates will remain a primary market risk exposure for the foreseeable future.
- We have foreign currency rate exposure to exchange rate fluctuations worldwide and particularly with respect to the British pound, Euro and Canadian dollar. We anticipate that such foreign currency exchange rate risk will remain a market risk exposure for the foreseeable future.

We assess our market risk based on changes in interest and foreign currency exchange rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact in earnings, fair values and cash flows based on a hypothetical 10% change (increase and decrease) in interest and currency rates.

The fair values of cash and cash equivalents, trade receivables, accounts payable and accrued expenses and other current liabilities approximate carrying values due to the short-term nature of these assets. We use a discounted cash flow model in determining the fair values of vacation ownership contract receivables and our retained interests in securitized assets. The primary assumptions used in determining fair value are prepayment speeds, estimated loss rates and discount rates. We use a duration-based model in determining the impact of interest rate shifts on our debt and interest rate derivatives. The primary assumption used in these models is that a 10% increase or decrease in the benchmark interest rate produces a parallel shift in the yield curve across all maturities.

We use a current market pricing model to assess the changes in the value of the U.S. dollar on foreign currency denominated monetary assets and liabilities and derivatives. The primary assumption used in these models is a hypothetical 10% weakening or strengthening of the U.S. dollar against all our currency exposures as of March 31, 2006 and as of December 31, 2005, 2004 and 2003.

Our total market risk is influenced by a wide variety of factors including the volatility present within the markets and the liquidity of the markets. There are certain limitations inherent in the sensitivity analyses presented. While probably the most meaningful analysis, these “shock tests” are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled.

We used March 31, 2006 and December 31, 2005, 2004 and 2003 market rates on outstanding financial instruments to perform the sensitivity analyses separately for each of our market risk exposures—interest and currency rate instruments. The estimates are based on the market risk sensitive portfolios described in the preceding paragraphs and assume instantaneous, parallel shifts in interest rate yield curves and exchange rates.

We have determined that the impact of a 10% change in interest and foreign currency exchange rates and prices on our earnings, fair values and cash flows would not be material at March 31, 2006 and December 31, 2005. While these results may be used as benchmarks, they should not be viewed as forecasts.

BUSINESS

Overview

As one of the world's largest hospitality companies, we offer individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through our premier portfolio of world-renowned brands. With more than 20 brands, which include Wyndham Hotels and Resorts, Ramada, Days Inn, Super 8, TripRewards, RCI, Landal GreenParks, English Country Cottages, Novasol, Fairfield and Trendwest, we have built a significant presence in most major hospitality markets in the United States and throughout the rest of the world. In 2006, total spending by domestic and international travelers in the United States is expected to reach $675 billion, an increase of approximately 5% from spending levels in 2005 and of approximately 16% from spending levels in 2000, which witnessed the highest ever levels of travel spending for any year prior to the September 11, 2001 terrorist attacks. Globally, travel spending is expected to grow by 5% in 2006 to $4.5 trillion. Historically, we have pursued what we believe to be financially-attractive entrance points in the major global hospitality markets to strengthen our portfolio of products and services. Wyndham Worldwide is well positioned to compete in the major hospitality segments of this large and growing industry.

We operate primarily in the lodging, vacation exchange and rental, and vacation ownership segments of the hospitality industry:

- Through our lodging business, we franchise hotels in the upscale, middle and economy segments of the lodging industry and provide property management services to owners of upscale branded hotels;
- Through our vacation exchange and rental business, we provide vacation exchange products and services to owners of intervals of vacation ownership interests, and we market vacation rental properties primarily on behalf of independent owners; and
- Through our vacation ownership business, we market and sell vacation ownership interests to individual consumers, provide consumer financing in connection with the sale of vacation ownership interests and provide property management services at resorts.

Each of our lodging, vacation exchange and rental and vacation ownership businesses has a long operating history. Our lodging business began operations in 1990 with the acquisition of the Howard Johnson and Ramada brands, each of which opened its first hotel in 1954. RCI, the best known brand in our vacation exchange and rental business, was established more than 30 years ago, and our vacation ownership brands, Fairfield and Trendwest, began vacation ownership operations in 1980 and 1989, respectively.

We provide directly to individual consumers our high quality products and services, including the various accommodations we market, such as hotels, vacation resorts, villas and cottages, and products we offer, such as vacation ownership interests. We also provide valuable products and services to our business-to-business customers, such as franchisees, affiliated resort developers and prospective developers. These products and services include marketing and central reservation systems, back office services and loyalty programs. We strive to provide value-added products and services that are intended both to enhance the travel experience of the individual consumer and to drive revenue to our business-to-business customers. The depth and breadth of our businesses across different segments of the hospitality industry provide us with the opportunity to expand our relationships with our existing individual consumers and business-to-business customers in one or more segments of our business by offering them additional or alternative products and services from our other segments.

The largest portion of our revenues comes from fees we receive in exchange for providing products and services. We receive fees, for example, as royalties for utilizing our brands and for providing property management and vacation exchange and rental services. The remainder of our revenues comes from the proceeds of sales of products, such as vacation ownership interests, and related services. The fees we earn by providing

products and services and proceeds from sales of our products and services provide us with strong and stable cash flows. For the three months ended March 31, 2006 and the full year ended December 31, 2005, we had revenues of $870 million and $3,471 million, respectively, and net income of $28 million and $431, respectively. Assuming the separation and distribution were completed at the beginning of January 1, 2005 (and excluding any adjustments resulting from a sale of Travelport), we would have had pro forma net income of $5 million for the three months ended March 31, 2006 and $341 million for the year ended December 31, 2005. See "Unaudited Pro Forma Combined Condensed Financial Statements" for our adjustments relating to increased costs associated with operating as a separate company.

Global Operations

Our lodging, vacation exchange and rental and vacation ownership businesses all have operations outside the United States. In 2005, we derived 78% of our revenues in the United States and 22% internationally while we had 80% of our long-lived assets in the United States and 20% internationally. The table below notes the more significant countries of operations.

	2005	2004	2003
Revenue			
United States	$ 2,714	$ 2,385	$ 2,208
United Kingdom	211	174	155
Australia	99	94	76
Netherlands	163	113	—
Other	284	248	213
	$ 3,471	$ 3,014	$ 2,652
Long-lived assets			
United States	$ 3,478	$ 3,283	$ 3,157
United Kingdom	270	304	215
Australia	30	30	31
Netherlands	383	422	—
Other	194	281	197
	$ 4,355	$ 4,320	$ 3,600

History and Development

We are currently a wholly owned subsidiary of Cendant Corporation. Cendant Corporation was created in December 1997 through the merger of CUC International, Inc., or CUC, and HFS Incorporated, or HFS. Prior to the merger, HFS was a major hospitality, real estate and car rental franchisor. At the time of the merger, HFS franchised hotels worldwide through brands, such as Ramada, Days Inn, Super 8, Howard Johnson and Travelodge. Since the merger, Cendant has taken a number of steps and completed a number of transactions to grow its Hospitality Services business and to develop its Timeshare Resorts business (which is the same business as our vacation ownership business), including the:

- entry into the vacation ownership business with the acquisitions of Fairfield and Trendwest in 2001 and 2002, respectively;
- entry into the vacation rental business through the acquisition of various brands, including Cuendet and the Holiday Cottages group of brands, which includes English Country Cottages, in 2001, Novasol in 2002, and Landal GreenParks and Canvas Holidays in 2004;
- commencement of the TripRewards loyalty program in 2003;
- purchase of all remaining ownership rights to the Ramada brand on a worldwide basis from Marriott International in 2004;

- acquisition of the global Wyndham Hotels and Resorts brand, related vacation ownership development rights and selected hotel property management contracts in 2005; and
- acquisition of the Baymont brand in April 2006.

Prior to the distribution, Cendant will transfer to Wyndham Worldwide the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of Cendant's Hospitality Services (including Timeshare Resorts) businesses.

Industry Overview

The hospitality industry is a major component of the travel industry, which is the third-largest retail industry in the United States after the automotive and food stores industries. The general health of the hospitality industry is affected by the performance of the U.S. economy. From 1981-2005, the U.S. economy has performed solidly as evidenced by the growth of the U.S. real Gross Domestic Product, or real GDP, at a compound annual growth rate, or CAGR, of 3.1% over the period. The U.S. economy is expected to continue to perform solidly in 2006 and 2007 with real GDP expected to grow by approximately 3.5% and 3.4%, in 2006 and 2007, respectively.

The hospitality industry includes the segments in which Wyndham Worldwide operates—lodging, vacation exchange and rental, and vacation ownership. In spite of the recent series of unprecedented challenges faced by the hospitality industry, including terrorism, Severe Acute Respiratory Syndrome (SARS) and natural disasters, the industry is growing. In 2005, domestic and international travelers spent in the United States an estimated $646 billion, which represents nearly an 8% increase from the prior year. This year, it is expected that the total spending by such travelers in the United States will reach $675 billion, which would be an increase of nearly 5% over last year's spending. This level of expected spending in 2006 is 16% higher than the spending in 2000, the year prior to the September 11, 2001 terrorist attacks.

Lodging Industry

The $124 billion domestic lodging industry is a growing segment of the hospitality industry. Companies in the lodging industry generally operate in one or more of the various lodging segments, including luxury, upscale, middle and economy, and generally operate under one or more business models, including franchise, management or ownership. The lodging industry is an important component of the U.S. hospitality industry. In 2004, the U.S. lodging industry boasted approximately 47,600 properties, which represented more than approximately 4.4 million guest rooms, which are comprised of approximately 3.0 million rooms in franchised hotels and approximately 1.4 million rooms in independent hotels. According to PricewaterhouseCoopers' forecast, the U.S. lodging industry is expected to gross $20.9 billion in pre-tax profits in 2005, which represents a 25.1% increase from the prior year, followed by $25.6 billion in 2006 and $30.3 billion in 2007.

Growth in demand in the lodging industry is driven by two main factors: (i) the general health of the travel and tourism industry and (ii) the propensity for corporate spending on business travel. Demand for lodging grew by a 1.2% compounded annual growth rate (CAGR) in the United States from 2000 through 2005. During this six year period, the industry added approximately 518,000 rooms. Demand for lodging has grown even faster in the past three years from 2003 to 2005 at a 3.8% CAGR. Even with the recent increase in the number of hotel rooms, demand in the past few years has been outpacing supply, which creates a favorable business environment for lodging companies.

Performance in the lodging industry is measured by certain key metrics, such as average daily rate, or ADR, average occupancy rate and revenue per available room, or RevPAR, which is calculated by multiplying the ADR by the average occupancy rate. Over the past five years, the trends in these performance metrics have generally indicated that the lodging industry is growing. In 2005, the ADR in the United States was $90.84,

which is 5.3% higher than the rate in the prior year, the average occupancy rate was 63.1%, which is 2.9% higher than the rate in the prior years and RevPAR was $57.34, which is 8.4% higher than RevPAR in the prior year. The following table demonstrates the trends in the key performance measures:

Trends in Performance Metrics in the United States since 2001

Year	Occupancy Rate	Change in Occupancy Rate	Average Daily Rate (ADR)	Change in ADR	RevPAR	Change in RevPAR
2001	59.7%	(5.6)%	$ 83.99	(1.4)%	$50.17	(7.0)%
2002	59.0%	(1.2)%	82.75	(1.5)%	48.82	(2.7)%
2003	59.2%	0.3%	82.86	0.1%	49.04	0.4%
2004	61.3%	3.6%	86.24	4.1%	52.88	7.8%
2005	63.1%	2.9%	90.84	5.3%	57.34	8.4%
2006E	64.3%	1.8%	96.11	5.8%	61.75	7.7%

Sources: Smith Travel Research; PricewaterhouseCoopers

Performance in the lodging industry is also measured by revenues earned by companies in the industry and by the number of new rooms added on a yearly basis. In 2005, the lodging industry earned revenues of $124.2 billion and added 82,100 new rooms. The following table demonstrates trends in revenues and new rooms:

Trends in Revenues and New Rooms in the United States since 2001

Year	Revenues ($ bn)	Change in Revenues	New Rooms (000s)	Change in New Rooms
2001	$ 103.5	(7.7)%	90.5	(24.9)%
2002	102.6	(0.9)%	68.4	(24.4)%
2003	105.1	2.5%	76.7	12.0%
2004	114.1	8.5%	79.9	4.1%
2005	124.2	8.8%	82.1	2.9%
2006E	135.1	8.8%	120.0	46.0%

Sources: Smith Travel Research; PricewaterhouseCoopers

The lodging industry generally can be divided into four main segments: (i) luxury; (ii) upscale, which also includes upper-upscale properties, (iii) midscale, which is often further split into midscale with food and beverage and midscale without food and beverage; and (iv) economy. Luxury and upscale hotels typically offer a full range of on-property amenities and services including restaurants, spas, recreational facilities, business center, concierge, room service and local transportation (shuttle service to airport, local attractions and shopping). Middle segment properties typically offer limited breakfast service, vending, selected business services, partial recreational facilities (either a pool or fitness equipment) and limited transportation (airport shuttle). Economy properties typically offer a swimming pool and airport shuttle. The following table sets forth the information on the ADR and on supply and demand for each segment and the associated subsegments:

Lodging Segments for Franchised Hotels

Segment(*)	Estimated Average Daily Room Rate (ADR)	2005 Rooms Sold (Demand, 000s)	Change in Demand	2005 Room Supply (000s)	Change in Supply
Luxury	Greater than $180	53.3	3.7%	75.9	0.0%
Upper-upscale	$115 to $180	380.1	4.0%	535.9	1.3%
Upscale	$85 to $115	274.0	4.0%	389.6	1.6%
Midscale with food-and-beverage	$57 to $85	328.5	0.2%	557.6	(2.8)%
Midscale without food-and-beverage	$57 to $85	433.4	4.7%	660.1	0.9%
Economy	Less than $57	422.3	3.5%	734.9	0.0%

Sources: Smith Travel Research; PricewaterhouseCoopers Hospitality Directions, U.S. Edition, March 2006; ADR statistics are based on company estimates

(*) The "economy" segments (upper economy, economy and lower economy) of our lodging brands discussed on pages 124 and 127 of this information statement, while based on the Smith Travel Research chain-scale segments represented in the table above, provide a greater degree of differentiation to correspond with the price sensitivities of our customers by brand. The "middle" segment of our lodging brands encompasses both the Smith Travel Research "midscale without food and beverage" and "midscale with food and beverage" segments. See the System Performance and Distribution Table in "—Wyndham Hotel Group."

Typically, companies in the lodging industry operate under one or more of the following three business models:

- **Franchise.** Under the franchise model, a company, which under this model is referred to as a franchisor, typically grants the use of a brand name to owners of hotels that the company neither owns nor manages in exchange for royalty fees that are typically equal to a percentage of room sales. Owners of independent hotels increasingly have been affiliating their hotels with national lodging franchise brands as a means to remain competitive. In 2005, the share of hotel rooms in the United States affiliated with a national lodging chain was approximately 67%.
- **Management.** Under the management model, a company provides property management services to lodging properties that it owns and/or lodging properties owned by a third party in exchange for management fees, which may include incentive fees based on the financial performances of the properties.
- **Ownership.** Under the ownership model, a company owns properties and therefore benefits financially from hotel revenues and any appreciation in value of the properties.

Vacation Exchange and Rental Industry

The estimated $36 billion global vacation exchange and rental industry is a growing segment of the hospitality industry. Industry providers offer products and services to both leisure travelers and vacation property owners, including owners of second homes and vacation ownership interests. The vacation exchange and rental industry offers leisure travelers access to a range of fully-furnished vacation properties, which include privately- owned vacation homes, apartments and condominiums, vacation ownership resorts, inventory at hotels and resorts, villas, cottages, boats and yachts. Providers offer leisure travelers flexibility (subject to availability) as to time of travel and a choice of lodging options in regions to which such travelers may not typically have such ease of access. For vacation property owners, affiliations with vacation exchange companies or vacation rental companies allow such owners to transfer the ability to facilitate exchanges of interests in vacation properties or marketing and renting vacation properties, as applicable, and, with respect to vacation properties for rental, to transfer the responsibility of managing such properties.

The vacation exchange industry provides to owners of intervals flexibility with respect to vacations through vacation exchanges. Companies that offer vacation exchange services include, among others RCI (our global vacation exchange subsidiary and the world's largest vacation exchange network), Interval International, Inc. (a third-party exchange company), and companies that develop vacation ownership resorts and market vacation ownership interests and offer exchanges through internal networks of properties. To participate in a vacation exchange, an owner generally contributes intervals to an exchange company's network and then indicates the particular resort or geographic area to which the owner would like to travel, the size of the unit desired and the period during which the owner would like to vacation. The exchange company then rates the owner's contributed intervals based upon a number of factors, including the location and size of the unit or units, the quality of the resort or resorts and the time period or periods during which the intervals entitle the owner to vacation. The exchange company then generally offers the owner a vacation with a similar or better rating as the rating of the vacation that the owner contributed. Exchange companies generally derive revenues from owners of intervals by charging exchange fees for exchanges and through annual membership dues. In 2004, approximately 72% of owners of intervals were members of vacation exchange companies, and over two-thirds of such owners exchanged their intervals through such exchange companies.

The overall trend in the vacation exchange industry is growth in the number of members of vacation exchange companies. We believe that the vacation exchange industry will be favorably impacted by the growth in the premium and luxury segments of the vacation ownership industry through the increased sales of vacation ownership interests at high-end luxury resorts and the continued development of vacation ownership properties and products, including condominium hotels and destination clubs. The vacation exchange industry is expected to grow over the next few years with respect to members and with respect to exchanges by members. In 2004, there were approximately five million members who completed over 3.5 million exchanges.

The vacation rental industry offers vacation property owners the opportunity to rent their properties to leisure travelers for periods of time when the properties are unoccupied. The vacation rental industry is not as organized as the lodging industry in that the vacation rental industry, we believe, has no global companies and no international reservation systems or global brands. The global supply of vacation rental inventory is highly fragmented with much of it being made available by individual property owners (as contrasted with commercial hospitality providers). Although these owners sometimes rent their properties directly, with or without the assistance of property managers and brokers, vacation rental companies often assist in renting owners' properties without the benefit of globally recognized brands or international marketing and reservation systems. Sales by vacation rental companies are growing more rapidly than sales by other suppliers of inventory in the vacation rental industry. Typically, vacation rental companies collect rent in advance and, after deducting the applicable commissions, remit the net amounts due to the property owners and/or property managers. In addition to commissions, vacation rental companies earn revenues from rental customers through fees that are incidental to the rental of the properties, such as fees for travel services, local transportation, on-site services and insurance.

We believe that as of December 31, 2005, there were approximately 1.1 million and 1.2 million vacation properties available for rental in the United States and Europe, respectively. In the United States, the vacation properties available for rental are primarily condominiums or stand-alone houses. In Europe, the vacation properties available for rental include individual homes and apartments, campsites and vacation parks. Individual owners of vacation properties in the United States and Europe principally own their properties as investments and often only use such properties for portions of the year.

We believe that the overall demand for vacation rentals has been growing for the following reasons: (i) the continuing growth of low-cost airline operations; (ii) the increased use of the Internet as a tool for facilitating vacation rental transactions; and (iii) the emergence of attractive, low-cost, warm-weather destinations, such as Eastern Europe and the Middle East. The demand per year for vacation rentals in Europe, the United States, South Africa and Australia is approximately 45 million vacation weeks, 30 million of which are rented by leisure travelers from Europe. Demand for vacation rental properties is often regional in that leisure travelers who rent properties often live relatively close to such properties. Many leisure travelers, however, travel relatively long distances from their homes to vacation properties in domestic or international destinations.

The destinations where leisure travelers from Europe, the United States, South Africa and Australia generally rent properties vary by country of origin of the leisure travelers. Leisure travelers from Europe generally rent properties in European destinations, including Spain, France, Italy and Portugal, which are the most popular destinations for European leisure travelers. Demand from European leisure travelers has recently been shifting beyond traditional Western Europe, based on political stability across Europe, increased accessibility of Eastern Europe, expansion of the European Union and expansion of tourism in southern Mediterranean destinations. Demand by leisure travelers from the United States is focused on rentals in traditional destinations, such as Florida; Las Vegas, Nevada; San Francisco, California; and New York City.

We believe that the overall supply of vacation rental properties has been growing as a result of the growth in ownership of second homes. Growth in ownership of second homes, however, could adversely affect demand for vacation rental properties to the extent that owners of such homes no longer are as likely to rent vacation properties as such owners were before they bought second homes.

The overall trend in the vacation rental industry is growth in the number of vacation rentals due to the increased popularity of consumers' renting non-hotel inventory. According to a recent Travel Industry Association report on domestic travel, sales of vacation rentals as measured by the number of rental weeks sold in the United States are expected to grow 67% over the next decade.

The Vacation Ownership Industry

The $12 billion global vacation ownership industry, which is also referred to as the timeshare industry, is one of the fastest-developing segments of the domestic and international hospitality industry. The vacation ownership industry enables customers to share ownership of a fully-furnished vacation accommodation. Typically, a vacation ownership purchaser acquires either a fee simple interest in a property, which gives the purchaser title to a fraction of a unit, or a right to use a property, which gives the participant the right to use a property for a specified period of time. Generally, a vacation ownership purchaser's fee simple interest in or right to use a property is referred to as a "vacation ownership interest." For many vacation ownership interest purchasers, vacation ownership is an attractive vacation alternative to traditional lodging accommodations at hotels or owning vacation properties. Owners of vacation ownership interests are not subject to the variance in room rates to which lodging customers are subject, and vacation ownership units are, on average, more than twice the size of traditional hotel rooms and typically have more amenities, such as kitchens, than do traditional hotel rooms.

The vacation ownership concept originated in Europe during the late 1960s and spread to the United States shortly thereafter. The vacation ownership industry expanded slowly in the United States until the mid-1980s; since then, the vacation ownership industry has grown at a double-digit CAGR. The American Resort Development Association, or ARDA, indicates that sales of vacation ownership interests grew in excess of 17% CAGR from 1995 to 2004. Based on ARDA research, domestic sales of vacation ownership interests were approximately $7,870 million in 2004 compared to $4,200 million in 2000 and $1,900 million in 1995. ARDA estimated that on January 1, 2005, there were approximately 3.9 million households that owned one or more vacation ownership interests in the United States, which represents a 14.7% increase from the prior year in the number of households that owned interests.

The following table lists information from 1990 through 2004 on the worldwide and domestic sales of vacation ownership interests and on the number of households that own one or more vacation ownership interests:

Vacation Ownership Industry Statistics—Worldwide and United States, 1990-2004

	Developer Sales Volume				Member/Owner Households			
	Worldwide		United States		Worldwide		United States	
	($ bn)	% change	($ bn)	% change	(mm)	% change	(mm)	% change
1990	$ 3.24		$1.20		1.5		1.1	
1991	3.74	15.4%	1.25	4.2%	1.8	20.0%	1.2	9.1%
1992	4.25	13.6%	1.30	4.0%	2.1	16.7%	1.3	8.3%
1993	4.51	6.1%	1.50	15.4%	2.4	14.3%	1.3	0.0%
1994	4.76	5.5%	1.70	13.3%	2.8	16.7%	1.4	7.7%
1995	5.12	7.6%	1.90	11.8%	3.1	10.7%	1.5	7.1%
1996	5.25	2.5%	2.20	15.8%	3.5	12.9%	1.7	13.3%
1997	5.71	8.8%	2.70	22.7%	4.0	14.3%	1.8	5.9%
1998	6.13	7.4%	3.15	16.7%	4.4	10.0%	1.9	5.6%
1999	6.72	9.6%	3.65	15.9%	4.9	11.4%	2.1	10.5%
2000	7.72	14.9%	4.20	15.1%	5.3	8.2%	2.3	9.5%
2001	8.60	11.4%	4.80	14.3%	5.8	9.4%	2.5	8.7%
2002	9.40	9.3%	5.50	14.6%	6.2	6.9%	3.0	20.0%
2003	10.70	13.8%	6.48	17.8%	6.7	8.1%	3.4	13.3%
2004	12.00	12.1%	7.87	21.5%	7.2	7.5%	3.9	14.7%
CAGR		**9.80%**		**14.40%**		**11.90%**		**9.50%**

Sources: Ragatz Associates, a Wyndham Worldwide business, which is currently known as NorthCourse; ARDA; Bear, Stearns & Co. Inc.

Based on published industry data, we believe that the following factors have contributed to the substantial growth, particularly in North America, of the vacation ownership industry over the past two decades:

- increased consumer confidence in the industry based on enhanced consumer protection regulation of the industry;
- entry of lodging and entertainment companies into the industry, including Marriott International, The Walt Disney Company, Hilton Hotels Corporation, Hyatt Corporation, and Starwood Hotels and Resorts Worldwide, Inc.;
- increased flexibility for owners of vacation ownership interests made possible through owners' affiliations with vacation ownership exchange companies and vacation ownership companies' internal exchange programs;
- improvement in quality of resorts and resort management and servicing; and
- improved financing availability for purchasers of vacation ownership interests.

Demographic factors explain, in part, the growth of the industry. A 2003 study of vacation ownership purchasers revealed that the average purchaser was 53 years of age and had a median household income of $85,000. The average purchaser in the United States, therefore, is a baby boomer who has disposable income and interest in purchasing vacation products. We expect that baby boomers will continue to have a positive influence on the future growth of the vacation ownership industry.

According to the information compiled by the ARDA, the three primary reasons consumers cite for purchasing vacation ownership interests are: (i) flexibility with respect to different locations, unit sizes and times of year, (ii) the opportunity to exchange into other resort locations, and (iii) the certainty of quality accommodations. According to a 2005 ARDA study, nearly 85% of owners of vacation ownership interests indicated high levels of satisfaction. With respect to exchange opportunities, most owners of vacation ownership interests can exchange vacation ownership interests through exchange companies and through the applicable vacation ownership company's internal network of properties.

WYNDHAM HOTEL GROUP

Overview

Wyndham Hotel Group, our lodging business, franchises hotels and provides property management services to owners of upscale branded hotels. Through steady organic growth and acquisitions of established lodging franchise systems over the past 15 years, our lodging business has become the world's largest lodging franchisor as measured by the number of franchised hotels. Our lodging business has over 6,300 franchised hotels, which represent approximately 525,000 rooms on six continents. Our franchised hotels operate under one of our ten lodging brands, which are Wyndham Hotels and Resorts, Wingate Inn, Ramada, Baymont, Days Inn, Super 8, Howard Johnson, AmeriHost Inn, Travelodge and Knights Inn. The breadth and diversity of our lodging brands provide potential franchisees with a range of options for affiliating their properties with one or more of our brands. Our lodging business has a strong presence across the middle and economy segments of the lodging industry and a developing presence in the upscale segment, thus providing individual consumers who are traveling for leisure or business with options for hospitality products and services across various price ranges. We first entered into the upscale segment of the domestic lodging industry in October 2005, when we acquired the franchise and property management businesses associated with the Wyndham Hotels and Resorts brand. We strengthened our position in the middle segment of the domestic lodging industry in April 2006, when we acquired the franchise business of Baymont Inn & Suites.

Throughout this information statement, we use the term "hotels" to apply to hotels, motels and/or other accommodations, as applicable. In addition, the term "franchise system" refers to a system through which a franchisor provides services to hotels whose independent owners pay to receive such services from the franchisor under the specific terms of a franchise agreement. The services provided through a franchise system typically include reservations, sales leads, marketing and advertising support, training, quality assurance inspections, operational support and information, pre-opening assistance, prototype construction plans, and national or regional conferences.

Our franchised hotels represent approximately 10% of the U.S. hotel room inventory. In 2005, our franchised hotels sold 8.2%, or approximately 84.1 million, of the one billion hotel rooms sold in the United States. Throughout this information statement, we refer to nights at hotel rooms as "hotel room nights." In 2005, our franchised hotels sold approximately 19.5% of all hotel room nights sold in the United States in the economy and midscale segments. Our franchised hotels are dispersed throughout North America, which reduces our exposure to any one geographic region. Approximately 92% of the hotel rooms, or approximately 481,000 rooms, in our franchised hotels are located throughout North America, and approximately 8% of the hotel rooms, or approximately 44,000 rooms, are located outside of North America. In addition, our lodging franchises are dispersed among numerous franchisees, which reduces our exposure to any one lodging franchisee. Of our approximately 5,000 lodging franchisees, no one franchisee accounts for more than 2% of our franchised hotels. Our lodging business provides our franchised hotels with a suite of operational and administrative services, including access to an international central reservations system, advertising, promotional and co-marketing programs, referrals, technology, training and volume purchasing. In 2003, our lodging business introduced the TripRewards loyalty program, the world's largest hotel rewards program as measured by the number of participating hotels, for the benefit of the franchise business. In connection with our acquisition of Wyndham Hotels and Resorts' franchise business in October 2005, we acquired the related property management business and began offering hotel property management services. As of March 31, 2006, our lodging business held hotel property management contracts for 19 hotels associated with the Wyndham Hotels and Resorts brand. We expect to expand our property management business by strategically entering into property management contracts with new and existing hotels franchised under our brands.

Our lodging business derives a majority of its revenues from franchising hotels and derives additional revenues from property management. The sources of revenues from franchising hotels are initial franchise fees, which relate to services provided to assist a franchised hotel to open for business under one of our brands, and

ongoing franchise fees, which are comprised of royalty fees and other fees relating to marketing and reservations. The royalty fees are intended to cover the use of our trademarks and our operating expenses, such as expenses incurred for franchise services, including quality assurance and administrative support, and to provide us with operating profits. The fees relating to marketing and reservations are intended to reimburse us for expenses associated with providing certain other franchise services, such as a central reservations system and advertising and marketing programs. Because franchise fees generally are based on percentages of the franchisees' gross revenues, increasing RevPAR at franchised hotels is important to our revenue growth. Expanding our portfolio of franchised hotels and providing world-class service and support are also important to our revenue growth. The sources of revenues from property management are management fees, service fees and reimbursement revenues. Our management fees are comprised of base fees, which typically are calculated based upon a specified percentage of gross revenues from hotel operations, and incentive management fees, which typically are calculated based upon a specified percentage of a hotel's operating profit or the amount by which a hotel's operating profit exceeds specified targets. Service fees include fees derived from accounting, design, construction and purchasing services and technical assistance provided to managed hotels. Reimbursement revenues are intended to cover expenses the property management business spends to provide advertising and promotion, marketing and sales, centralized reservations and other services. For the three months ended March 31, 2006 and the full year ended December 31, 2005, revenues from our lodging business totaled $144 million and $533 million, respectively. For the three months ended March 31, 2006 and the full year ended December 31, 2005, our lodging business, which is part of the business that Cendant currently refers to as the Hospitality Services business, contributed approximately 17% and 15% of our revenues, respectively, and approximately 23% and 26% of our combined segment EBITDA, respectively.

Our lodging business operates under two franchise models. In the United States, Canada and the United Kingdom, we employ a direct franchise model whereby we contract with and provide services and assistance with reservations directly to independent owner-operators of hotels. In other parts of the world, we generally employ either a direct franchise model or a master franchise model whereby we contract with a qualified, experienced third party to build a franchise enterprise in such third party's country or region. Beginning in 2005, we began offering property management services to owners of upscale branded hotels.

Lodging Brands

We franchise ten widely known lodging brands:

- ***Wyndham Hotels and Resorts***. The Wyndham Hotels and Resorts brand was founded in 1981, and we acquired the brand in 2005. Wyndham Hotels and Resorts had been named Wyndham International Inc. until 2005. Wyndham Hotels and Resorts serves the upscale segment of the lodging industry with approximately 100 hotels and approximately 26,700 rooms located in the United States, Canada, the Caribbean and Mexico. The Wyndham Hotels and Resorts system includes Viva Wyndham Resorts, a collection of all-inclusive resorts in the Caribbean and Mexico.

  Wyndham Hotels and Resorts offers signature programs, which include:

  - Wyndham's Meetings ByRequest program, which is designed to help groups plan meetings. The program features 24-hour turnaround on all correspondence between the group's meeting planner and Wyndham's meetings manager, 100% wired or wireless Internet connectivity and catering options;
  - Wyndham's Women On Their Way program, which is dedicated to women business travelers; and
  - Wyndham ByRequest program, which is a guest recognition program that provides returning guests with personalized accommodations.
- ***Wingate Inns International***. We created and launched the Wingate Inn brand in 1995 and opened the first hotel a year later. The all-new-construction Wingate Inn brand serves the upper middle segment of

the lodging industry and franchises approximately 150 hotels with approximately 13,600 rooms located in the United States and Canada. Wingate Inn hotels currently offer all-inclusive pricing that includes the price of the room; complimentary wired and wireless high-speed Internet access, faxes and photocopies, deluxe continental breakfast, local calls and access for long-distance calls; and access to a 24-hour self-service business center equipped with computers with high-speed Internet access, a fax, a photocopier and a printer. Each hotel features a boardroom and meeting rooms with high-speed Internet access, a fitness room with a whirlpool and, at most locations, a swimming pool. Wingate Inn hotels currently do not offer food and beverage services.

- ***Ramada Worldwide***. The Ramada brand was founded in 1954. We licensed the United States and Canadian trademark rights to the Ramada brand prior to acquiring the rights in 2002 and acquired the ownership rights to the brand on a worldwide basis in 2004. In North America, we serve the middle segment through Ramada, Ramada Hotel, Ramada Plaza and Ramada Limited, and internationally we serve the middle and upscale segments of the lodging industry through Ramada Resort, Ramada Hotel and Resort, Ramada Hotel and Suites, Ramada Plaza and Ramada Encore. Ramada Worldwide franchises approximately 900 hotels with approximately 107,300 rooms located in the United States, Canada, Costa Rica, Mexico, United Kingdom, Ireland, France, Switzerland, Finland, Sweden, the Netherlands, Germany, Italy, Czech Republic, Hungary, Lithuania, Romania, Turkey, Egypt, Bahrain, Morocco, Saudi Arabia, Qatar, Oman, United Arab Emirates, Australia, Japan, South Korea, Indonesia, China and India. The United States Ramada franchise system is currently undergoing a multimillion dollar repositioning program designed to improve the customer experience, value and, most importantly, overall product quality to ensure the brand's future growth and competitiveness in the middle segment of the industry and the upscale segment of the international industry. The repositioning will result in a new logo and signage, a new prototype, upgraded standards and amenities, and incentives for developers to build new hotels to be franchised under the Ramada brand and hotel owners to convert their hotels to hotels franchised under the Ramada brand. As part of the repositioning effort, each Ramada property is expected to upgrade certain of the amenities it currently offers and to introduce new amenities.
- ***Baymont Franchise Systems***. Founded in Wisconsin in 1976 under the Budgetel Inns brands, the system was converted in 1999 to the Baymont Inn & Suites brand. We acquired the brand in April 2006. Baymont Franchise Systems primarily serves the middle segment of the lodging industry and franchises 115 hotels with approximately 9,400 rooms located in the United States. Following the closing of our acquisition of the franchise business of Baymont Inn & Suites, we announced our intent to consolidate the AmeriHost-branded properties with our newly acquired Baymont-branded properties to create a more significant midscale brand. We expect this consolidation to occur in the next several months. Baymont Inn & Suites rooms feature oversized desks, ergonomic chairs and task lamps, voicemail, free local calls, in-room coffee maker, iron and board, hair dryer and shampoo, television with premium channels, pay-per-view movies and/or satellite movies and video games. Most locations feature high-speed Internet access, swimming pool, airport shuttle service and fitness center.
- ***Days Inns Worldwide***. The Days Inn brand was created by Cecil B. Day in 1970, when the lodging industry consisted of only a dozen national brands. We acquired the brand in 1992. Days Inns Worldwide serves the upper economy segment of the lodging industry. Days Inns Worldwide franchises approximately 1,800 hotels with approximately 149,500 rooms located in the United States, Canada, Mexico, Argentina, Uruguay, Ireland, United Kingdom, Italy, Egypt, Jordan, South Africa, Guam, China, India and the Philippines. In the United States, we serve the upper economy segment of the lodging industry through Days Inn, Days Hotel, Days Suites, DAYSTOP and Days Inn Business Place, and in the United Kingdom we serve the upper economy segment of the lodging industry through Days Hotels, Days Inn and Days Serviced Apartments. Many properties offer on-site restaurants, lounges, meeting rooms, banquet facilities, exercise centers and a complimentary continental breakfast and newspaper each morning. Each Days Suites room provides separate living and sleeping areas, with a telephone and television in each area. Each Days Inn Business Place room currently offers high-intensity lighting, a large desk, a microwave/refrigerator unit, a coffeemaker, an iron and ironing board, and snacks and beverages.

- ***Super 8 Motels***. The first motel operating under the Super 8 brand opened in October 1974. We acquired the brand in 1993. Super 8 Motels serves the economy segment of the lodging industry. Super 8 Motels franchises approximately 2,000 hotels with approximately 123,700 rooms located in the United States, Canada and China. Super 8 motels currently provide complimentary continental breakfast. Participating motels currently allow pets and offer free local calls for free, fax and copy services, microwaves, suites, guest laundry, exercise facilities, cribs, rollaway beds and pools.
- ***Howard Johnson International***. The Howard Johnson brand was founded in 1925 by entrepreneur Howard Dearing Johnson as an ice cream stand within an apothecary shop in Quincy, Massachusetts, and the first hotel operating under the brand opened in 1954 in Savannah, Georgia. We acquired the brand in 1990. Howard Johnson serves the middle segment of the lodging industry through Howard Johnson Plaza, Howard Johnson Inn and Howard Johnson Hotel and the economy segment of the lodging industry through Howard Johnson Express. Howard Johnson franchises approximately 500 hotels with approximately 42,600 rooms located in the United States, Canada, Caribbean, Guatemala, Mexico, Argentina, Brazil, Columbia, Ecuador, Peru, Venezuela, Malta, Romania, Israel, Jordan, United Arab Emirates, China and India.

  Howard Johnson offers signature programs, which include:

  - Comforts of Home program, which provides for the following items in each guest room: a 25-inch television, a coffeemaker, an AM/FM radio, free access for long-distance calls, voicemail, a hair dryer, and an iron and ironing board.
  - Home Office rooms, which feature a large, brightly illuminated work space, a microwave, a refrigerator and a cordless telephone.
- ***AmeriHost Franchise Systems***. The first AmeriHost Inn hotel opened in Athens, Ohio in 1989. We acquired the brand in 2000. AmeriHost Franchise Systems serves the middle segment of the lodging industry through AmeriHost Inn and AmeriHost Inn & Suites. AmeriHost Franchise Systems franchises approximately 100 hotels with approximately 8,300 rooms located in the United States. AmeriHost Inn hotels currently do not offer food and beverage services; however, AmeriHost Inn hotels generally refer guests for dine-out or delivery meal options within a network of local businesses. In April 2006, following the closing of our acquisition of the franchise business of Baymont Inn & Suites, we announced our intent to consolidate the AmeriHost-branded properties with our newly acquired Baymont-branded properties to create a more significant midscale brand.
- ***Travelodge Hotels***. In 1935, founder Scott King established his first motor court operating under the Travelodge brand in San Diego. We acquired the brand (in North America only) in 1996. Travelodge Hotels franchises approximately 500 hotels with approximately 37,700 rooms located in the United States, Canada and Mexico. Travelodge Hotels serves the upper and lower economy segments of the lodging industry in the United States through Travelodge, Travelodge Suites and Thriftlodge hotels, serves the middle segment of the lodging industry in Canada through Travelodge and Thriftlodge hotels, and serves the middle segment of the lodging industry in Mexico through Travelodge and Thriftlodge hotels.
- ***Knights Franchise Systems***. The Knights Inn brand was created in 1972, and the first hotel operating under the brand opened in Columbus, Ohio. We acquired the brand in 1995. Knights Franchise Systems serves the lower economy segment of the lodging industry. Knights Franchise Systems franchises approximately 200 hotels with approximately 16,200 rooms located in the United States and Canada.

System Performance and Distribution

The following table provides a summary description of our lodging franchise systems that were open and operating as of March 31, 2006. The table includes information from the trailing 12-month period prior to March 31, 2006 on average occupancy rate, ADR and average RevPAR for each lodging franchise system. We derived the information in the table from information we have received from our franchisees. The table also includes information on each lodging franchise system's segment of the lodging industry.

Brand[1]	Primary Domestic Segment Served[2]	Average Rooms Per Property	# of Properties	# of Rooms[3]	Average Occupancy Rate	Average Daily Rate (ADR)	Average Revenue Per Available Room (RevPAR)
Wyndham Hotels and Resorts[4]	Upscale	284	94	26,738	65.8%	$ 110.86	$ 72.94
Wingate Inn	Upper Middle	93	146	13,556	64.3%	$ 79.54	$ 51.14
Ramada	Middle	119	899	107,276	53.9%	$ 67.62	$ 36.42
Days Inn	Upper Economy	81	1,840	149,468	50.5%	$ 58.50	$ 29.53
Super 8	Economy	61	2,034	123,725	54.0%	$ 54.07	$ 29.22
Howard Johnson	Middle & Economy	94	453	42,572	48.5%	$ 61.55	$ 29.88
AmeriHost Inn[5]	Middle	72	115	8,250	55.2%	$ 61.00	$ 33.64
Travelodge	Upper Economy & Lower Economy	75	506	37,739	49.6%	$ 58.74	$ 29.11
Knights Inn	Lower Economy	75	215	16,166	41.7%	$ 38.37	$ 16.00
Total		83	6,302	525,490	52.3%	$ 61.27	$ 32.06

(1) The list of brands excludes Baymont Franchise Systems, which we acquired in April 2006. Baymont Franchise Systems consists of 115 hotels, which represent 9,415 rooms.

(2) The "economy" segments discussed here, while based on the Smith Travel Research chain-scale segments represented in the table on page 118 of this information statement, provide a greater degree of differentiation to correspond with the price sensitivities of our customers by brand. The "middle" segment discussed here encompasses both the Smith Travel Research "midscale without food and beverage" and "midscale with food and beverage" segments.

(3) From time to time, as a result of hurricanes, other adverse weather events and ordinary wear and tear, some of the rooms at these hotels may be taken out of service for repair and renovation and therefore may be unavailable.

(4) Information on average occupancy rate, ADR and average RevPAR for Wyndham Hotels and Resorts is not from the trailing 12-month period prior to March 31, 2006, because we acquired the brand in October 2005. Such information is for the period since the acquisition date.

(5) The total number of properties in AmeriHost Franchise Systems includes three hotels franchised under the Aston brand, which is a small lodging brand that we franchise in Canada; these three hotels represent 255 rooms.

Our franchised hotels are dispersed throughout North America and have a presence throughout Asia/Pacific, Latin/South America, Europe and the Middle East/Africa, which reduces our exposure to any one geographic region. The following table provides a summary description of our properties by geographic region. The table includes information from the trailing 12-month period prior to March 31, 2006 on average occupancy rate, ADR and average RevPAR.

Region	# of Properties	# of Rooms[1]	Average Occupancy Rate	Average Daily Rate (ADR)	Average Revenue Per Available Room (RevPAR)
United States[2]	5,534	444,964	52.2%	$ 59.28	$ 30.92
Canada[3]	437	36,090	56.7%	$ 68.56	$ 38.89
Asia/Pacific	72	12,803	48.9%	$ 75.12	$ 36.71
Latin/South America	59	8,329	41.7%	$ 47.64	$ 19.88
Europe	177	20,060	53.4%	$ 81.49	$ 43.48
Middle East/Africa	23	3,244	56.7%	$ 81.12	$ 46.00
Total	6,302	525,490	52.3%	$ 61.27	$ 32.06

(1) From time to time, as a result of hurricanes, other adverse weather events and ordinary wear and tear, some of the rooms at these hotels may be taken out of service for repair and renovation and therefore may be unavailable.
(2) The total number of properties excludes 115 hotels in Baymont Franchise Systems, which franchise system we acquired in April 2006; these 115 hotels represent 9,415 rooms.
(3) The total number of properties in AmeriHost Franchise Systems includes three hotels franchised under the Aston brand, which is a small lodging brand that we franchise in Canada; these three hotels represent 255 rooms.

Franchise Development

Under our direct franchise model, we principally market our lodging brands to independent hotel and motel owners and to hotel and motel owners who have the rights to terminate their franchise affiliations with other lodging brands. We also market franchises under our lodging brands to existing franchisees because many own, or may own in the future, other hotels that can be converted to one of our brands. Under our master franchise model, we principally market our lodging brands to third parties that assume the principal role of franchisor, which entails selling individual franchise agreements and providing quality assurance, marketing and reservations support to franchisees. As part of our franchise development strategy, we employ a national sales force that we compensate in part through commissions. Because of the importance of existing franchised hotels to our sales strategy, a significant part of our franchise development efforts is to ensure that our franchisees provide quality services to maintain the satisfaction of customers.

Franchise Agreements

Our standard franchise agreement grants a franchisee the right to non-exclusive use of the applicable franchise system in the operation of a single hotel at a specified location, typically for a period of 15 to 20 years, and gives the franchisor and franchisee certain rights to terminate the franchise agreement before the conclusion of the term of the agreement under certain circumstances, such as upon designated anniversaries of the franchised hotel's opening or the date of the agreement. Early termination options in franchise agreements give us flexibility to eliminate or re-brand franchised hotels if such properties become weak performers, even if there is no contractual failure by the franchisees. We also have the right to terminate a franchise agreement for failure by a franchisee to (i) bring its properties into compliance with contractual or quality standards within specified periods of time, (ii) pay required franchise fees or (iii) comply with other requirements of its franchise agreement.

Master franchise agreements, which are individually negotiated and vary among our different brands, typically contain provisions that permit us to terminate the agreement if the other party to the agreement fails to meet specified development schedules. Our master franchise agreements generally are competitive with the industry averages within industry segments.

Sales and Marketing of Hotel Rooms

We use the marketing/reservation fees that our franchisees pay to us to promote our brands through media advertising, direct mail, direct sales, promotions and publicity. A portion of the funds contributed by the franchisees of any one particular brand is used to promote that brand, whereas the remainder of the funds is allocated to support the cost of multibrand promotional efforts and to our marketing and sales team, which includes, among others, our worldwide sales, public relations, loyalty and direct marketing teams.

In 2005, the efforts of our worldwide sales team contributed approximately 10% of the annual hotel room nights sold at our franchised hotels. To supplement the worldwide sales team's efforts, our public relations team extends the reach and frequency of our paid advertising by generating extensive, unpaid exposure for our brands in trade and consumer media including *USA TODAY*, *The New York Times*, *Financial Times*, *Frommer's* and other widely-read publications.

Central Reservations

In 2005, we booked on behalf of our franchised hotels (excluding hotels franchised under the Wyndham Hotels and Resorts and Baymont brands) approximately 4.3 million rooms by telephone, approximately 8.4 million rooms through the Internet and approximately 2.0 million rooms through global distribution systems, with a combined value of the bookings in excess of one billion dollars. Additionally, our worldwide sales team generated leads for bookings from tour operators, travel agents, government and military clients, and corporate and small business accounts. We maintain contact centers in Saint John, New Brunswick, Canada and Aberdeen, South Dakota that handle bookings generated through our toll-free brand numbers. These centers are supplemented by outsourced call center support in the Philippines. We maintain numerous brand websites to process online room reservations, and we utilize global distribution systems to process reservations generated by travel agents and third-party Internet booking sources, including Orbitz.com and CheapTickets.com, which are operated by a current division of Cendant, and Expedia.com and Travelocity.com. To ensure we receive bookings by travel agents and third-party Internet booking sources, we provide direct connections between our central reservations system and most third-party Internet booking sources. The majority of hotel room nights are sold by our franchisees to guests who seek accommodations on a walk-in basis or through calls made directly to hotels, which we believe is attributable in part to the strength of our lodging brands.

Since 2001, bookings made directly by customers on our brand websites have been increasing by approximately 28% per year, and increased to 4.3 million room nights per year in 2005. Since 2001, bookings made through third-party Internet booking sources increased 15% annually while bookings made through global distribution systems declined 10% annually.

Loyalty Programs

The TripRewards program, which was introduced in 2003, has grown steadily to become, we believe, the lodging industry's largest loyalty program as measured by the number of participating hotels. There are currently approximately 6,000 hotels that participate in the program. With more than 30 businesses offering to participants TripRewards points for purchases, the program offers its members numerous options to accumulate points. Members, for example, may accumulate points by staying in hotels franchised under one of our worldwide brands, renting Avis® and Budget® cars and purchasing everyday products and services from the various businesses that participate in the program. When staying at hotels franchised under one of our brands, TripRewards members may elect to earn airline miles or rail points instead of TripReward points. Businesses where points can be earned generally pay a fee to participate in the program; such fees are then used to support

the program's marketing and operating expenses. TripRewards members have more than 270 options to redeem their points. Members, for example, may redeem their points for hotel stays, airline tickets, resort vacations, electronics, sporting goods, movie and theme park tickets, and gift certificates. As of March 31, 2006, TripRewards had more than 4.3 million active members, which we define as any customer who has enrolled in the TripRewards program or earned or redeemed points in the program over the past 18 months, and the program added an average of more than 200,000 active members per month in 2005.

With the acquisition of Wyndham Hotels and Resorts, we acquired the Wyndham ByRequest Program, a guest recognition program that provides returning guests with personalized accommodations.

Property Management

In connection with our acquisition of Wyndham Hotels and Resorts' franchise business, we acquired Wyndham's property management business and began offering hotel property management services. As of March 31, 2006, our lodging business owned hotel property management contracts for 19 properties associated with the Wyndham Hotels and Resorts brand. Our property management business offers customers professional oversight of independently owned hotels and comprehensive operations support, including hiring, training, purchasing, revenue management, sales and marketing, and food and beverage; financial management and analysis; and information systems management and integration.

Strategies

We intend to continue to accelerate growth of our lodging business by (i) expanding our strong presence in the domestic economy segment to maintain our leadership position through room growth and RevPAR growth; (ii) expanding the number of properties in the domestic middle and upscale segments; and (iii) expanding our international presence through increasing the number of properties in our core brands. Our plans generally focus on pursuing these strategies organically. In addition, in appropriate circumstances, we will consider opportunities to acquire businesses, both domestic and international, including through the use of Wyndham Worldwide common stock as currency.

Domestic

Our strategy for growing economy brands in North America faster than the competitive set revolves around (i) enhancing our value to franchisees by improving rate and inventory management capabilities, investing in systems, and training and growing the TripRewards loyalty program, (ii) improving the customer's experience by developing and implementing brand standard enhancements and (iii) optimizing system growth by adding franchised hotels in markets where brands are underrepresented and optimizing brand RevPAR performance by helping franchisees manage their rates and inventory, enrolling more TripRewards members and introducing seasonal promotions. Our approach for expanding our domestic middle and upscale presence is to fully utilize property management services to attract developers; establish and implement the Wyndham master brand plan with upper-upscale, upscale and select-service products; complement Wingate Inn product quality with Wyndham brand recognition; continue the domestic Ramada repositioning plan by enhancing service, value and quality; and strengthen our position in the middle segment through the consolidation of AmeriHost-branded with our newly acquired Baymont-branded properties.

International

Our strategy for international growth is to expand the presence of our core brands and selectively utilize direct/master franchising, management agreements and joint-venture models across three international regions: Europe, Asia-Pacific and Latin America.

We intend to expand the Days Inn brand in the United Kingdom and in new markets that exhibit strong growth in the economy segment. We intend to expand the Ramada brand beyond its established base of properties in the United Kingdom and Germany into new markets that exhibit strong growth in the middle segment. We intend to expand the Wyndham brand in gateway and destination cities in Europe that exhibit strong growth in the upscale segment. Our expansion strategy for the Wyndham brand in European gateway and destination cities includes increasing the number of franchised and managed hotels through acquisitions and through conversions of existing non-affiliated hotels to the Wyndham brand. In Europe, we intend to pursue growth in the number of franchised hotels through our direct franchise model for our Days Inn brand. In addition, we may pursue growth in the numbers of franchised and managed hotels through joint ventures.

In the Asia-Pacific region, particularly China, our strategy is to expand the Super 8 brand in the economy segment and the Ramada, Days Inn and Howard Johnson brands in the middle and upscale segments. In the near future, our strategy will include introducing the Wyndham brand to the region. In the Asia-Pacific region, we intend to pursue growth in the number of franchised hotels through our direct franchise model for our Ramada and Wyndham brands and through our master franchise model for our Super 8, Days Inn and Howard Johnson brands. In addition, we intend to pursue growth in the number of managed hotels through new agreements with hotels franchised under our Ramada and Wyndham brands. In addition, we may pursue growth in the numbers of franchised and managed hotels through joint ventures.

We intend to pursue growth in Latin America, particularly in Mexico and in the Caribbean, by expanding the Ramada brand in the middle segment, expanding the Wyndham brand in the upscale segment and continuing to support hotels franchised under the Howard Johnson brand. In Latin America, we intend to pursue growth in the number of franchised hotels through our direct franchise model for our Ramada brands and through our master franchise model for our Days Inn and Howard Johnson brands and growth in the number of managed hotels through new management agreements with hotels franchised under our brands.

Seasonality

Franchise and management fees are generally higher in the second and third quarters than in the first or fourth quarters. Because of increased leisure travel and the concomitant ability to charge higher ADRs during the spring and summer months, hotels we franchise or manage typically generate higher revenue during these months. Therefore, any occurrence that disrupts travel patterns during the spring or summer could have a greater adverse effect on our franchised hotels' and managed properties' annual performances and consequently on our annual performance than occurrences that disrupt travel patterns in other seasons. We cannot predict whether these seasonal trends will continue in the future.

Competition

Competition among the national lodging brand franchisors to grow their franchise systems is robust. The lodging companies that we compete with in the upscale and upper middle segments include Marriott International Inc., Hilton Hotels Corporation, Starwood Hotels & Resorts Worldwide, Inc., InterContinental Hotels Group PLC and Hyatt Corporation. The lodging companies that we compete with in the middle and economy segments include Marriott International Inc., Choice Hotels International, Inc. and Accor SA.

We believe that competition for the sales of franchises in the lodging industry is based principally upon the perceived value and quality of the brands and of the services offered to franchisees. We believe that the perceived value of a brand name to prospective franchisees is, to some extent, a function of the success of the existing hotels franchised under the brands. We believe that prospective franchisees value a franchise based upon their views of the relationship between the costs, including costs of affiliation and conversion and future charges, to the benefits, including potential for increased revenue and profitability, and upon the reputation of the franchisor.

The ability of an individual franchisee to compete may be affected by the location and quality of its property, the number of competing properties in the vicinity, community reputation and other factors. A franchisee's success may also be affected by general, regional and local economic conditions. The potential negative effect of these conditions on our results of operations is substantially reduced by virtue of the diverse geographical locations of our franchised hotels.

Trademarks

We own the trademarks "Wyndham Hotels and Resorts," "Wingate Inn," "Ramada," "Baymont," "Days Inn," "Super 8," "Howard Johnson," "AmeriHost Inn," "Travelodge" (in North America only), "Knights Inn," "TripRewards" and related trademarks and logos. Such trademarks and logos are material to the businesses that are part of our lodging business. Our franchisees and our subsidiaries actively use these marks, and all of the material marks are registered (or have applications pending) with the United States Patent and Trademark Office as well as with the relevant authorities in major countries worldwide where these businesses have significant operations.

RCI GLOBAL VACATION NETWORK

Overview

RCI Global Vacation Network, our vacation exchange and rental business, provides vacation exchange products and services to developers, managers and owners of intervals of vacation ownership interests, and markets vacation rental properties. We are the world's largest vacation exchange network and among the world's largest global marketers of vacation rental properties. Our vacation exchange and rental business has access for specified periods, in a majority of cases on an exclusive basis, to approximately 55,000 vacation properties, which are comprised of approximately 4,000 vacation ownership resorts around the world with units that are exchanged through our vacation exchange business and approximately 51,000 vacation rental properties that are located principally in Europe, which we believe makes us one of the world's largest marketers of European vacation rental properties as measured by the number of properties we market for rental. Each year, our vacation exchange and rental business provides more than four million leisure-bound families with vacation exchange and rental products and services. The properties available to leisure travelers through our vacation exchange and rental business include hotel rooms and suites, villas, cottages, bungalows, campgrounds, vacation ownership condominiums, city apartments, second homes, fractional private residences, luxury destination clubs and boats. We offer leisure travelers flexibility (subject to availability) as to time of travel and a choice of lodging options in regions that such travelers may not typically have such ease of access, and we offer property owners marketing services, quality control services and property management services ranging from key-holding to full property maintenance for such properties. Our vacation exchange and rental business has 50 worldwide offices. We market our products and services using seven primary brands and other related brands.

Throughout this information statement, we use the term "inventory" in the context of our vacation exchange and rental business to refer to intervals of vacation ownership interests and primarily independently owned properties, which include hotel rooms and suites, villas, cottages, bungalows, campgrounds, vacation ownership condominiums, city apartments, second homes, fractional private residences, luxury destination clubs and boats. In addition, throughout this information statement, we refer to intervals of vacation ownership interests as "intervals" and individuals who purchase vacation rental products and services from us as "rental customers."

Our vacation exchange and rental business primarily derives its revenues from fees. Our vacation exchange business, RCI, derives a majority of its revenues from annual membership dues and exchange fees for transactions. Our vacation exchange business also derives revenues from ancillary services, including travel agency services and loyalty programs. Our vacation rental business primarily derives its revenues from fees, which generally range from approximately 25% to 50% of the gross rent charged. Our vacation rental business also derives revenues from travel insurance sales in Europe, transportation fees, property management fees and on-site revenue from ancillary services, including travel agency services. For the three months ended March 31, 2006 and the full year ended December 31, 2005, revenues from our vacation exchange and rental business totaled $282 million and $1,068 million, respectively. For the three months ended March 31, 2006 and the full year ended December 31, 2005, our vacation exchange and rental business, which is part of the business that Cendant currently refers to as the Hospitality Services business, contributed approximately 32% and 31% of our revenues, respectively, and approximately 42% and 37% of our combined segment EBITDA, respectively.

Through our vacation exchange business, RCI, we have relationships with approximately 4,000 vacation ownership resorts in more than 100 countries. Historically, our vacation exchange business consisted of the operation of worldwide exchange programs for owners of intervals. Today, our vacation exchange business also provides property management services and consulting services for the development of tourism-oriented real estate, loyalty programs, in-house and outsourced travel agency services, and third-party vacation club services.

We operate our vacation exchange business, RCI, through three worldwide exchange programs that have a member base of vacation owners who are generally well-traveled and affluent and who want flexibility and

variety in their travel plans each year. Our vacation exchange business' three exchange programs, which serve owners of intervals at affiliated resorts, are RCI Weeks, RCI Points and The Registry Collection. Participants in these exchange programs pay annual membership dues. For additional fees, such participants are entitled to exchange intervals for intervals at other properties affiliated with our vacation exchange business. In addition, certain participants may exchange intervals for other leisure-related products and services. We refer to participants in these three exchange programs as "members." In addition, the *Endless Vacation*® magazine is the official publication of our RCI Weeks and RCI Points exchange programs, and certain members can obtain the benefits of participation in our RCI Weeks and RCI Points exchange programs only through a subscription to Endless Vacation® magazine. The use of the terms "member" or "membership" with respect to either the RCI Weeks or RCI Points exchange program is intended to denote subscription to *Endless Vacation*® magazine.

The RCI Weeks exchange program is the world's largest vacation ownership exchange network. We market this exchange program under the RCI Weeks name. The RCI Weeks exchange program provides members with flexibility to trade week-long intervals in units at their resorts for week-long intervals in comparable units at the same resorts or at comparable resorts.

The RCI Points exchange program is a global points-based exchange network. We market this exchange program under the RCI Points trademark. The RCI Points exchange program, which was developed and launched in 2000, allocates points to intervals that members cede to the exchange program. Under the RCI Points exchange program, members may redeem their points for the use of vacation properties in the exchange program or for other products, such as airfare, car rentals, cruises, hotels and other accommodations. When points are redeemed for these services, our vacation exchange business has the right to recoup the expense of providing the services by renting the use of vacation properties for which the members could have redeemed their points.

We believe that The Registry Collection exchange program is one of the industry's first global exchange network of luxury vacation accommodations. The luxury vacation accommodations in The Registry Collection's network include higher-end vacation ownership resorts, fractional ownership resorts and condo-hotels. The Registry Collection allows members to exchange their intervals for the use of other vacation properties within the network or for other products, such as airfare, car rentals, cruises, hotels and other accommodations. The members of The Registry Collection exchange program often own greater than two-week intervals in affiliated resorts.

We acquire substantially all members of our exchange programs indirectly. In most cases, an affiliated resort developer buys an RCI membership that entitles the vacation ownership interval purchaser to receive periodicals and directories published by RCI and to use the applicable exchange program for an additional fee. The vacation ownership interval purchaser generally pays for membership renewals and any applicable exchange fees for transactions.

Our vacation exchange business also provides property management services and consulting services for the development of tourism-related real estate, loyalty programs, in-house and outsourced travel agency services, and third-party vacation club services. Our third-party vacation club business consists of private label exchange clubs that RCI operates and manages for certain of its larger affiliates. Club management is a growing trend in the vacation ownership industry and a growing piece of our vacation exchange business. Approximately 95% of the third-party vacation clubs are points-based.

Our vacation exchange business operates in North America, Europe, Latin America, South Africa, Australia, the Pacific Rim, the Middle East and China and tailors its strategies and operating plans for each of the geographical environments where RCI has or seeks to develop a substantial member base.

The rental properties we market are principally privately-owned villas, cottages, bungalows and apartments that generally belong to property owners unaffiliated with us. In addition to these properties, we market inventory

from our vacation exchange business to developers of vacation ownership properties and other sources. We market rental properties under proprietary brand names, such as Landal GreenParks, English Country Cottages, Novasol, Cuendet and Canvas Holidays, and through select private-label arrangements. Most of the rental activity under our brands takes place in Europe, the United States and Mexico, although we have the ability to source and rent inventory in approximately 100 countries.

Our vacation rental business currently has relationships with approximately 35,000 independent property owners in more than 22 countries, including the United States, United Kingdom, Mexico, France, Ireland, The Netherlands, Belgium, Italy, Spain, Portugal, Denmark, Norway, Sweden, Germany, Greece, Austria, Croatia and certain countries in Eastern Europe and the Pacific Rim. We currently make over 1.4 million vacation rental bookings a year. Our vacation rental business also has the opportunity to market and provide inventory to the over three million owners of intervals who participate in our vacation exchange business. Property owners enter into one year, evergreen or multi-year contracts with our vacation rental subsidiaries to market the rental properties in our portfolio. Our vacation rental business also has an ownership interest in, or capital leases for, approximately 9% of the properties in our rental portfolio.

Customer Development

In our vacation exchange business we affiliate with vacation ownership developers directly as a result of the efforts of our in-house sales teams. Affiliated developers typically sign long-term agreements with durations of five to ten years. Our members are acquired primarily through our affiliated developers as part of the vacation ownership purchase process. In our vacation rental business, we primarily acquire exclusive rental agreements through direct interaction with owners of various types of vacation rental inventory.

Loyalty Program

Our vacation exchange business' member loyalty program is RCI Elite Rewards, which offers a branded credit card, the RCI Elite Rewards credit card, that allows members to earn points that can be redeemed for items related to our exchange programs, including annual membership dues and exchange fees for transactions and other products offered by our vacation exchange business or certain third parties, including airlines and retailers.

Member and Rental Customer Initiatives

Our vacation exchange and rental business strives to provide superior service to members and rental customers through our call centers and online distribution channels, to offer certain members and rental customers in Canada, Europe, Latin America, South Africa and the Pacific Rim one-stop shopping through our retail travel agency business, and to target current and prospective members and rental customers through our marketing efforts.

Call Centers

Our vacation exchange and rental business services its members and rental customers primarily through global call centers. The requests that we receive at our global call centers are handled by our vacation guides, who are highly skilled at fulfilling our members' and rental customers' requests for vacation exchanges and rentals. When our members' and rental customers' primary choices are unavailable in periods of high demand, our guides offer the next nearest match in order to fulfill the members' and rental customers' needs. Call centers are and are expected to continue to be our primary distribution channel and therefore we invest resources and will continue to do so to ensure that members and rental customers continue to receive a high level of personalized customer service through our call centers.

Internet

Given the interest of some of our members and rental customers in doing transactions on the Internet, we invest and will continue to invest in online technologies to ensure that our members and rental customers receive the same salesmanship and level of service online that we provide through our call centers. As our online distribution channels improve, members and rental customers may shift from transacting business through our call centers to transacting business online. As transacting business online becomes more popular, we expect to experience cost savings at our call centers. By offering our members and rental customers the opportunity to transact business either through our call centers or online, we allow our members and rental customers to use the distribution channel with which they are most comfortable. Regardless of the distribution channel our members and rental customers use, our goal is member and rental customer satisfaction and retention.

Travel Agency

We have an established retail travel agency business outside the United States in such locations as Canada, Europe, Latin America, South Africa and the Pacific Rim. In these regions, our travel agencies provide certain members and rental customers of the vacation exchange and rental business with one-stop shopping for planning vacations. As part of the one-stop shopping, the travel agencies can arrange for our members' and rental customers' transportation, such as flights, ferries and rental cars. In the United States, we have entered into an outsourcing agreement with a former affiliate to provide our members and rental customers with travel services.

Marketing

We market to our members and rental customers through the use of brochures, magazines, direct marketing, such as direct mail and e-mail, third-party online distribution channels, tour operators and travel agencies. Our vacation exchange and rental business has 50 business publications involved in the marketing of the business. RCI publishes *Endless Vacation*® magazine, a travel publication that has a circulation of over 1.7 million. Our vacation exchange and rental business also publishes resort directories and other periodicals related to the vacation and vacation ownership industry and other travel-related services. We acquire the rental customers through our direct-to-consumer marketing, internet marketing and third-party agent marketing programs. We use our publications not only for marketing but also for member and rental customer retention.

Strategies

We intend to continue to grow the numbers of members and rental customers of and transactions facilitated through our vacation exchange and rental business by (i) continually enhancing our core vacation networks; (ii) developing new business models; and (iii) expanding into new markets. Our plans generally focus on pursuing these strategies organically. In addition, in appropriate circumstances, we will consider opportunities to acquire businesses, both domestic and international, including through the use of Wyndham Worldwide common stock as currency.

Continually Enhance Our Core Vacation Networks

We plan to expand the integration of our vacation exchange and rental networks to enhance the value of our products and services to our members and rental customers, and the value of vacation ownership for the resorts that affiliate with us. We are already executing this plan by integrating our vacation exchange and rental networks to provide a larger variety and greater availability of vacation accommodation choices to our members and rental customers. Specifically, vacation rental inventory has been made available to RCI exchange members to add variety and depth to exchange options. Additionally, vacation home proprietors and renters are expected to be offered RCI designed membership programs to drive both rental customer satisfaction and retention. We also plan to enhance the core vacation network by offering different membership types to cater to a wider range of rental customers. Further, we plan to take advantage of a fragmented and unorganized global rental industry by expanding our vacation rental business into North America and a select number of international markets.

Develop New Business Models

We plan to continue to develop new business models that will enhance the value and experience for our members, rental customers and third-party developers who affiliate their resorts with RCI. Our vacation exchange and rental business' launch of RCI Points brought new value to RCI members and such third-party developers. Today, it remains the only global points-based vacation exchange network. Similarly, the vacation exchange and rental business is in the process of expanding one of the industry's first luxury exchange networks, The Registry Collection, to address the global, fast growing luxury segment in shared ownership leisure real estate. Additionally, we are developing new business models, such as on-site management and brand licensing/franchising to continue to expand our vacation rental business in Europe. We believe this will be a successful addition to our vacation exchange and rental business model portfolio.

Expand into New Markets

We plan to grow our overall vacation exchange and rental business by expanding into new geographic areas. We have begun to, and plan to continue to, expand into new Asian and Middle Eastern markets. New geographic markets provide us with the opportunity to affiliate with new resorts and developers, to acquire new vacation accommodation inventory types, and to obtain new members and rental customers for our vacation exchange and rental business. Our expansion into new markets will bring new entrants into the vacation real estate industry, thereby fulfilling our goal to expand and capture additional revenue within the global vacation exchange and rental market.

Seasonality

Vacation exchange and rental revenues are generally higher in the first and third quarters than in the second or fourth quarters. Vacation exchange transaction revenues are normally highest in the first quarter, which is generally when members of RCI plan and book their vacations for the year. Rental transaction revenues earned from booking vacation rentals to rental customers are usually highest in the third quarter, when vacation rentals are highest. Most vacation rental customers book their reservations eight to 15 weeks in advance of their departure dates. Recently, however, some rental customers have begun to book accommodations closer to their departure dates, which shifts additional bookings to the second and third quarters. We cannot predict whether these seasonal trends will continue in the future.

Competition

The vacation exchange and rental business faces competition throughout the world. Our vacation exchange business competes with Interval International, Inc., which is a third-party international exchange company, with regional and local vacation exchange companies and with Internet-based business models. In addition, certain developers offer exchanges through internal networks of properties, which are operated by us or by the developer, that offer owners of intervals access to exchanges other than those offered by our vacation exchange business. Our vacation rental business faces competition from a broad variety of marketers of vacation properties who use brokerage, direct marketing and the Internet to market and rent vacation properties.

Trademarks

We own the trademarks "RCI," "RCI Points," "The Registry Collection," "Landal GreenParks," "English Country Cottages," "Novasol," "Cuendet," "Canvas Holidays," and related and other trademarks and logos. Such trademarks and logos are material to the businesses that are part of our vacation exchange and rental business. Our subsidiaries actively use these marks, and all of the material marks are registered (or have applications pending) with the U.S. Patent and Trademark Office as well as with the relevant authorities in major countries worldwide where these businesses have significant operations.

WYNDHAM VACATION OWNERSHIP

Overview

Wyndham Vacation Ownership, our vacation ownership business, includes marketing and sales of vacation ownership interests, consumer financing in connection with the purchase by individuals of vacation ownership interests, property management services to property owners' associations, and development and acquisition of vacation ownership resorts. We operate our vacation ownership business through our two brands, Fairfield and Trendwest. We have the largest vacation ownership business in the world as measured by the numbers of vacation ownership resorts, vacation ownership units and owners of vacation ownership interests. We have developed or acquired over 140 vacation ownership resorts in the United States, Canada, Mexico, the Caribbean and the South Pacific that represent more than 18,000 individual vacation ownership units and over 750,000 owners of vacation ownership interests and other real estate interests. With respect to owners of vacation ownership interests, we have the largest base of owners in the industry.

Our vacation ownership brands, Fairfield and Trendwest, operate vacation ownership programs through which vacation ownership interests can be redeemed for vacations through points-based internal reservation systems that provide owners with flexibility (subject to availability) as to resort location, length of stay, unit type and time of year. The points-based reservation systems offer owners redemption opportunities for a wide variety of travel and leisure products, including airfare, cruises, and specialized leisure activities and attractions, and the opportunity for owners to use our products for one or more vacations per year based on level of ownership. Our vacation ownership programs allow us to market and sell our vacation ownership products in variable quantities as opposed to the fixed quantity of the traditional, fixed-week vacation ownership, which is primarily sold on a weekly interval basis, and to offer to existing owners "upgrade" sales to supplement such owners' existing vacation ownership interests. Although we operate Fairfield and Trendwest as separate brands, we have integrated substantially all of the business functions of Fairfield and Trendwest, including consumer finance, information technology, certain staff functions, product development and certain marketing activities.

Our vacation ownership business derives a majority of its revenues from sales of vacation ownership interests and derives other revenues from consumer financing and property management. Because revenues from sales of vacation ownership interests and consumer finance in connection with such sales depend on the number of vacation ownership units in which we sell vacation ownership interests, increasing the number of such units is important to our revenue growth. Because revenues from property management depend on the number of units we manage, increasing the number of such units is also important to our revenue growth. For the three months ended March 31, 2006 and the full year ended December 31, 2005, revenues from our vacation ownership business totaled $445 million and $1,874 million, respectively. For the three months ended March 31, 2006 and the full year ended December 31, 2005, our vacation ownership business, which is the same business that Cendant currently refers to as the Timeshare Resorts business, contributed approximately 51% and 54% of our revenues, respectively, and approximately 35% and 37% of our combined segment EBITDA, respectively.

Sales and Marketing of Vacation Ownership Interests and Property Management

Fairfield

Fairfield markets and sells vacation ownership interests in Fairfield's portfolio of resorts and uses a points-based reservation system called FairShare Plus to provide owners with flexibility (subject to availability) as to resort location, length of stay, unit type and time of year. Fairfield is involved in the development or acquisition of the resorts in which Fairfield markets and sells vacation ownership interests. Fairfield also often acts as a property manager of such resorts. From time to time, Fairfield also sells home lots and other real estate interests at its resorts.

Vacation Ownership Interests, Portfolio of Resorts and Maintenance Fees. The vacation ownership interests that Fairfield markets and sells consist of fixed weeks and undivided interests. A fixed week entitles an

owner to ownership and usage rights with respect to a unit for a specific week of each year, whereas an undivided interest entitles an owner to ownership and usage rights that are not restricted to a particular week of the year. These vacation ownership interests each constitute a deeded interest in real estate and on average sold for approximately $16,000 in 2005. Of the more than 750,000 owners of vacation ownership interests in Fairfield and Trendwest resorts and of other real estate interests in Fairfield resorts as of March 31, 2006, approximately 500,000 owners held interests in Fairfield resorts.

Fairfield resorts are located primarily in the United States and, as of March 31, 2006, consisted of 72 resorts that represented approximately 13,300 units. In 2004, Fairfield expanded its portfolio in Orlando, Florida; Daytona Beach, Florida; and Kailua-Kona, Hawaii, and in 2005, Fairfield further expanded its portfolio of resorts to include properties in new locations, such as Atlantic City, New Jersey and the Pennsylvania Poconos and additional properties in Orlando, Florida and Las Vegas, Nevada. In 2006, Fairfield expects to expand in Myrtle Beach, South Carolina; San Antonio, Texas; San Diego, California; and Honolulu, Hawaii.

The majority of the resorts in which Fairfield markets and sells vacation ownership and other real estate interests are destination resorts that are located at or near attractions such as the Walt Disney World® Resort in Florida; the Las Vegas Strip in Nevada; Hawaii; Myrtle Beach in South Carolina; and Colonial Williamsburg® in Virginia. Most Fairfield resorts are affiliated with Wyndham Worldwide's vacation exchange subsidiary, RCI, which awards to the top 10% of RCI affiliated vacation ownership resorts throughout the world designations of an RCI Gold Crown Resort or an RCI Silver Crown Resort for exceptional resort standards and service levels. Among Fairfield's 72 resorts, 48 have been awarded designations of an RCI Gold Crown Resort or an RCI Silver Crown Resort.

Owners of vacation ownership interests pay annual maintenance fees to the property owners' associations responsible for managing the applicable resorts. The annual maintenance fee associated with the average vacation ownership interest purchased ranges from approximately $300 to approximately $650. These fees generally are used to renovate and replace furnishings, pay operating, maintenance and cleaning costs, pay management fees and expenses, and cover taxes (in some states), insurance and other related costs. Fairfield, as the owner of unsold inventory at resorts, also pays maintenance fees to property owners' associations in accordance with the legal requirements of the states or jurisdictions in which the resort are located. In addition, at certain newly-developed resorts, Fairfield enters into subsidy agreements with the property owners' associations to cover costs that otherwise would be covered by annual maintenance fees payable with respect to vacation ownership interests that have not yet been sold.

***FairShare Plus*.** Fairfield uses a points-based internal reservation system called FairShare Plus to provide owners with flexibility (subject to availability) as to resort location, length of stay, unit type and time of year. With the launch of Fairshare Plus in 1991, Fairfield became one of the first U.S. developers of vacation ownership properties to move from traditional, fixed-week vacation ownership to a points-based program. Owners of vacation ownership interests in Fairfield resorts that are eligible to participate in the program may elect, and with respect to certain resorts are obligated, to participate in FairShare Plus.

Owners who participate in FairShare Plus assign their rights to use fixed weeks and undivided interests, as applicable, to a trust in exchange for the right to reserve in the internal reservation system. The number of points that an owner receives as a result of the assignment to the trust of fixed weeks or undivided interests, and the number of points required to take a particular vacation, is set forth on a published schedule and varies depending on the resort location, length of stay, unit type and time of year associated with the interests assigned to the trust or requested by the owner, as applicable. Participants in FairShare Plus may choose (subject to availability) the Fairfield resorts, lengths of stay, unit types and times of year, depending on the number of points to which they are entitled and the number of points required to take the vacations of their preferences. Participants in the program may redeem their points not only for resort stays, but also for a wide variety of travel and leisure products, including airfare, cruises, and specialized leisure activities and attractions. Fairfield offers various programs that provide existing owners with the opportunity to "upgrade," or acquire additional vacation ownership interests to increase the number of points such owners can use in FairShare Plus.

Depending on the vacation ownership interest, Fairfield not only offers owners the option to make reservations through FairShare Plus, but also offers owners the opportunity to exchange their vacation ownership interests through our vacation exchange business, RCI, or through Interval International, Inc., which is a third-party international exchange company.

Program and Property Management. In exchange for management fees, Fairfield, itself or through a Fairfield affiliate, manages FairShare Plus, the majority of property owners' associations at resorts in which Fairfield markets and sells vacation ownership interests, and property owners' associations at resorts developed by third parties. On behalf of FairShare Plus, Fairfield or its affiliate manages the reservation system for FairShare Plus and provides owner services and billing and collections services. The term of the trust agreement of FairShare Plus runs through December 31, 2025, and the term is renewable if FairShare Plus is extended by a majority of the members of the program (including Fairfield). The term of the management agreement, under which Fairfield manages the FairShare Plus program, is for five years and is automatically renewed annually for successive terms of five years, provided the trustee under the program does not serve notice of termination to Fairfield at the end of any calendar year. On behalf of property owners' associations, Fairfield or its affiliates generally provides day-to-day management for vacation ownership resorts, including oversight of housekeeping services, maintenance and refurbishment of the units, and provides certain accounting and administrative services to property owners' associations. The terms of the property management agreements with the property owners' associations at resorts in which Fairfield markets and sells vacation ownership interests vary; however, the vast majority of the agreements provide a mechanism for automatic renewal upon expiration of the terms. At some established sites, the property owners' associations have entered into property management agreements with professional management companies other than Fairfield or its affiliates.

Trendwest

Trendwest markets and sells vacation ownership interests, which are called vacation credits (holiday credits in the South Pacific), in resorts owned by the vacation ownership programs WorldMark, The Club and WorldMark South Pacific Club, which we refer to collectively as the Clubs, which Trendwest formed in 1989 and 2000, respectively. The Clubs provide owners with flexibility (subject to availability) as to resort location, length of stay, unit type, the day of the week and time of year. Trendwest is usually involved in the development of the resorts owned by the Clubs. In addition to developing resorts and marketing and selling vacation credits, Trendwest manages the Clubs and the majority of resorts owned by the Clubs.

In October 1999, Trendwest formed Trendwest South Pacific, Pty. Ltd., an Australian corporation, or Trendwest South Pacific, as its direct wholly owned subsidiary for the purpose of conducting sales, marketing and resort development activities in the South Pacific. Trendwest South Pacific is currently the largest vacation ownership business in Australia, with approximately 30,000 owners of vacation credits as of March 31, 2006. Resorts in the South Pacific typically are owned and operated through WorldMark South Pacific Club, other than 66 units at Denarau Island, Fiji, which are owned by WorldMark, The Club.

Vacation Credits, Portfolio of Resorts and Maintenance Fees. Vacation credits in the Clubs entitle the owner of the credits to reserve units at the resorts that are owned and operated by the Clubs. Trendwest and Trendwest South Pacific are the developers or acquirors of the resorts that the Clubs own and operate. After Trendwest or Trendwest South Pacific develops or acquires resorts, it conveys the resorts to WorldMark, The Club or WorldMark South Pacific Club, as applicable. In exchange for the conveyances, Trendwest or Trendwest South Pacific receives the exclusive rights to sell the vacation credits associated with the conveyed resorts and to receive the proceeds from the sales of the vacation credits. Although vacation credits, unlike vacation ownership interests in Fairfield resorts, do not constitute deeded interests in real estate, vacation credits are regulated in most jurisdictions by the same agency that regulates vacation ownership interests evidenced by deeded interests in real estate. In 2005, the average purchase by a new owner of vacation credits was approximately $11,700. Of

the more than 750,000 owners of vacation ownership interests in Fairfield and Trendwest resorts and of other real estate interests in Fairfield resorts as of March 31, 2006, over 250,000 owners held vacation credits in Trendwest resorts.

Trendwest resorts are located primarily in the Western United States, Canada, Mexico and the South Pacific and, as of March 31, 2006, consisted of 69 resorts that represented approximately 4,900 units. Of the Trendwest resorts and units, Trendwest South Pacific has a total of 12 resorts with approximately 400 units. In 2004, Trendwest expanded its portfolio of resorts to include properties in San Francisco, California; Windsor, California; and Australia, and in 2005, Trendwest further expanded its portfolio of resorts to include properties in Seattle, Washington; Estes Park, Colorado; Solvang, California; Sydney, Australia; and New Zealand. In 2006, Trendwest expects to expand its portfolio in Midway, Utah; Indio, California; and Estes Park, Colorado.

The resorts in which Trendwest markets and sells vacation credits are primarily drive-to resorts. Most Trendwest resorts are affiliated with Wyndham Worldwide's vacation exchange subsidiary, RCI. Among Trendwest's 69 resorts, 63 have been awarded designations of an RCI Gold Crown Resort or an RCI Silver Crown Resort.

Owners of vacation credits pay annual maintenance fees to the Clubs. The annual maintenance fee associated with the average vacation credit purchased is approximately $480. The maintenance fee that an owner pays is based on the number of the owner's vacation credits. These fees are intended to cover the Clubs' operating costs, including the dues to the property owners' associations, which are generally the Clubs. Fees paid to property owners' associations are generally used to renovate and replace furnishings, pay maintenance and cleaning costs, pay management fees and expenses, and cover taxes (in some states), insurance and other related costs. Maintenance of common areas and the provision of amenities typically is the responsibility of the property owners' associations. Trendwest has a minimal ownership interest in the Clubs that results from Trendwest's ownership of unsold vacation credits in the Clubs. As the owner of unsold vacation credits, Trendwest pays maintenance fees to the Clubs.

WorldMark, The Club and WorldMark South Pacific Club. The Clubs provide owners of vacation credits with flexibility (subject to availability) as to resort location, length of stay, unit type and time of year. Depending on how many vacation credits an owner has purchased, the owner may use the vacation credits for one or more vacations annually. The number of vacation credits that are required for each day's stay at a unit is listed on a published schedule and varies depending upon the resort location, unit type, time of year and the day of the week. Owners may also redeem their credits for a wide variety of travel and leisure products, including airfare, cruises, and specialized leisure activities and attractions.

Owners of vacation credits are able to carry over unused vacation credits in one year to the next year and to borrow vacation credits from the next year for use in the current year. Owners of vacation credits are also able to purchase bonus time from the Clubs for use when space is available. Bonus time gives owners the opportunity to use available resorts on short notice and at a reduced rate and to obtain usage beyond owners' allotments of vacation credits. In addition, Trendwest offers owners the opportunity to "upgrade," or acquire additional vacation credits to increase the number of credits such owners can use in the Clubs.

Owners of vacation credits can make reservations through the Clubs, or may elect to join and exchange their vacation ownership interests through our vacation exchange business, RCI, or Interval International, Inc., which is a third-party exchange company.

Club and Property Management. In exchange for management fees, Trendwest, itself or through a Trendwest affiliate, serves as the exclusive property manager and servicing agent of the Clubs and all resort units owned or operated by the Clubs. On behalf of the Clubs, Trendwest or its affiliate provides day-to-day management for vacation ownership resorts, including oversight of housekeeping services, maintenance and

refurbishment of the units, and provides certain accounting and administrative services. Trendwest or its affiliate also manages the reservation system for the Clubs and provides owner services and billing and collections services. The management agreements of the Clubs provide for automatic one-year and five-year renewals, respectively, unless renewal is denied by a majority of the voting power of the owners (excluding Trendwest).

Geographic Distribution of Wyndham Vacation Ownership Resorts

The following graphic exhibits the geographic distribution of Wyndham Vacation Ownership resorts as of March 31, 2006.

Sales and Marketing

Fairfield and Trendwest employ a variety of marketing channels as part of Fairfield's and Trendwest's marketing programs to encourage prospective owners of vacation ownership interests to tour Fairfield resorts and Trendwest resorts, as applicable, and to attend sales presentations at resort locations and off-site sales offices. These channels include direct mail, e-commerce, in-person solicitations, referral programs and inbound and outbound telemarketing. The marketing offers we make through these channels are local and travel-based offers. Our local offers are designed to produce tour flow in regions where prospective owners reside or are currently visiting, and our travel-based offers are designed to solicit the purchase by prospective owners of overnight vacation packages to destinations in which Fairfield or Trendwest operates. We believe that marketing through both local and travel-based offers enhances our ability to market successfully to prospective owners.

Fairfield and Trendwest offer a variety of entry-level programs and products as part of their sales strategies. One such program allows prospective owners to acquire one-year's worth of points or credits with no further obligations, and one such product is a biennial interest, which prospective owners can buy, that provides for vacations every other year. As part of their sales strategies, Fairfield and Trendwest rely on their points/credits-based programs, which provide prospective owners with the flexibility to buy relatively small packages of points or credits, which can be upgraded at a later date. To facilitate upgrades among existing owners, Fairfield and Trendwest market opportunities for owners to purchase additional points or credits through periodic marketing campaigns and promotions to owners while such owners vacation at Fairfield resorts or Trendwest resorts, as applicable.

The marketing and sales activities of Fairfield and Trendwest are often facilitated through marketing alliances with other travel, hospitality, entertainment, gaming and retail companies that provide access to such companies' present and past customers through co-branded marketing offers, in-bound call transfer programs, in-store promotions, on-line advertising, sweepstakes programs and other highly integrated marketing platforms.

Fairfield Sales and Marketing. Fairfield sells its vacation ownership interests and other real estate interests at 36 resort locations and six off-site sales centers. On-site sales accounted for approximately 86% of all new sales during 2005. On-site sales presentations typically follow a resort tour led by a Fairfield salesperson. Fairfield conducted approximately 585,000 and 533,000 tours in 2005 and 2004, respectively.

Fairfield's resort-based sales centers, which are located in popular travel destinations throughout the United States, generate substantial tour flow through providing travel-based offers. The sales centers sell overnight vacation packages to popular travel destinations throughout the United States and when the purchasers of such packages redeem the packages, Fairfield sales representatives provide the purchasers with tours of Fairfield resorts. Fairfield utilizes direct mail, on-line campaigns and outbound and inbound telemarketing to market for sale the overnight vacation packages to prospective owners of vacation ownership interests, many of whom are also past or prospective customers for our travel, hospitality, entertainment and gaming marketing alliances. Fairfield often co-brands the vacation packages with third parties with whom it has marketing alliances and features products or services provided by those third parties as part of the vacation packages.

Fairfield's resort-based sales centers also generate substantial tour flow through providing local offers. The sales centers enable Fairfield to market to tourists already visiting destination areas. Fairfield's marketing agents, which often operate on the premises of the hospitality, entertainment, gaming and retail companies with which Fairfield has alliances within these markets, solicit local tourists with offers relating to activities and entertainment in exchange for the tourists' visiting the local resorts and attending sales presentations. An example of a marketing alliance through which Fairfield markets to tourists already visiting destination areas is Fairfield's current arrangement with Harrah's Entertainment in Las Vegas, Nevada, which enables Fairfield to operate several concierge-style marketing kiosks throughout Harrah's Casino that permit Fairfield to solicit patrons to attend tours and sales presentations with Harrah's-related rewards and entertainment offers, such as gaming chips, show tickets and dining certificates. Fairfield also operates its primary Las Vegas sales center

within Harrah's Casino and regularly shuttles prospective owners targeted by such sales centers to and from Fairfield's nearby resort. Fairfield also has marketing alliances with Trump Casino Resorts and Outrigger Hotels & Resorts.

Fairfield's resort-based sales centers enable Fairfield to actively solicit upgrade sales to existing owners of vacation ownership interests while such owners vacation at Fairfield resorts. Sales of vacation ownership interests relating to upgrades represented approximately 42%, 37% and 32% of Fairfield's net sales of vacation ownership interests in 2005, 2004 and 2003, respectively.

Trendwest Sales and Marketing. Trendwest sells its vacation credits in the United States primarily at 49 sales offices, 23 of which are located off-site in metropolitan areas. Trendwest conducts its international sales and marketing efforts through on-site and off-site sales offices, telemarketing and road shows. As of March 31, 2006, Trendwest South Pacific had nine sales offices throughout the east coast of Australia, the North Island of New Zealand and Fiji. Off-site sales offices generated approximately 69% and 66% of Trendwest's sales of new vacation credits in 2005 and 2004, respectively. Trendwest conducted approximately 349,000 and 326,000 tours in 2005 and 2004, respectively.

Trendwest's off-site sales offices, which are primarily located in metropolitan areas, market vacation credits through local offers to prospective owners in areas where such purchasers reside. Trendwest's off-site sales offices provide Trendwest with access to large numbers of prospective owners and a convenient, local venue at which to preview and sell vacation credits. Trendwest's off-site sales offices provide Trendwest with access to a wide group of qualified sales personnel due to the locations of the sales offices in metropolitan areas.

Trendwest uses a variety of marketing programs to attract prospective owners, including sponsored contests that offer vacation packages or gifts, targeted mailings, outbound and inbound telemarketing efforts, and various other promotional programs. Trendwest also co-sponsors sweepstakes, giveaways and other promotional programs with professional teams at major sporting events and with other third parties at other high-traffic consumer events. Where permissible under state law, Trendwest offers existing owners cash awards or other incentives for referrals of new owners.

Trendwest and Trendwest South Pacific periodically encourage existing owners of vacation credits to acquire additional vacation credits through various methods. Sales of vacation credits relating to upgrades represented approximately 31%, 33% and 22% of Trendwest's net sales of vacation credits in 2005, 2004 and 2003, respectively. Sales of vacation credits relating to upgrades represented approximately 13%, 11% and 9% of Trendwest South Pacific's net sales of vacation credits in 2005, 2004 and 2003, respectively.

Purchaser Financing

Fairfield and Trendwest offer financing to purchasers of vacation ownership interests. By offering consumer financing, we are able to reduce the initial cash required by customers to purchase vacation ownership interests, thereby enabling us to attract additional customers and generate substantial incremental revenues and profits. Fairfield and Trendwest service loans extended by them through our consumer financing subsidiary, Wyndham Consumer Finance (formerly known as Cendant Timeshare Resort Group-Consumer Finance, Inc.), a wholly owned subsidiary of Fairfield based in Las Vegas, Nevada that performs loan servicing and other administrative functions for Fairfield and Trendwest. As of March 31, 2006, we serviced a portfolio of approximately 236,000 loans that totaled $2,272 million in aggregate principal amount outstanding, with an average interest rate of more than 13%.

Fairfield and Trendwest do not currently conduct a credit investigation or other review or inquiry into a purchaser's credit history before offering to finance a portion of the purchase price of the vacation ownership interests. As of March 31, 2006, however, at the majority of Fairfield's sales offices, purchasers are offered the

opportunity to obtain financing on more favorable terms if they agree to permit Fairfield to obtain their credit scores. The interest rate offered to participating purchasers is determined from automated underwriting based upon the purchaser's credit score, the amount of the down payment and the size of purchase. Trendwest sales offices currently do not employ the same form of automated underwriting and instead offer financing with an interest rate based upon the size of the purchase. However, Trendwest, through certain upgrade sales programs, may offer existing owners of vacation credits who purchase additional vacation credits financing on more favorable terms based on such owner's payment history with Trendwest. Both Fairfield and Trendwest offer purchasers an interest rate reduction if they participate in their pre-authorized checking, or PAC, programs, pursuant to which our consumer financing subsidiary each month debits a purchaser's bank account or major credit card in the amount of the monthly payment by a pre-authorized fund transfer on the payment date. As of March 31, 2006, approximately 80% of purchaser financing serviced by our consumer financing subsidiary participated in the PAC program. In addition, in an effort to improve the performance of their respective portfolios, Fairfield plans to expand its risk-based pricing initiative, and Trendwest plans to explore implementing a similar risk-based pricing initiative.

Fairfield and Trendwest generally require a minimum down payment of 10% of the purchase price on all sales of vacation ownership interests and offer consumer financing for the remaining balance for up to ten years. Both Fairfield and Trendwest offer programs through which prospective owners may accumulate the required 10% down payment over a period of time not greater than six months. The prospective owner is placed in "pending" status until the required 10% down payment amount is received.

Similar to other companies that provide consumer financing, we securitize a majority of the receivables originated in connection with the sales of our vacation ownership interests. We initially place the financed contracts into a revolving warehouse securitization facility generally within 30 to 90 days after origination. Many of the receivables are subsequently transferred from the warehouse securitization facility and placed into term securitization facilities. As of March 31, 2006, the aggregate principal amount outstanding of receivables in the warehouse securitization facility and the term securitization facilities was $709 million and $873 million, respectively.

Servicing and Collection Procedures

Our consumer financing subsidiary is responsible for the maintenance of accounts receivables files and all customer service, billing and collection activities related to the loans we extend. Our consumer financing subsidiary also services loans pledged in our warehouse and term securitization facilities. As of March 31, 2006, our consumer financing subsidiary had approximately 431 employees, the majority of whom were in customer service and maintenance (approximately 173) and loan collection and special services (approximately 171).

Since April 2005, Fairfield and Trendwest have used a single computerized online data system to maintain loan records and service the loans. This system permits access to customer account inquiries and is supported by our management information system department.

The collection methodologies for both brands are similar and entail a combination of mailings and telephone calls which are supported by an automated dialer. As of December 31, 2005, the loan portfolios of both Fairfield and Trendwest were approximately 93% current (i.e., not more than 30 days past due).

We assess the performance of our loan portfolio by monitoring certain metrics on a daily, weekly, monthly and annual basis. These metrics include, but are not limited to, collections rates, account roll rates, defaults by state residency of the obligor and bankruptcies. We define defaults as accounts that are 120 days or more past due plus bankrupt accounts. The average expected cumulative gross default rate is approximately 16.3%. At March 31, 2006, loans originated in 2003 and 2004 had aggregate cumulative default rates of approximately 14.8% and 11.9%, respectively.

Strategies

We intend to grow our vacation ownership business by increasing sales of vacation ownership interests to new owners and sales of upgrades to existing owners by expanding our marketing and sales efforts, strengthening our product offerings and further developing our consumer financing activities. We plan to leverage the Wyndham brand in our marketing efforts, add new resorts, expand our marketing alliances and increase our on-site sales activities to existing owners. Our plans generally focus on pursuing these strategies organically. In addition, in appropriate circumstances, we will consider opportunities to acquire businesses, both domestic and international, including through the use of Wyndham Worldwide common stock as currency.

Expand our sales and marketing efforts

We plan to expand sales and marketing to new and existing owners, including marketing and selling through in-person solicitation, direct mail, e-commerce, referral programs, inbound and outbound telemarketing and upgrade sale programs. We plan to leverage the Wyndham brand in our marketing efforts to strengthen our position in the higher-end segment of the vacation ownership industry, to attract prospective new owners in higher income demographics through Wyndham-branded marketing campaigns, and to increase upgrade sales through the application of the Wyndham brand within existing and new higher-end products and product features.

We plan to expand our marketing and sales distribution channels through the pursuit of additional integrated marketing alliances with lodging and entertainment companies. We currently have alliances with Harrah's Entertainment in Las Vegas, Nevada; Trump Casino Resorts in Atlantic City, New Jersey; and Outrigger Hotels & Resorts throughout Hawaii, which permit us to conduct marketing and sales activities at properties owned by these companies. We will explore expanding our existing alliances and entering into new alliances. We also plan to expand our upgrade sale programs by commencing on-site sales programs at our properties where we do not currently conduct on-site sales.

Strengthen our product offerings

We plan to strengthen the products that we offer by adding new resorts and resort locations and expanding our offering of higher-end products and product features. We plan to develop additional resorts in new domestic regions and in domestic regions we currently serve that are experiencing strong demand such as Orlando, Myrtle Beach, San Antonio, Las Vegas, San Diego and Hawaii. We plan to develop additional resorts in international regions in Canada, the Caribbean, Mexico, Australia and Asia. In addition, we may also acquire additional resorts that complement our current portfolio of resorts.

We are exploring the use of our Wyndham brand at new domestic and international resorts, as well as at select locations within our current portfolio of resorts. In addition, we plan to develop and market mixed-use hotel and vacation ownership properties in conjunction with the Wyndham brand. The mixed-use properties would afford us access to both hotel clients in higher income demographics for the purpose of marketing vacation ownership interests and hotel inventory for use in our marketing programs.

We plan to expand upon existing and create new higher-end product offerings in conjunction with the Wyndham brand. We are exploring associating the Wyndham brand with our existing high-end Presidential-style vacation ownership units in our current inventory and may further apply the Wyndham brand to current and future product features and services available to our owners who have attained enhanced membership status within our vacation ownership programs as a result of achieving substantial ownership levels.

Enhance our consumer financing activities

We plan to increase our revenue from vacation ownership interest sales by enhancing our customers' ability to purchase our products. Our consumer financing activities increase our sales of Fairfield and Trendwest vacation ownership interests by offering financing to prospective purchasers who might otherwise not purchase.

Additionally, offering financing permits prospective purchases to acquire larger vacation ownership interests than they might otherwise acquire. To further increase the number and size of sales of our vacation ownership interests, we plan to explore offering new financing products and terms that are desirable to prospective purchasers.

We plan to increase our net interest income by improving the performance of our portfolio of vacation ownership contract receivables. To improve the performance of our portfolio, we plan to expand our risk-based pricing initiative. In addition, we plan to continue improving our collection activities to reduce the volume and duration of delinquencies and defaults, thereby improving the performance of our portfolio. We also plan to continue reducing our loan servicing costs.

Seasonality

We rely, in part, upon tour flow to generate sales of vacation ownership interests; consequently, sales volume tends to increase in the spring and summer months as a result of greater tour flow from spring and summer travelers. Revenues from sales of vacation ownership interests therefore are generally higher in the second and third quarters than in other quarters. We cannot predict whether these seasonal trends will continue in the future.

Competition

The vacation ownership industry is highly competitive and is comprised of a number of companies specializing primarily in sales and marketing, consumer financing, property management and development of vacation ownership properties. In addition, a number of national hospitality chains develop and sell vacation ownership interests to consumers. Some of the well-known players in the industry include Disney Vacation Club, Hilton Grand Vacations Company LLC, Marriott Ownership Resorts, Inc. and Starwood Vacation Ownership, Inc.

Trademarks

We own the trademarks “Fairfield,” “Trendwest” and “FairShare Plus” and related trademarks and logos, and such trademarks and logos are material to the businesses that are part of our vacation ownership business. Our subsidiaries actively use these marks, and all of the material marks are registered (or have applications pending) with the U.S. Patent and Trademark Office as well as with the relevant authorities in major countries worldwide where these businesses have significant operations. We own the “WorldMark” trademark pursuant to an assignment agreement with WorldMark, The Club. Pursuant to the assignment agreement, WorldMark, The Club may request that the mark be reassigned to it only in the event of a termination of the WorldMark vacation ownership programs.

EMPLOYEES, PROPERTIES AND FACILITIES, GOVERNMENT REGULATION AND LEGAL PROCEEDINGS

Employees

At March 31, 2006, we had approximately 28,800 employees, including approximately 9,800 employees outside of the United States. At March 31, 2006, our lodging business had approximately 5,500 employees, our vacation exchange and rental business had approximately 8,000 employees and our vacation ownership business had approximately 15,000 employees. Approximately 1% of our employees are subject to collective bargaining agreements governing their employment with our company. We believe that our relations with employees are good.

Properties and Facilities

Corporate Headquarters. Our corporate headquarters are located in leased offices at Seven Sylvan Way in Parsippany, New Jersey. The lease expires in 2011.

Wyndham Hotel Group**.** Our lodging business has its main corporate operations at leased offices in Parsippany, New Jersey, pursuant to a lease that expires in 2008. Our lodging business also leases space for its reservations centers and/or data warehouse in Aberdeen, South Dakota; Phoenix, Arizona; and Saint John, New Brunswick, Canada pursuant to leases that expire in 2007, 2010 and 2013, respectively. In addition, our lodging business leases office space in Atlanta, Georgia; Dallas, Texas; and Hammersmith, United Kingdom pursuant to leases expiring in 2011, 2007 and 2012, respectively. Our lodging business also leases two vacant properties in Phoenix, Arizona and Knoxville, Tennessee pursuant to leases that expire in 2007.

RCI Global Vacation Network. Our vacation exchange business has its main corporate operations at leased offices in Parsippany, New Jersey. Our vacation exchange business also has five properties, which we own. The most significant owned properties for this business are call centers in Carmel, Indiana; Cork, Ireland; and Kettering, United Kingdom. Our vacation exchange business also has five leased offices located within the United States pursuant to leases that expire generally in one year and 39 additional leased spaces in various countries outside the United States pursuant to leases that expire generally in three years. Our vacation rental business' operations are managed in two owned locations (Earby, United Kingdom and Monterrigioni, Italy), three main leased locations (Leidschendam, Netherlands; Dunfermline, United Kingdom; and Copenhagen, Denmark) and approximately 16 smaller leased offices throughout Europe. Our main leased locations operate pursuant to leases that expire in 2015, 2012, 2009 and 2010, respectively. The vacation exchange and rental business also occupies space in Hammersmith, United Kingdom pursuant to a lease that expires in 2012.

Wyndham Vacation Ownership. Our vacation ownership business has its main corporate operations in Orlando, Florida pursuant to a lease that expires in 2012. Our vacation ownership business also owns a facility in Redmond, Washington and leases space for call center and administrative functions in Bellevue, Washington; Las Vegas, Nevada; Margate, Florida; and Orlando, Florida, pursuant to leases that expire in 2006, 2012, 2010 and 2012 respectively. In addition, approximately 110 marketing and sales offices throughout the United States and 12 offices in Australia are leased pursuant to leases that will expire within approximately three years.

For a detailed description of the subleases that Wyndham Worldwide is subject to, see "Certain Relationships and Related Party Transactions—Other Intercompany Relationships between Cendant, the Other Separated Companies and Us—Subleases and Related Guarantees."

Government Regulation

Our businesses are either subject to or affected by international, federal, state and local laws, regulations and policies, which are constantly subject to change. The descriptions of the laws, regulations and policies that follow are summaries and should be read in conjunction with the texts of the laws and regulations described below. The descriptions do not purport to cover all present and proposed laws, regulations and policies that affect our businesses.

We believe that we are in material compliance with these laws, regulations and policies. Although we cannot predict the effect of changes to the existing laws, regulations and policies or to the proposed laws, regulations and policies that are described below, we are not currently aware of proposed changes or proposed new laws, regulations and policies that will have a material adverse effect on our business.

Regulations Generally Applicable to Our Business

Our businesses are subject to, among others, laws and regulations that affect privacy and data collection, marketing regulation and the use of the Internet, as described below:

Privacy and Data Collection. The collection and use of personal data of our customers and our ability to contact our customers, including through telephone or facsimile, are governed by privacy laws and regulations enacted in the United States and in other jurisdictions around the world. Privacy regulations continue to evolve and on occasion may be inconsistent from one jurisdiction to another. Many states have introduced legislation or enacted laws and regulations that require strict compliance with standards for data collection and protection of privacy and provide for penalties for failure to notify customers when such standards are breached, even by third parties. The U.S. Federal Trade Commission, or FTC, adopted "do not call" and "do not fax" regulations in October 2003. In compliance with such regulations, our affected businesses have developed and implemented plans to block phone numbers listed on the "do not call" and "do not fax" registries and have instituted new procedures for preventing unsolicited telemarketing calls. In response to "do not call" and "do not fax" regulations, our affected businesses have reduced their reliance on outbound telemarketing. In addition, our European businesses have adopted policies and procedures to comply with the European Union Directive on Data Protection. These policies and procedures require that unless the use of data is "necessary" for certain specified purposes, including, for example, the performance of a contract with the individual concerned, consent to use data must be obtained.

Marketing Operations. The products and services offered by our various businesses are marketed through a number of distribution channels, including direct mail, telemarketing and online. These channels are regulated at the state and federal levels, and we believe that the effect of such regulations on our marketing operations will increase over time. Such regulations, which include anti-fraud laws, consumer protection laws, privacy laws, identity theft laws, anti-spam laws, telemarketing laws and telephone solicitation laws, may limit our ability to solicit new customers or to market additional products or services to existing customers. In addition, some of our business units use sweepstakes and contests as part of their marketing and promotional programs. These activities are regulated primarily by state laws that require certain disclosures and assurance that the prizes will be available to the winners.

Internet. Although our business units' operations on the Internet are not currently regulated by any government agency in the United States, it is likely that a number of laws and regulations may be adopted to regulate the Internet. In addition, it is possible that existing laws may be interpreted to apply to the Internet in ways that the existing laws are not currently applied, particularly with respect to the imposition of state and local taxes on the use and reservation of accommodations through the Internet. Regulatory and legal requirements are particularly subject to change with respect to the Internet and may become more restrictive, which will increase the difficulty and expense of compliance or otherwise restrict our business units' abilities to conduct operations as such operations are currently conducted.

We are also aware of, and are actively monitoring the status of, certain proposed United States state and international legislation related to privacy and e-mail marketing that may be enacted in the future. It is unclear at this point what effect, if any, such state and international legislation may have on our businesses. California, for example, has enacted legislation that requires enhanced disclosure on Internet web sites regarding consumer privacy and information sharing among affiliated entities. We cannot predict with certainty whether these laws will affect our practices with respect to customer information and inhibit our ability to market our products and services nor can we predict whether other states will enact similar laws. Because Internet reservations are more cost-effective than reservations taken over the phone, our costs may increase if Internet reservations are adversely affected by regulations.

***Travel Agency Services*.** The travel agency products and services that our businesses provide are subject to various federal, state and local regulations. We must comply with laws and regulations that relate to our marketing and sales of such products and services, including laws and regulations that prohibit unfair and deceptive advertising or practices and laws that require us to register as a "seller of travel" to comply with disclosure requirements. In addition, we are indirectly affected by the regulation of our travel suppliers, many of which are heavily regulated by the United States and other governments. We are also affected by the European Union Directive applicable to the sale and provision of package holidays because some of our European businesses operate such that they are classified, for certain of their operations, as organizers of package holidays. This European Directive places liability for the package holiday sold with the organizer and requires that the organizer has security in place in order to refund to the consumer money paid by such consumer in the event of insolvency of the organizer.

Regulations Applicable to the Lodging Business

Our lodging business is subject to, among others, laws, regulations and policies that affect the sale of franchises and access for persons with disabilities, as described below:

Sale of Franchises. The FTC, various state laws and regulations and the laws of jurisdictions outside the United States regulate the offer and sale of franchises. The FTC requires that franchisors make extensive written disclosure in a prescribed format to prospective franchisees but does not require registration. The FTC has proposed changes to its franchise regulations that will affect sales practices and procedures and the content of disclosure documents that we use to sell franchises in the United States. The FTC has not yet released the final rule or announced its effective date. We believe that the proposed FTC changes to the franchise regulations will have no material adverse impact on the offer and sale of our hotel franchises. The state laws that affect our franchise business regulate the offer and sale of franchises, the termination, renewal and transfer of franchise agreements, and the provision of loans to franchisees as part of the sales of franchises. Currently, 19 states have laws that require registration or disclosure in connection with offers and sales of franchises. In addition, 20 states currently have "franchise relationship" laws that limit the ability of franchisors to terminate franchise agreements or to withhold consent to the renewal or transfer of the agreements. California regulates the provision of loans to franchisees as part of the sales of the franchises. Such regulations may require the franchisors to register under the state law that governs business lenders, if no exemption from registration is available, or may limit the security or collateral the franchisors may use to reduce the risks associated with loans. The laws of jurisdictions outside the United States regulate pre-sale disclosure and the commencement of franchising. Three Canadian provinces and a number of foreign jurisdictions have adopted pre-sale disclosure regulations. China has enacted regulations that, among other things, require an organization to operate properties in at least two locations in the area where the organization wants to franchise brands before China will permit the organization to commence acting as a franchisor. We have received legal advice that such regulations do not prevent us from continuing to franchise brands that we had franchised in China before the effective date of the regulations.

Persons with Disabilities. The Americans with Disabilities Act, or ADA, requires public accommodations, such as lodging and restaurant facilities, to (i) offer facilities without discriminating against persons with disabilities, (ii) offer auxiliary aids and services to persons with hearing, vision or speech disabilities who would benefit from such services without fundamentally altering the nature of the goods or services offered and (iii) remove barriers to mobility or communication to the extent readily achievable. The U.S. Department of Justice published "Standards for Accessible Design" and "Accessibility Guidelines," collectively referred to as ADAAG, that, among other things, prescribe a specified number of handicapped accessible rooms, assistive devices for hearing, speech and visually impaired persons, and general standards of design applicable to all areas of facilities subject to the law, including hotels. The ADAAG specifies the minimum room design and layout criteria for handicapped accessible rooms. Any newly constructed facility (first occupied after January 26, 1993) must comply with ADAAG and be readily accessible to and useable by persons with disabilities. The owner of each facility and its contractors are responsible for ADA and ADAAG compliance.

Regulations Applicable to the Vacation Exchange and Rental Business

Our vacation exchange business is subject to, among other laws and regulations, statutes in certain states that regulate vacation exchange services, and we must prepare and file annually disclosure guides with regulators in states where such filings are required. Although our vacation exchange business is not generally subject to state statutes that govern the development of vacation ownership properties and the sale of vacation ownership interests, these statutes directly affect the members of our vacation exchange program and resorts with units that participate in our vacation exchanges. These statutes, therefore, indirectly affect our vacation exchange business. In addition, several states and localities are attempting to enact or have enacted laws or regulations that would impose or impose, as applicable, taxes on members that complete exchanges, similar to local transient occupancy taxes. Our vacation rental business is subject to state and local regulation, including applicable seller of travel, travel club and real estate brokerage licensing statutes.

Regulations Applicable to the Vacation Ownership Business

Our vacation ownership business is subject to, among others, the laws and regulations that affect the marketing and sale of vacation ownership interests, property management of vacation ownership resorts, travel agency services and the conduct of real estate brokers, described below:

Federal, State and International Regulation of Vacation Ownership Business Our vacation ownership business is subject to federal legislation, including without limitation, Housing and Urban Development Department regulations, such as the Fair Housing Act; the Truth-in-Lending Act and Regulation Z promulgated thereunder, which require certain disclosures to borrowers regarding the terms of borrowers' loans; the Real Estate Settlement Procedures Act and Regulation X promulgated thereunder, which require certain disclosures to borrowers regarding the settlement of real estate transactions and servicing of loans; the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which prohibit discrimination in the extension of credit on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act; the Telemarketing and Fraud and Abuse Prevention Act; the Gramm-Leach-Bliley Act and the Fair Credit Reporting Act and other laws, which address privacy of consumer financial information; and the Civil Rights Acts of 1964, 1968 and 1991. Many states have laws that regulate our vacation ownership business' operations, including those relating to real estate licensing, travel sales licensing, anti-fraud, telemarketing, restrictions on the use of predictive dialers, prize, gift and sweepstakes regulations, labor, and various regulations governing access and use of our resorts by disabled persons. In addition to regulation in the United States and Australia, our vacation ownership business is subject to regulation in other countries where we develop or manage resorts and where we market or sell vacation ownership interests, including Canada, Mexico, New Zealand and Fiji. The scope of regulation of our vacation ownership business in Canada, where we develop, market, sell and manage resorts, is similar to the scope of regulation of our vacation ownership business in the United States. In addition, in Australia, we are regulated by the Australian Securities and Investments Commission, which requires that all persons conducting vacation ownership sales and marketing and vacation ownership club activities hold an Australian Financial Services License and comply with the rules and regulations of the Commission. Unlike in the United States, where the vacation ownership industry is regulated primarily by state law, the vacation ownership industry in Australia is regulated under federal Australian securities law because Australian law regards a vacation ownership interest as a security. As we expand our vacation ownership business by entering new markets, we will become subject to regulation in additional countries.

The sale of vacation ownership interests is potentially subject to federal and state securities laws. However, most federal and state agencies generally do not regulate our sale of vacation ownership interests as securities, in part because we offer our vacation ownership interests for personal vacation use and enjoyment and not for investment purposes with the expectation of profit or in conjunction with a rental arrangement. In addition, the vacation ownership interests that we market and sell are real estate interests or are akin to real estate interests and therefore our vacation ownership business is extensively regulated by many states' departments of commerce and/or real estate. Because of such extensive regulation, additional regulation of our vacation ownership products

as securities generally does not occur. Some states in which we market and sell our vacation ownership interests regulate our products as securities. In those states, we comply with such regulation by either registering our vacation ownership interests for sale as securities or qualifying for an exemption from registration and by providing required disclosures to our purchasers. If federal and additional state agencies elected to regulate our vacation ownership interest products as securities, we would comply with such regulation by either registering our vacation ownership interests for sale as securities or qualifying for an exemption from registration and by providing required disclosures to our purchasers.

State real estate foreclosure laws impact our vacation ownership business. We secure loans made to purchasers of vacation ownership interests that constitute real estate interests and that are deeded prior to loan repayment by requiring purchasers to grant a first priority mortgage lien in our favor, which is recorded against title to the vacation ownership interest. In the event of a purchaser's default, the purchaser will often voluntarily deed the vacation ownership interest to us, in which event foreclosure is not necessary. If the purchaser does not do so, we may commence a judicial or non-judicial foreclosure proceeding. State real estate foreclosure laws normally require that certain conditions be satisfied prior to completing foreclosure, including providing to the purchaser both a notice and an opportunity to redeem the purchaser's interest and conducting a foreclosure sale. While state real estate foreclosure laws impose requirements and expenses on us, we are able to comply with the requirements, bear the expenses and complete foreclosures. Several states have enacted anti-deficiency laws which generally prohibit a lender from recovering the portion of an outstanding loan in excess of the proceeds of a foreclosure sale of a borrower's primary residence that secures repayment of the loan. Since purchasers of vacation ownership interests do not occupy a resort unit as a primary residence, state anti-deficiency laws generally do not impact us. Our sale of vacation ownership interests that are vacation credits is not impacted by state real estate foreclosure and anti-deficiency laws, since vacation credits are not real estate interests.

Marketing and Sale of Vacation Ownership Interests. We are subject to extensive regulation by states' departments of commerce and/or real estate and international regulatory agencies, such as the European Commission, in locations where our resorts in which we sell vacation ownership interests are located or where we market and sell vacation ownership interests. Many states regulate the marketing and sale of vacation ownership interests, and the laws of such states generally require a designated state authority to approve a vacation ownership public report, which is a detailed offering statement describing the resort operator and all material aspects of the resort and the sale of vacation ownership interests. In addition, the laws of most states in which we sell vacation ownership interests grant the purchaser of such an interest the right to rescind a contract of purchase at any time within a statutory rescission period, which generally ranges from three to 15 days, depending on the state.

Property Management of Vacation Ownership Resorts. Our vacation ownership business includes property management operations that are subject to state condominium and/or vacation ownership management regulations and, in some states, to professional licensing requirements.

Conduct of Real Estate Brokers. The marketing and sales component of our vacation ownership business is subject to numerous federal, state and local laws and regulations that contain general standards for and prohibitions relating to the conduct of real estate brokers and sales associates, including laws and regulations that relate to the licensing of brokers and sales associates, fiduciary and agency duties, administration of trust funds, collection of commissions, and advertising and consumer disclosures. The federal Real Estate Settlement Procedures Act and state real estate brokerage laws also restrict payments that real estate brokers and other parties may receive or pay in connection with the sales of vacation ownership interests and referral of prospective owners. Such laws may, to some extent, restrict arrangements involving our vacation ownership business.

Environmental Regulation. Because our vacation ownership business acquires, develops and renovates vacation ownership interest resorts, we are subject to various environmental laws, ordinances, regulations and similar requirements in the jurisdictions where our resorts are located. The environmental laws to which our vacation ownership business is subject regulate various matters, including pollution, hazardous and toxic substances and wastes, asbestos, petroleum and storage tanks.

Regulations Applicable to the Management of Property Operations

Our business that relates to the management of property operations, which includes components of our lodging and vacation ownership businesses, is subject to, among others, laws and regulations that relate to health and sanitation, the sale of alcoholic beverages, facility operation and fire safety, including as described below:

Health and Sanitation. Most states have regulations or statutes governing the lodging business or its components, such as restaurants, swimming pools and health facilities. Lodging and restaurant businesses often require licensing by state and local authorities, and sometimes these licenses are obtainable only after the business passes health inspections to assure compliance with health and sanitation codes. Health inspections are performed on a recurring basis. Health-related laws affect the use of linens, towels and glassware. Other laws govern swimming pool use and operation and require the posting of notices, availability of certain rescue equipment and limitations on the number of persons allowed to use the pool at any time. These regulations typically impose civil fines or penalties for violations, which may lead to operating restrictions if uncorrected or in extreme cases of violations.

Sale of Alcoholic Beverages. Alcoholic beverage service is subject to licensing and extensive regulations that govern virtually all aspects of service. Compliance with these regulations at managed locations may impose obligations on the owners of managed hotels, Wyndham Worldwide as the property manager or both. Managed hotel operations may be adversely affected by delays in transfers or issuances of alcoholic beverage licenses necessary for food and beverage services.

Facility Operation. The operation of lodging facilities is subject to innkeepers' laws that (i) authorize the innkeeper to assert a lien against and sell, after observing certain procedures, the possessions of a guest who owes an unpaid bill for lodging or other services provided by the innkeeper, (ii) affect or limit the liability of an innkeeper who posts required notices or disclaimers for guest valuables if a safe is provided, guest property, checked or stored baggage, mail and parked vehicles, (iii) require posting of house rules and room rates in each guest room or near the registration area, (iv) may require registration of guests, proof of identity at check-in and retention of records for a specified period of time, (v) limit the rights of an innkeeper to refuse lodging to prospective guests except under certain narrowly defined circumstances, and (vi) may limit the right of the innkeeper to evict a guest who overstays the scheduled stay or otherwise gives a reason to be evicted. Federal and state laws applicable to places of public accommodation prohibit discrimination in lodging services on the basis of the race, creed, color or national origin of the guest. Some states prohibit the practice of "overbooking" and require the innkeeper to provide the reserved lodging or find alternate accommodations if the guest has paid a deposit, or face a civil fine. Some states and municipalities have also enacted laws and regulations governing no-smoking areas and guest rooms that are more stringent than our standards for no-smoking guest rooms.

Fire Safety. The federal Hotel and Motel Safety Act of 1990 requires all places of public accommodation to install hard wired, single station smoke detectors meeting National Fire Protection Association Standard 74 in each guest room and to install an automatic sprinkler system meeting National Fire Protection Association Standard 13 or 13-R in facilities taller than three stories, unless certain exceptions are met, for such places to be approved for lodging and meetings of federal employees. Travel directories to be published by the federal government and lists maintained by state officials will include only those facilities that comply with the Hotel and Motel Safety Act of 1990. Other state and local fire and life safety codes may require exit maps, lighting systems and other safety measures unique to lodging facilities.

Occupational Safety. The federal Occupational Safety and Health Act, or OSHA, requires that businesses comply with industry-specific safety and health standards, which are known collectively as OSHA standards, to provide a safe work environment for all employees and prevent work-related injuries, illnesses and deaths. Failure to comply with such OSHA standards may subject us to fines from the Occupational Safety and Health Administration.

Environmental Regulation. Our business that relates to the management of property operations is subject to various environmental laws, ordinances, regulations and similar requirements in the jurisdictions where the properties we manage are located. We must comply with environmental laws that regulate pollution, hazardous and toxic substances and wastes, asbestos, petroleum and storage tanks.

Legal Proceedings

Legal—Cendant's Hospitality Services (including Timeshare Resorts) Businesses

The following litigation relates to Cendant's Hospitality Services (including Timeshare Resorts) businesses, and pursuant to the Separation and Distribution Agreement, we have agreed to be responsible for all of the related costs and expenses.

Wendell and Sandra Grimes, et al. v. Fairfield Resorts, Inc., FairShare Vacation Owners Association, et al, No 6:05-CV-1061-ORL-22JGG (M.D. Fla.). This class action complaint was filed on July 19, 2005. It alleges, under a variety of legal theories, that the defendants violated their duties to the members of FairShare Plus through self-serving changes to the reservation and availability policies (including an affiliation with RCI), which diminished the value of the vacation ownership interests purchased by the members and rendered it more difficult for members to obtain reservations at their home resort. The complaint does not seek monetary damages in a specified amount, nor does it specify the form of injunctive or declaratory relief sought. Plaintiffs filed their motion for class certification on October 18, 2005, and defendants submitted their opposition on January 18, 2006. On April 26, 2006, the court heard oral argument but did not rule on the plaintiffs' motion for class certification. On April 27, 2006, the court denied the plaintiffs' motion for class certification. On May 11, 2006, plaintiffs filed with the U.S. Court of Appeals for the Eleventh Circuit a petition for an interlocutory review of the District Court's April 27 order denying class certification. On May 15, 2006, the District Court ordered plaintiffs to file not later than May 31, 2006, an amended complaint which omits class action allegations. On or about May 31, 2006, plaintiffs filed an amended complaint omitting the class action allegations. On June 7, 2006, defendants moved to dismiss the amended complaint for lack of subject matter jurisdiction. On June 21, 2006, the U.S. Court of Appeals for the Eleventh Circuit denied the plaintiff's petition for an interlocutory review of the District Court's April 27 order.

Source v. Cendant Corporation, No. 2-05CV-347 (E.D. Tex.). Source, Inc., which we refer to as Source, filed suit against Cendant on July 28, 2005. Source alleges infringement of four patents related to Source's "centralized consumer cash value accumulation system for multiple merchants." Source alleges that Cendant Hotel Group, Inc.'s TripRewards program infringes upon Source's guest loyalty system. Source seeks monetary damages and injunctive relief. While the parties have discussed a nuisance value settlement, Cendant has filed an answer and motion to stay the litigation pending reexamination of two of the patents by the Patent and Trademark Office. The motion for stay was granted, and the matter was stayed until April 2006. We applied for an extension of that stay, which Source opposed. The Court has lifted the stay and the parties will proceed with discovery.

In Re: Resort Condominiums International, LLC and RCI Canada, Inc., Nos. 040895898P1-01-001, 040895898P1-01-002, 040895898P1-01—003, 040895898P1-01—004, 040897266P1-06-001, 040897266P1-05-001 (Edmonton Provincial Court), Case Nos. 040895104P1-01-001, 040895104P1-01-002, 040895104P1-01-003, 040895104P1-01-004, 040895104P1-01-005, 040895104P1-01-006 (Canmore Provincial Court), Nos. 040897167P1-01-001, 04897167P1-02-001 (Calgary Provincial Court). Companion complaints were filed against Resort Condominium International, LLC and RCI Canada, Inc. in three Alberta jurisdictions on August 4, 2004 alleging that the RCI Points program is an unlicensed travel club and the unregistered sales of memberships in the program is a regulatory violation of the Alberta Fair Trading Act. The complaints seek statutory penalties. RCI's defense is premised upon the fact that the RCI Points program simply provides a system to use accommodations currently owned by the vacation ownership consumer and is not a travel club, as defined in the statute, as it does not involve the future purchase of accommodations. The trial date has been set for February 26, 2007.

Additionally, from time to time, we are involved in certain claims and legal actions arising in the ordinary course of our business, including: for our lodging business, (i) breach of contract, fraud and bad faith claims between franchisors and franchisees in connection with franchise agreements and with owners in connection with management contracts and (ii) negligence claims asserted in connection with acts or occurrences at franchised or managed properties; for our vacation exchange and rental business, (i) breach of contract claims by both affiliates and members in connection with their respective agreements and (ii) negligence claims by guests for alleged injuries sustained at resorts; for our vacation ownership business, (i) breach of contract, conflict of interest, fraud and consumer protection act claims by property owners' associations, owners and prospective owners in connection with the sale of vacation ownership interests or the management of vacation ownership resorts, (ii) construction defect claims relating to vacation ownership units or resorts and (iii) negligence claims by guests for alleged injuries sustained at vacation ownership units or resorts; and for each of our businesses, (i) bankruptcy proceedings involving efforts to collect receivables from a debtor in bankruptcy and (ii) employment matters involving claims of discrimination and wage and hours claims. Although the results of such claims and legal actions cannot be predicted with certainty, we do not believe based on information currently available to us that the final outcome of these proceedings will have a material adverse effect on our consolidated financial position, results of operations or cash flows. Any adverse outcome of such claims and legal actions, however, could have a material effect on our results of operations.

We cannot give any assurance as to the final outcome or resolution of these unresolved proceedings. An adverse outcome from certain unresolved proceedings could be material with respect to earnings in any given reporting period. However, we do not believe that the impact of such unresolved proceedings should result in a material liability to us in relation to our consolidated financial position or liquidity.

In addition, pursuant to the Separation and Distribution Agreement, we agreed to be responsible for 37.5% (or 30% if the sale of Travelport is not completed) of certain contingent and other corporate liabilities (and related costs and expenses) related to Cendant litigation. See "Certain Relationships and Related Party Transactions—Litigation For Which We Have Assumed Liability Pursuant to the Separation and Distribution Agreement."

Legal—Cendant Corporate Litigation

Pursuant to the Separation and Distribution Agreement we agreed to be responsible for 37.5% (or 30% if the sale of Travelport is not completed) of the contingent and other corporate liabilities (and related costs and expenses) related to the Cendant litigation described below.

After the April 15, 1998 announcement of the discovery of accounting irregularities in the former CUC business units, and prior to the issuance of this information statement, approximately 70 lawsuits claiming to be class actions and other proceedings were commenced against Cendant and other defendants, of which a number of lawsuits have been settled. Approximately six lawsuits remain unresolved in addition to the matters described below.

In Re Cendant Corporation Litigation, Master File No. 98-1664 (WHW) (D.N.J.), which we refer to as the Securities Action, is a consolidated class action brought on behalf of all persons who acquired securities of Cendant and CUC, except the PRIDES securities, between May 31, 1995 and August 28, 1998. Named as defendants are Cendant; 28 current and former officers and directors of Cendant, CUC and HFS Incorporated; and Ernst & Young LLP, or Ernst & Young, CUC's former independent accounting firm.

The Amended and Consolidated Class Action Complaint in the Securities Action alleges that, among other things, the lead plaintiffs and members of the class were damaged when they acquired securities of Cendant and CUC because, as a result of accounting irregularities, Cendant's and CUC's previously issued financial statements were materially false and misleading, and the allegedly false and misleading financial statements caused the prices of Cendant's and CUC's securities to be inflated artificially.

On December 7, 1999, Cendant announced that it had reached an agreement to settle claims made by class members in the Securities Action for approximately $2,850 million in cash plus 50% of any net recovery Cendant receives from Ernst & Young as a result of Cendant's cross-claims against Ernst & Young as described below. This settlement received all necessary court approvals and was fully funded by Cendant on May 24, 2002.

On January 25, 1999, Cendant asserted cross-claims against Ernst & Young that alleged that Ernst & Young failed to follow professional standards to discover, and recklessly disregarded, the accounting irregularities and is therefore liable to Cendant for damages in unspecified amounts. The cross-claims assert claims for breaches of Ernst & Young's audit agreements with Cendant, negligence, breaches of fiduciary duty, fraud and contribution. On July 18, 2000, Cendant filed amended cross-claims against Ernst & Young asserting the same claims.

On March 26, 1999, Ernst & Young filed cross-claims against Cendant and certain of Cendant's present and former officers and directors that alleged that any failure by Ernst & Young to discover the accounting irregularities was caused by misrepresentations and omissions made to Ernst & Young in the course of its audits and other reviews of Cendant's financial statements. Ernst & Young's cross-claims assert claims for breach of contract, fraud, fraudulent inducement, negligent misrepresentation and contribution. Damages in unspecified amounts are sought for the costs to Ernst & Young associated with defending the various shareholder lawsuits, lost business it claims is attributable to Ernst & Young's association with Cendant and for harm to Ernst & Young's reputation. On June 4, 2001, Ernst & Young filed amended cross-claims against Cendant asserting the same claims.

Welch & Forbes, Inc. v. Cendant Corp., et al, No. 98-2819 (WHW), which we refer to as the PRIDES Action, is a consolidated class action filed on behalf of purchasers of Cendant's PRIDES securities between February 24 and August 28, 1998. Named as defendants are Cendant; Cendant Capital I, a statutory business trust formed by Cendant to participate in the offering of PRIDES securities; 17 current and former officers and directors of Cendant, CUC and HFS; Ernst & Young; and the underwriters for the PRIDES offering, Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Chase Securities Inc. The allegations in the Amended Consolidated Complaint in the PRIDES Action are substantially similar to those in the Securities Action.

On March 17, 1999, Cendant entered into an agreement to settle the claims of class members in the PRIDES Action who purchased PRIDES securities on or prior to April 15, 1998. The settlement did not resolve claims based upon purchases of PRIDES on and after April 16, 1998 and, as of December 31, 2001, other than Welch & Forbes, Inc. v. Cendant Corp., et al., which is previously discussed, no purchasers of PRIDES securities after April 16, 1998 have instituted proceedings against Cendant.

On October 28, 2005, Cendant reached a settlement that resolved the claims of class members who purchased PRIDES on and after April 16, 1998. To settle these claims, Cendant has agreed to pay $32.5 million in cash plus 3.5% of any net recovery from litigation Cendant is pursuing against Ernst & Young, auditors for the former CUC, arising from the accounting irregularities. The cash payment plus interest, which accrued on the cash settlement from January 27, 2006, when the court approved the settlement in all respects, at the federal funds rate applicable at that time, was made in March 2006.

Semerenko v. Cendant Corp., et al, Civ. Action No. 98-5384 (D.N.J.), and*P. Schoenfield Asset Management LLC v. Cendant Corp., et al*, Civ. Action No. 98-4734 (D.N.J.), which we refer to as the ABI Actions, were initially commenced in October and November of 1998, respectively, on behalf of a putative class of persons who purchased securities of American Bankers Insurance Group, Inc., which we refer to as ABI, between January 27, 1998 and October 13, 1998. Named as defendants are Cendant, four former CUC officers and directors and Ernst & Young. The complaints in the ABI Actions, as amended on February 8, 1999, assert violations of Sections 10(b), 14(e) and 20(a) of the Exchange Act. The plaintiffs allege that they purchased shares of ABI common stock at prices artificially inflated by the accounting irregularities after Cendant announced a cash tender offer for 51% of ABI's outstanding shares of common stock in January 1998. Plaintiffs also allege

that after the disclosure of the accounting irregularities, Cendant misstated its intention to complete the tender offer and a second step merger pursuant to which the remaining shares of ABI stock were to be acquired by Cendant. Plaintiffs seek, among other things, unspecified compensatory damages. On April 30, 1999, the U.S. District Court for the District of New Jersey dismissed the complaints on motions of the defendants. In an opinion dated August 10, 2000, the U.S. Court of Appeals for the Third Circuit vacated the district court's judgment and remanded the ABI Actions for further proceedings. On December 15, 2000, Cendant filed a motion to dismiss those claims based on ABI purchases after April 15, 1998, and the district court granted this motion on May 7, 2001. The plaintiffs subsequently moved for leave to file a Second Amended Complaint to reallege claims based on ABI purchases between April 16, 1998 and October 13, 1998. That motion was denied on August 15, 2002. On January 27, 2004, plaintiffs filed a motion for class certification. On April 4, 2006, Cendant entered into an agreement to settle this matter for $22 million. A hearing to approve the settlement has been scheduled for July 24, 2006.

The settlements and actions described above do not encompass six additional claims against Cendant relating to accounting irregularities. We cannot give any assurance as to the final outcome or resolution of these unresolved proceedings. An adverse outcome from certain unresolved proceedings could be material with respect to earnings in any given reporting period. However, we do not believe that the impact of such unresolved proceedings should result in a material liability to us in relation to our consolidated financial position or liquidity.

We and Cendant are subject to income taxes in the United States and several foreign jurisdictions. The IRS is currently examining Cendant's taxable years 1998 through 2002 during which our business was included in Cendant's tax returns. Over the course of the audit, we and Cendant have responded to various requests for information, primarily focused on the 1999 statutory merger of Cendant's former fleet business; the calculation of the stock basis in the 1999 sale of a Cendant subsidiary; and the deductibility of expenses associated with the shareholder class action litigation resulting from the merger with CUC. To date, we and Cendant have not agreed to any IRS proposed adjustments related to these matters. Although we and Cendant believe there is appropriate support for the positions taken on its tax returns, we and Cendant have recorded liabilities representing the best estimates of the probable loss on certain positions. We and Cendant believe that the accruals for tax liabilities are adequate for all open years, based on assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. Although we and Cendant believe the recorded assets and liabilities are reasonable, tax regulations are subject to interpretation and tax litigation is inherently uncertain; therefore, our and Cendant's assessments can involve both a series of complex judgments about future events and rely heavily on estimates and assumptions. While we and Cendant believe that the estimates and assumptions supporting the assessments are reasonable, the final determination of tax audits and any other related litigation could be materially different than that which is reflected in historical income tax provisions and recorded assets and liabilities. Based on the results of an audit or litigation, a material effect on our income tax provision, net income, or cash flows in the period or periods for which that determination is made could result.

Regulatory Proceedings

In the past, we have been subject to regulatory proceedings relating to the ADA. In the future, we may be subject to regulatory proceedings relating to the ADA or other regulatory regimes to which our businesses are subject, none of which we expect would have a material adverse effect on our financial position, results of operations or cash flows. There can be no assurance that such regulatory proceedings, or any future regulatory proceedings, will not have a material adverse effect on our business, financial condition or results of operations.

MANAGEMENT

Executive Officers Following the Separation

All of our executive officers are currently officers and employees of Cendant. After the separation, none of these individuals will continue to be employees of Cendant. The following table sets forth information as of March 31, 2006 regarding individuals who are expected to serve as our executive officers following the completion of our separation.

Name	Age	Position(s)
Stephen P. Holmes	49	Chairman and Chief Executive Officer
Franz S. Hanning	52	President and Chief Executive Officer, Wyndham Vacation Ownership
Kenneth N. May	55	President and Chief Executive Officer, RCI Global Vacation Network
Steven A. Rudnitsky	47	President and Chief Executive Officer, Wyndham Hotel Group
Virginia M. Wilson	51	Executive Vice President and Chief Financial Officer
Scott G. McLester	43	Executive Vice President and General Counsel
Mary R. Falvey	46	Executive Vice President and Chief Human Resources Officer
Nicola Rossi	39	Senior Vice President and Chief Accounting Officer

Stephen P. Holmes will serve as the Chairman of our Board of Directors and as our Chief Executive Officer. Mr. Holmes has been a director since May 2003 of the already-existing, wholly owned subsidiary of Cendant that will hold the assets and liabilities of Cendant's Hospitality Services (including Timeshare Resorts) businesses and will continue as a director after our separation from Cendant. Mr. Holmes has been Vice Chairman and Director of Cendant and Chairman and Chief Executive Officer of Cendant's Travel Content Division since December 1997. It is expected that Mr. Holmes will continue as a Cendant director until completion of Cendant's plan of separation, at which time Mr. Holmes will resign as a director of Cendant. Mr. Holmes was Vice Chairman of HFS Incorporated, which we refer to as HFS, from September 1996 until December 1997 and was a director of HFS from June 1994 until December 1997. From July 1990 through September 1996, Mr. Holmes served as Executive Vice President, Treasurer and Chief Financial Officer of HFS.

Franz S. Hanning will serve as our President and Chief Executive Officer, Wyndham Vacation Ownership. Since March 2005, Mr. Hanning has been the Chief Executive Officer of Cendant's Timeshare Resort Group. Mr. Hanning served as President and Chief Executive Officer of Fairfield Resorts, Inc. from April 2001, when Cendant acquired Fairfield, to March 2005 and as President and Chief Executive Officer of Trendwest Resorts, Inc. from August 2004 to March 2005. Mr. Hanning joined Fairfield in 1982 and held several key leadership positions with Fairfield, including Regional Vice President, Executive Vice President of Sales and Chief Operating Officer.

Kenneth N. May will serve as our President and Chief Executive Officer, RCI Global Vacation Network. Since March 2005, Mr. May has been the Chief Executive Officer of Cendant's Vacation Network Group. From February 1999 to March 2005, Mr. May was Chairman and Chief Executive Officer of RCI. Prior to joining Cendant, Mr. May held positions as General Manager with Citibank North America Credit Cards, Senior Vice President and General Manager with Disney Vacation Club and various other leadership positions for PepsiCo, Inc. and Colgate-Palmolive Company.

Steven A. Rudnitsky will serve as our President and Chief Executive Officer, Wyndham Hotel Group. Since March 2002, Mr. Rudnitsky has been the Chief Executive Officer of Cendant's Hotel Group. Prior to joining Cendant, from December 2000 to March 2002, Mr. Rudnitsky was President of Kraft Foodservice and Executive Vice President of Kraft Foods, Inc. Mr. Rudnitsky was appointed to these positions with Kraft in December 2000 upon Kraft's acquisition of Nabisco Foods Company, where he served as President from 1999 until December

2000. From 1996 to 1999, Mr. Rudnitsky was Vice President and General Manager, food service, for Pillsbury Bakeries & Foodservice. From 1984 to 1996, Mr. Rudnitsky held positions of increasing responsibility at PepsiCo, Inc.

Virginia M. Wilson will serve as our Executive Vice President and Chief Financial Officer. Ms. Wilson has been Executive Vice President and Chief Accounting Officer of Cendant since September 2003. From October 1999 until August 2003, Ms. Wilson served as Senior Vice President and Controller for MetLife, Inc., a provider of insurance and other financial services. From 1996 until 1999, Ms. Wilson served as Senior Vice President and Controller for Transamerica Life Companies, an insurance and financial services company. Prior to Transamerica, Ms. Wilson was an Audit Partner of Deloitte & Touche LLP.

Scott G. McLester will serve as our Executive Vice President and General Counsel. Since April 2004, Mr. McLester has been Senior Vice President, Legal for Cendant. Mr. McLester was Group Vice President, Legal for Cendant from March 2002 to April 2004, Vice President, Legal for Cendant from February 2001 to March 2002 and Senior Counsel for Cendant from June 2000 to February 2001. Prior to joining Cendant, Mr. McLester was a Vice President in the Law Department of Merrill Lynch in New York and a partner with the law firm of Carpenter, Bennett and Morrissey in Newark, New Jersey.

Mary R. Falvey will serve as our Executive Vice President and Chief Human Resources Officer. Since April 2005, Ms. Falvey has been Executive Vice President, Global Human Resources for Cendant's Vacation Network Group. From March 2000 to April 2005, Ms. Falvey served as Executive Vice President, Human Resources for RCI. From January 1998 to March 2000, Ms. Falvey was Vice President of Human Resources for Cendant's Hotel Division and Corporate Contact Center group. Prior to joining Cendant, Ms. Falvey held various leadership positions in the human resources division of Nabisco Foods Company.

Nicola Rossi will serve as our Senior Vice President and Chief Accounting Officer. Since June 2004, Mr. Rossi has been Vice President and Controller of Cendant's Hotel Group. From April 2002 to June 2004, Mr. Rossi served as Vice President, Corporate Finance for Cendant. From April 2000 to April 2002, Mr. Rossi was Corporate Controller of Jacuzzi Brands, Inc., a bath and plumbing products company, and was Assistant Corporate Controller from June 1999 to March 2000. From November 1995 to May 1999, Mr. Rossi was Director of Corporate Accounting of The Great Atlantic & Pacific Tea Company, Inc. Prior thereto, Mr. Rossi held various positions, from staff accountant to manager, with Deloitte & Touche LLP from 1988 to 1995.

Board of Directors Following the Separation

The following sets forth information with respect to those persons who are expected to serve on our Board upon effectiveness of our registration statement on Form 10 of which this information statement is a part. The nominees will be presented to our sole stockholder, Cendant, for election. See "—Executive Officers Following the Separation" for Stephen P. Holmes's biographical information. The following table sets forth information as of March 31, 2006 regarding such individuals.

Name	Age	Position(s)
Stephen P. Holmes	49	Chairman of the Board of Directors
Myra J. Biblowit	57	Director Nominee
James E. Buckman	61	Director
George Herrera	49	Director Nominee
The Right Honorable Brian Mulroney	67	Director Nominee
Pauline D.E. Richards	57	Director Nominee
Michael H. Wargotz	47	Director Nominee

Myra J. Biblowit will become a director effective upon the completion of the separation. It is expected that Ms. Biblowit will continue as a Cendant director until completion of Cendant's plan of separation, at which time Ms. Biblowit will resign as a director or Cendant. Since April 2001, Ms. Biblowit has been President of The Breast Cancer Research Foundation. From July 1997 until March 2001, she served as Vice Dean for External Affairs for the New York University School of Medicine and Senior Vice President of the Mount Sinai-NYU Health System. From June 1991 to June 1997, Ms. Biblowit was Senior Vice President and Executive Director of the Capital Campaign for the American Museum of Natural History. Ms. Biblowit has been a director of Cendant since April 2000.

James E. Buckman has been a director of the already-existing, wholly owned subsidiary of Cendant that will hold the assets and liabilities of Cendant's Hospitality Services (including Timeshare Resorts) businesses since May 2003 and will continue as a director after our separation from Cendant. It is expected that Mr. Buckman will continue as a Cendant director until completion of Cendant's plan of separation, at which time Mr. Buckman will resign as a director of Cendant. Mr. Buckman has been a Vice Chairman of Cendant since November 1998 and General Counsel and a director of Cendant since December 1997. Mr. Buckman was a Senior Executive Vice President of Cendant from December 1997 until November 1998. Mr. Buckman was Senior Executive Vice President, General Counsel and Assistant Secretary of HFS from May 1997 to December 1997, a director of HFS from June 1994 to December 1997 and Executive Vice President, General Counsel and Assistant Secretary of HFS from February 1992 to May 1997.

George Herrera will become a director effective upon the completion of the separation. It is expected that Mr. Herrera will continue as a Cendant director until completion of Cendant's plan of separation, at which time Mr. Herrera will resign as a director of Cendant. Since December 2003, Mr. Herrera has served as President and Chief Executive Officer of Herrera-Cristina Group, Ltd., a Hispanic-owned multidisciplinary management firm. From August 1998 to January 2004, Mr. Herrera served as President and Chief Executive Officer of the U.S. Hispanic Chamber of Commerce. Mr. Herrera served as President of David J. Burgos & Associates, Inc. from December 1979 until July 1998. Mr. Herrera has been a director of Cendant since January 2004.

The Right Honourable Brian Mulroney will become a director effective upon the completion of the separation. It is expected that Mr. Mulroney will continue as a Cendant director until completion of Cendant's plan of separation, at which time Mr. Mulroney will resign as a director of Cendant. Mr. Mulroney was Prime Minister of Canada from 1984 to 1993 and is currently Senior Partner in the Montreal-based law firm, Ogilvy Renault. Mr. Mulroney is a director of the following corporations that file reports pursuant to the Exchange Act; Archer Daniels Midland Company Inc.; Barrick Gold Corporation; Trizec Properties Inc.; and Quebecor, Inc. (including its subsidiary, Quebecor World Inc.). Mr. Mulroney has been a director of Cendant since December 1997 and was a director of HFS from April 1997 until December 1997.

Pauline D.E. Richards will become a director effective upon the completion of the separation. It is expected that Ms. Richards will continue as a Cendant director until completion of Cendant's plan of separation, at which time Ms. Richards will resign as a director of Cendant. Since November 2003, Ms. Richards has been Director of Development at the Saltus Grammar School, the largest private school in Bermuda. From January 2001 until March 2003, Ms. Richards served as Chief Financial Officer of Lombard Odier Darier Hentsch (Bermuda) Limited in Bermuda, a trust company business. From January 1999 until December 2000, she was Treasurer of Gulfstream Financial Limited, a stock brokerage company. From January 1999 to June 1999, Ms. Richards served as a consultant to Aon Group of Companies, Bermuda, an insurance brokerage company, after serving in different positions from 1988 through 1998. These positions included Controller, Senior Vice President and Group Financial Controller and Chief Financial Officer. Ms. Richards has been a director of Cendant since March 2003 and chairman of Cendant's audit committee since October 2004.

Michael H. Wargotz will become a director effective upon the completion of the separation. Since June 2004, Mr. Wargotz has been a Vice President of Sales of NetJets Inc., a leading provider of private aviation services. Since January 2001, Mr. Wargotz has been a founding partner of Axcess Solutions, LLC, a strategic

alliance, brand development and partnership marketing consulting firm. From January 2000 to December 2000, Mr. Wargotz pursued personal interests. From January 1998 to December 1999, Mr. Wargotz served in various leadership positions with Cendant, including President and Chief Executive Officer of its Lifestyle Division, Executive Vice President and Chief Financial Officer of its Alliance Marketing Segment and Senior Vice President, Business Development. Mr. Wargotz was a Senior Vice President with HFS from July 1994 to December 1997.

Composition of the Board of Directors

Upon effectiveness of our Registration Statement on Form 10 of which this information statement is a part, we expect our certificate of incorporation and by-laws to be amended to divide our Board of Directors into three classes with staggered terms, which means that the directors in one of these classes will be elected each year for a new three-year term. We expect that Class I directors will have an initial term expiring in 2007, Class II directors will have an initial term expiring in 2008 and Class III directors will have an initial term expiring in 2009. We expect that Class I will be comprised of Messrs. Wargotz and Mulroney, Class II will be comprised of Messrs. Buckman and Herrera, and Class III will be comprised of Mr. Holmes and Mses. Biblowit and Richards.

Committees

Upon effectiveness of our Registration Statement on Form 10 of which this information statement is a part, our Board will have the following committees:

Executive Committee

The Executive Committee of our Board is expected to be comprised of Messrs. Holmes, Buckman and Wargotz. Our Executive Committee has and may exercise all of the powers of our Board when the Board is not in session, including the power to authorize the issuance of stock, except that the Executive Committee has no power to (i) alter, amend or repeal the by-laws or (ii) take any other action that legally may be taken only by the full Board.

Audit Committee

The Audit Committee of our Board is expected to be comprised of Messrs. Herrera and Wargotz (Chairman) and Ms. Richards. All members of our Audit Committee will be required to be independent directors as required by the listing standards of the NYSE and our Corporate Governance Principles. We expect that our Board will determine that at least one director meets the requirements for being an “audit committee financial expert” as defined by regulations of the SEC.

Our Audit Committee will assist our Board in its oversight of our financial reporting process. Our management will have primary responsibility for the financial statements and the reporting process, including systems of internal controls. Our independent auditors will be responsible for auditing our financial statements and expressing an opinion as to their conformity to accounting principles generally accepted in the United States.

In the performance of its oversight function, our Audit Committee will review and discuss with management and the independent auditors our audited financial statements. Our Audit Committee will also discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 and Auditing Standard No. 2 relating to communication with audit committees. In addition, our Audit Committee will receive from the independent auditors the written disclosures and letter required by Independence Standards Board Standard No. 1 relating to independence discussions with audit committees. Our Audit Committee also will discuss with the independent auditors their independence from our company and our management and will consider whether the independent auditor’s provision of non-audit services to our company is compatible with maintaining the auditor’s independence.

Our Audit Committee will discuss with our internal and independent auditors the overall scope and plans for their respective audits. Our Audit Committee will meet with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls and the overall quality of our financial reporting. In addition, our Audit Committee will meet with our Chief Executive Officer and Chief Financial Officer to discuss the processes that they have undertaken to evaluate the accuracy and fair presentation of our financial statements and the effectiveness of our system of disclosure controls and procedures.

Compensation Committee

The Compensation Committee of our Board is expected to be comprised of Mr. Mulroney (Chairman) and Mses. Richards and Biblowit. Our Compensation Committee will have oversight responsibility for the compensation programs for our executive officers and other employees. All members of our Compensation Committee will be required to be independent directors as required by (i) the listing standards of the NYSE, (ii) relevant federal securities laws and regulations, including Section 16 of the Exchange Act, (iii) Section 162(m) of the Code and (iv) our Corporate Governance Principles.

Corporate Governance Committee

The Corporate Governance Committee of our Board is expected to be comprised of Messrs. Herrera (Chairman) and Mulroney and Ms. Biblowit. Our Corporate Governance Committee will consider and recommend candidates for election to our Board, advise our Board on director compensation, oversee the annual performance evaluations of our Board and Board committees and advise our Board on corporate governance matters. All members of our Corporate Governance Committee will be required to be independent directors as required by the listing standards of the NYSE and our Corporate Governance Principles.

Director Nomination Process. Our Corporate Governance Committee will consider and recommend candidates for election to our Board. The Committee will also consider candidates for election to our Board that are submitted by stockholders. Each member of the Committee will participate in the review and discussion of director candidates. In addition, members of our Board who are not on the Committee may meet with and evaluate the suitability of candidates. In making its selections of candidates to recommend for election, the Committee will seek persons who have achieved prominence in their fields and who possess significant experience in areas of importance to our company. The minimum qualifications that our Corporate Governance Committee will require in any nominated candidate will include integrity, independence, forthrightness, analytical skills and the willingness to devote appropriate time and attention to our affairs. Candidates would also need to demonstrate a willingness to work as part of a team in an atmosphere of trust and a commitment to represent the interests of all our stockholders rather than those of a specific constituency. Successful candidates will also need to demonstrate significant experience in areas of importance to our company, such as general management, finance, marketing, technology, law, international business or public sector activities.

Compensation Committee Interlocks and Insider Participation

With the exception of Stephen P. Holmes, none of our executive officers will serve as a member of our Board. In addition, Mr. Holmes will not serve on our Compensation Committee. Following the separation, none of our executive officers will serve as a member of the compensation committee of any entity that has one or more executive officers serving on our Compensation Committee.

Board of Directors' Compensation

The following table sets forth the compensation for future services expected to be paid to our non-employee directors following the distribution. All director compensation, other than the new director equity grant, will be pro-rated for 2006.

	Compensation[1][2]
Annual Director Retainer[3]	$ 150,000
New Director Equity Grant[4]	75,000
Board and Committee Meeting Attendance Fee	—
Audit Committee Chair	20,000
Audit Committee Member	10,000
Compensation Committee Chair	15,000
Compensation Committee Member	7,500
Corporate Governance Committee Chair	10,000
Corporate Governance Committee Member	5,000
Executive Committee Member	8,000

(1) Members of our Board who are also our or our subsidiaries' officers or employees will not receive compensation for serving as directors (other than travel-related expenses for meetings held outside of our headquarters).

(2) The committee chair stipends and all committee membership stipends will be paid 50% in cash and 50% in deferred stock units. Directors may elect to receive more than 50% of such stipends in deferred stock units.

(3) The Annual Director Retainer, or the Retainer, will be paid on a quarterly basis. The Retainer will be paid equally 50% in cash and 50% in shares of common stock required to be deferred under our Non-Employee Directors Deferred Compensation Plan (described below). Such deferred common stock is referred to as "deferred stock units." A director may elect to receive the entire Retainer in the form of deferred stock units. The number of shares of common stock to be received pursuant to the common stock portion of the Retainer or any other compensation to be paid in the form of common stock will equal the value of the compensation being paid in the form of common stock, divided by the fair market value of the common stock as of the close of business on the date on which the compensation would otherwise have been paid. Each deferred stock unit will entitle the director to receive one share of common stock following such director's retirement or termination of service from our Board for any reason. The directors may not sell or receive value from any deferred stock unit prior to such termination of service.

(4) The grant will be made in the form of deferred stock units. The number of units will equal $75,000 divided by the fair market value of a share of our common stock as of the close of business on the date of the grant. Persons serving as our non-employee directors at the time of the distribution will receive their grant as of the first trading day following our distribution.

Executive Compensation

Summary Compensation Table

The following table sets forth information concerning the 2005, 2004 and 2003 cash and non-cash compensation awarded by Cendant and its subsidiaries, prior to the separation, to or earned by our chief executive officer and the persons whom we expect will be our four most highly compensated executive officers, or the "Named Executive Officers":

		Annual Compensation			Long Term Compensation		
Name and Principal Position	Year	Salary ($)[1]	Bonus ($)[2]	Other Annual Compensation ($)[3]	Restricted Stock Awards ($)[4]	Securities Underlying Options Common Stock (#)[5]	All Other Compensation ($)[6]
Stephen P. Holmes,							
Chairman of the Board, Chief Executive Officer and President	2005	762,500	1,465,128	—	5,000,009	0	216,478
	2004	762,500	2,105,128	87,185	4,000,000	0	136,983
	2003	762,500	1,437,400	—	1,453,442	0	136,794
Franz S. Hanning,							
President and Chief Executive Officer, Wyndham Vacation Ownership	2005	521,188	718,750	—	1,599,996	0	15,666
	2004	462,400	643,990	—	1,500,002	0	15,366
	2003	442,000	221,000	—	500,006	0	267,846
Kenneth N. May,							
President and Chief Executive Officer, RCI Global Vacation Network	2005	495,077	495,077	—	1,599,996	0	2,925
	2004	495,577	376,184	—	1,500,002	0	42,485
	2003	465,000	232,500	—	450,000	0	750
Steven A. Rudnitsky,							
President and Chief Executive Officer, Wyndham Hotel Group	2005	485,000	509,250	—	1,500,007	0	62,250
	2004	454,038	340,530	—	1,500,002	0	48,424
	2003	425,000	418,750	—	505,000	0	51,375
Virginia M. Wilson,							
Executive Vice President and Chief Financial Officer[7]	2005	360,366	270,274	—	1,049,993	0	38,588
	2004	363,462	272,596	—	950,000	0	38,914
	2003	110,385	262,500	—	400,000	49,041	22,154

(1) For Mr. Holmes, 2005 bonus amount is the sum of his fiscal year 2005 profit-sharing bonus equal to $1,385,000 and a special bonus under an executive officer life insurance program of Cendant equal to $80,128, both of which were paid in the first quarter of 2006. Cendant and we pay all base salary over 26 bi-weekly periods each year. During 2004, an additional 27th payroll period ending January 1, 2004 occurred. In the table above, Mr. Holmes's base salary for each year shows his annual rate of base salary. For each other Named Executive Officer, for each year, the table shows base salaries as reported by us for tax purposes.

(2) For Messrs. May and Rudnitsky, bonus amounts are based upon overall Cendant performance and the performance of their respective businesses. For Mr. Hanning, bonus amounts are based upon the

performance of Cendant's Timeshare Resorts division. For Ms. Wilson, bonus amounts are based upon overall Cendant performance.

(3) Except where indicated, perquisites and personal benefits are less than the lesser of $50,000 or 10% of the salary and bonus for each Named Executive Officer in each year. In 2004, Mr. Holmes perquisites and personal benefits included $42,537 for personal use of Cendant aircraft.

(4) On April 26, 2005, each Named Executive Officer was granted performance-vesting restricted stock units relating to shares of Cendant common stock. Upon the vesting of a unit, the Named Executive Officer becomes entitled to receive a share of Cendant common stock. Up to one-eighth of the units may vest on April 27 in each of 2006, 2007, 2008 and 2009 based upon the extent to which Cendant attains pre-established performance goals for fiscal year 2005 through the end of the most recently completed fiscal year prior to such business day (i.e., 25% of the units scheduled to vest each year will vest if performance reaches "threshold" levels, and 100% of such units will vest if performance reaches "target" levels). The performance goals relating to these units are based upon the "total unit growth" of the Cendant common stock in relation to the average historic "total stockholder return" of the S&P 500 ("total unit growth" is comprised of earnings before interest, taxes, depreciation and amortization, plus increases in free cash flow generation). Units which fail to vest in 2006, 2007 and 2008 may become vested in later year(s) subject to Cendant's attainment of cumulative multi-year performance goals. In addition, up to one-half of the units may vest on April 27, 2009 based upon the extent to which Cendant attains cumulative four-year pre-established performance goals. The performance goals relating to these units are based upon the "total unit growth" of the Cendant common stock in relation to the top-quartile average historic "total stockholder return" of the S&P 500. In all cases, intermediate levels of vesting will occur for interim levels of performance. Vesting is also subject to the Named Executive Officer remaining continuously employed with Cendant through the applicable vesting date. Each Named Executive Officer received the following number of performance-vesting restricted stock units (numbers reflect equitable adjustment in connection with PHH Corporation spin-off): Mr. Holmes, 249,626; Mr. Hanning, 79,880; Mr. May, 79,880; Mr. Rudnitsky, 74,888 and Ms. Wilson, 52,421. The number of units granted to each Named Executive Officer was approved by the Compensation Committee. All units are eligible to receive cash dividend equivalents, which remain restricted and subject to forfeiture until the unit for which it was paid becomes vested. The value of the shares of Cendant common stock underlying the units as of the date of grant are shown in the table above and reflect a per unit value of $20.03, based upon the closing price of the Cendant common stock on April 26, 2005. The value of the shares underlying all units held by each Named Executive Officer as of December 30, 2005 (including outstanding units granted in 2005 and prior years) reflecting a per unit value of the Cendant common stock of $17.25 equaled: Mr. Holmes, $7,870,123; Mr. Hanning, $2,735,160; Mr. May $2,702,023; Mr. Rudnitsky, $2,652,343 and Ms. Wilson, $1,749,616.

Subject to necessary approvals and consents, we expect that all restricted stock units that vest upon the attainment of "above-target" financial performance will be cancelled in connection with Cendant's separation transaction, and that all other restricted stock units will vest (without regard to the attainment of any existing performance criteria, which have been waived by action of the Cendant Compensation Committee) on the thirtieth day following the second of the distributions of us and Realogy by Cendant. Such acceleration will apply to all current Cendant employees as well as those terminated from employment in connection with the separation transactions, but not any employee who resigns or is terminated for cause.

The value of the shares underlying all units held by each Named Executive Officer as of December 31, 2005 (including outstanding units granted in 2005 and all prior years) and reflecting a per unit value of Cendant's common stock of $17.25 equaled as follows:

	Above-Target Vesting (to be canceled) ($)	At-Target Vesting (to be vested) ($)	Total ($)
Mr. Holmes	3,716,409	4,153,714	7,870,123
Mr. Hanning	1,275,224	1,459,937	2,735,161
Mr. May	1,275,224	1,426,799	2,702,023
Mr. Rudnitsky	1,232,168	1,420,175	2,652,343
Ms. Wilson	823,412	926,204	1,749,616

(5) Numbers reflect equitable adjustment in connection with PHH Corporation spin-off.

(6) Amounts for fiscal year 2005 consist of (i) Cendant matching contributions to a non-qualified deferred compensation plan and/or 401(k) plan maintained by Cendant, or Defined Contribution Match, (ii) life insurance benefits under Cendant's executive officer supplemental life insurance program or other arrangement and (iii) executive medical benefits. Defined Contribution Match includes matching contributions relating to bonuses in respect of fiscal year 2005 and paid in the first quarter of 2006. The foregoing amounts were as follows.

	Year	Defined Contribution Match ($)	Supplemental Life Insurance Benefits ($)	Executive Medical Benefits ($)	Totals ($)
Mr. Holmes	2005	128,850	80,128	7,500	216,478
Mr. Hanning	2005	12,600	2,316	750	15,666
Mr. May	2005	0	0	2,925	2,925
Mr. Rudnitsky	2005	59,655	0	2,595	62,250
Ms. Wilson	2005	37,838	0	750	38,588

(7) Ms. Wilson commenced employment with Cendant on August 14, 2003.

Option/SAR Grants in Last Fiscal Year

None of the Named Executive Officers received an option grant in fiscal year 2005.

Aggregated Option Exercises in 2005 and Year-End Option Values

The following table summarizes the exercise of Cendant common stock options by the Named Executive Officers during the last fiscal year and the value of unexercised options held by such officers as of the end of such fiscal year:

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options/SARS at FY-End (#) Exercisable/Unexercisable	Value of Unexercised In-the-Money Options/SARS at FY-End ($)(1) Exercisable/Unexercisable
Mr. Holmes	293,821	4,662,648	3,623,054/0	14,090,247/0
Mr. Hanning	0	0	364,037/0	1,127,236/0
Mr. May	0	0	510,819/0	421,520/0
Mr. Rudnitsky	0	0	443,058/0	243,500/0
Ms. Wilson	0	0	24,520/24,521	0/0

(1) Amounts are based upon a December 31, 2005 closing price per share of Common Stock on the NYSE of $17.25.

Employment Agreements and Other Arrangements

Mr. Holmes. We have entered into an employment agreement, to be effective as of the date of the distribution, with Stephen P. Holmes, who will serve as Chairman of our Board and Chief Executive Officer. Such employment agreement will have a term ending on the third anniversary of the distribution; provided, that such term will automatically extend for one additional year at the end of the initial three-year term, unless we or Mr. Holmes provide notice to the other party of non-renewal at least six months prior to such third anniversary. Pursuant to our by-laws, our Board of Directors may terminate Mr. Holmes' employment at any time. Upon expiration of the employment agreement, Mr. Holmes will be an employee at will unless the agreement is renewed or a new agreement is executed. In addition to providing for a minimum base salary of $1 million and employee benefit plans generally available to our executive officers, Mr. Holmes' agreement provides for an annual incentive award with a target amount equal to 200% of his base salary, subject to attainment of performance goals, and grants of long-term incentive awards, upon such terms and conditions as determined by our Board of Directors or Compensation Committee.

In addition, Mr. Holmes will be granted two equity incentive awards relating to our common stock. One of these awards will be in the form of stock-settled stock appreciation rights with a per share exercise price equal to the value of a share of our common stock as of the date of grant (the closing price on the first day of trading following the date of our distribution), will have a value on the date of grant of $2.5 million, and will vest in equal installments on each of the first four anniversaries of May 2, 2006, subject to Mr. Holmes' continued employment with us through such vesting dates. The other of these awards will be in the form of restricted stock units, will have a value on the grant date of $2.5 million and will vest in equal installments on each of the first four anniversaries of May 2, 2006, subject to Mr. Holmes' continued employment with us through each such vesting date. Upon a Change-of-Control Transaction (as defined in our 2006 Equity and Incentive Plan), these equity grants will become immediately and fully vested.

Mr. Holmes' agreement provides that if his employment with us is terminated by us without "cause" or due to a "constructive discharge" (each term as defined in Mr. Holmes' agreement), he will be entitled to a lump sum payment equal to 299% of the sum of his then-current base salary plus his then-current target annual bonus. In addition, in this event, all of Mr. Holmes' then-outstanding equity awards from us will become fully vested (and any of our stock options and stock appreciation rights granted on or after the distribution date will remain exercisable until the earlier of three years following his termination of employment and the original expiration date of such awards). Options granted prior to the distribution will remain exercisable in accordance with Mr. Holmes' prior agreement with Cendant. Mr. Holmes' employment agreement provides him and his dependents with medical benefits through his age 75. The employment agreement provides Mr. Holmes with the right to claim a constructive discharge if, among other things, (i) he is not our Chief Executive Officer and our most senior executive officer, (ii) he does not report directly to our Board, (iii) a "corporate transaction" (as defined in Mr. Holmes' employment agreement) has occurred, (iv) we notify Mr. Holmes that we will not extend the term of the employment agreement for an additional fourth year, (v) following the expiration of the employment agreement, we do not offer to extend the agreement for no less than two years and no more than four years on substantially similar terms, or (vi) we fail to nominate Mr. Holmes to be a member of our Board. Mr. Holmes' agreement provides for post-termination non-competition and non-solicitation covenants which will last for two years following Mr. Holmes' employment with us, subject to certain exceptions.

We expect to enter into employment agreements with one or more of our other Named Executive Officers, which will become effective as of the date of the distribution or thereafter. The agreements are expected to set forth the base salary, bonus opportunities and initial equity awards to be provided to each of these officers, in addition to other matters.

Employee Benefit Plans

2006 Equity and Incentive Plan

General

Prior to the distribution, we expect that Cendant, as our sole stockholder, will approve the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan. It is expected that the 2006 Equity and Incentive Plan will provide for the grant of annual cash bonuses and long-term cash awards, as well as equity-based awards, including restricted stock, restricted stock units, stock options, stock appreciation rights and other equity-based awards to our directors, officers and other employees, advisors and consultants who are selected by our Compensation Committee for participation in the 2006 Equity and Incentive Plan. The material terms of the 2006 Equity and Incentive Plan are summarized below. The summary is not intended to be a complete description of the terms of the 2006 Equity and Incentive Plan.

Administration

The 2006 Equity and Incentive Plan will be administered by our Compensation Committee, which will have the authority, among other things, to determine who will be granted awards and all of the terms and conditions of the awards. The Compensation Committee will also be authorized to determine to what extent an award may be settled, cancelled, forfeited or surrendered, to interpret the 2006 Equity and Incentive Plan and any awards granted thereunder and to make all other determinations necessary or advisable for the administration of the 2006 Equity and Incentive Plan. Where the vesting or payment of an award under the 2006 Equity and Incentive Plan is subject to the attainment of performance goals, the Compensation Committee will be responsible for certifying that the performance goals have been attained. Neither the Compensation Committee nor our Board has the authority under the 2006 Equity and Incentive Plan to reprice, or to cancel and re-grant, any stock option granted under the 2006 Equity and Incentive Plan, or to take any action that would lower the exercise, base or purchase price of any award granted under the 2006 Equity and Incentive Plan without first obtaining the approval of our stockholders.

Cash Incentive Programs

The 2006 Equity and Incentive Plan will provide for the grant of annual and long-term cash awards to participants selected by our Compensation Committee. The maximum value of the total cash payment that any participant may receive under the 2006 Equity and Incentive Plan's annual cash incentive program for any year will be $3 million, and the maximum value of the total payment that any 2006 Equity and Incentive Plan participant may receive with respect to each performance period under the 2006 Equity and Incentive Plan's long-term cash incentive program will be $1 million for each year covered by the performance period. Payment of awards granted under the cash incentive programs may be made subject to the attainment of performance goals to be determined by our Compensation Committee in its discretion. The Compensation Committee may base performance goals on one or more of the following criteria, determined in accordance with generally accepted accounting principles, where applicable:

- pre-tax income or after-tax income;
- income or earnings including operating income, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items;
- net income excluding amortization of intangible assets, depreciation and impairment of goodwill and intangible assets and/or excluding charges attributable to the adoption of new accounting pronouncements;
- earnings or book value per share (basic or diluted);
- return on assets (gross or net), return on investment, return on capital, or return on equity;
- return on revenues;

- cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital;
- economic value created;
- operating margin or profit margin;
- stock price or total stockholder return;
- income or earnings from continuing operations;
- cost targets, reductions and savings, productivity and efficiencies; and
- strategic business criteria, consisting of one or more objectives based on meeting specified market penetration or market share, geographic business expansion, customer satisfaction, employee satisfaction, human resources management, supervision of litigation, information technology, and goals relating to divestitures, joint ventures and similar transactions.

The performance goals may be expressed in terms of attaining a specified level of the particular criterion or an increase or decrease in the particular criterion, and may be applied to Wyndham Worldwide or one of our subsidiaries or divisions or strategic business units or a combination thereof, or may be applied to the performance of Wyndham Worldwide relative to a market index (including industry or general market indices), or group of other companies, all as determined by the Compensation Committee. The Compensation Committee will have the authority to make equitable adjustments to the performance goals in recognition of unusual or non-recurring events, in response to changes in laws or regulations or to account for extraordinary or unusual events.

With respect to participants who are "covered employees" within the meaning of Section 162(m) of the Code, no payment may be made under either of the cash incentive programs prior to certification by the Compensation Committee that the applicable performance goals have been attained.

Equity Incentive Programs

It is expected that no more than 43.5 million shares of our common stock will be available for grants pursuant to the equity incentive program under the 2006 Equity and Incentive Plan, which include (i) shares which may be used for purposes of satisfying our obligations under our Non-Employee Directors Deferred Compensation Plan, Savings Restoration Plan and Officer Deferred Compensation Plan (each as described below) and (ii) approximately 29 million shares necessary to implement the issuance of equity awards relating to our common stock granted pursuant to equitable adjustments of Cendant equity awards. See "—Equitable Adjustments to Outstanding Cendant Equity-Based Awards" below.

The 2006 Equity and Incentive Plan places limits on the maximum amount of awards that may be granted to any participant in any plan year. Under the 2006 Equity and Incentive Plan, no participant may receive awards of stock options and stock appreciation rights that cover in the aggregate more than one million shares in any plan year. Additionally, no participant may receive awards of restricted stock, restricted stock units, deferred stock units, and other stock-based awards that cover in the aggregate more than 250,000 shares in any plan year. The maximum number of shares that may be covered by "incentive stock options" within the meaning of section 422 of the Code may not exceed one million shares. Shares issued under the 2006 Equity and Incentive Plan may be authorized but unissued shares or treasury shares.

If any shares subject to an award granted under the 2006 Equity and Incentive Plan are forfeited, cancelled, exchanged or surrendered or if an award terminates or expires without a distribution of shares, or if shares of stock are surrendered or withheld as payment of either the exercise price of an award or withholding taxes in

respect of an award, those shares of common stock will again be available for awards under the 2006 Equity and Incentive Plan. In the event that the Compensation Committee determines that any corporate event, such as a stock split, reorganization, merger, consolidation, repurchase or share exchange, affects our common stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of 2006 Equity and Incentive Plan participants, then the Compensation Committee will make those adjustments as it deems necessary or appropriate to any or all of:

- the number and kind of shares or other property that may thereafter be issued in connection with future awards;
- the number and kind of shares or other property that may be issued under outstanding awards;
- the exercise price or purchase price of any outstanding award;
- the performance goals applicable to outstanding awards; and
- the maximum number of shares that can be issued to any one participant in any one year.

The Compensation Committee will determine all of the terms and conditions of equity-based awards under the 2006 Equity and Incentive Plan, including whether the vesting or payment of an award will be subject to the attainment of performance goals. The performance goals that may be applicable to the equity incentive program under the 2006 Equity and Incentive Plan will be same as those discussed above under "—Cash Incentive Programs."

The Cendant Compensation Committee approved a "2006 Annual Grant" of incentive awards for persons who we determined are our key employees, including our Named Executive Officers. The 2006 Annual Grant is subject to our separation from Cendant and will convert into restricted stock units and/or stock appreciation rights which settle in the form of shares of our common stock. The total aggregate value of the 2006 Annual Grant is expected to be approximately $80 million. The number of shares of Wyndham Worldwide common stock covered by such grant will equal the aggregate value of such grant (e.g., $80 million) divided by (i) in the case of restricted stock units, the fair market value of our common stock and (ii) in the case of stock appreciation rights, the Black-Scholes value of a right, in each case as of the grant of such award (the first trading day following our distribution and using the closing price). Such awards will vest with respect to 25% of the shares underlying the applicable award on each of the first four anniversaries of May 2, 2006 (except for a portion of the stock appreciation rights which we expect to be issued to certain of our Named Executive Officers, which will vest with respect to 33% of the shares underlying such rights on each of the first three anniversaries of May 2, 2006), subject to the holder's continued employment with us and subject to earlier acceleration under certain circumstances. The portion of the 2006 Annual Grant in the form of stock appreciation rights will settle in the form of shares of our common stock and are expected to have an exercise price equal to the value of our common stock as of the date of grant (the first trading day following our distribution and using closing price). As such stock appreciation rights are granted at fair market value, there is no realizable value to such officers absent an increase in our stock price. Such awards will be granted under our 2006 Equity and Incentive Plan and will count against the maximum number of shares of our common stock available for issuance under such plan. The expected financial impact relating to this 2006 Annual Grant will increase our non-cash compensation expense by approximately $3 million from the $17 million annual amount reflected in our 2005 pro forma combined condensed statement of income set forth in this information statement. We presently anticipate that annual grants in future years will be lower than the 2006 Annual Grant.

Our Named Executive Officers received or will receive grants that will convert into awards relating to our common stock as follows upon the completion of the separation:

	Award
Mr. Holmes	$ 5 million
Mr. Hanning	$ 3 million
Mr. May	$ 3 million
Mr. Rudnitsky	$ 3 million
Ms. Wilson	$ 2.5 million

Stock Options and Stock Appreciation Rights

The terms and conditions of stock options and stock appreciation rights granted under the 2006 Equity and Incentive Plan will be determined by our Compensation Committee and set forth in an award agreement. Stock options granted under the 2006 Equity and Incentive Plan may be "incentive stock options," or non-qualified stock options. A stock appreciation right confers on the participant the right to receive an amount, in cash or shares of our common stock, equal to the excess of the fair market value of a share of our common stock on the date of exercise over the exercise price of the stock appreciation right, and may be granted alone or in tandem with another award. The exercise price of a stock option or stock appreciation right granted under the 2006 Equity and Incentive Plan will not be less than the fair market value of our common stock on the date of grant. The exercise price of a stock appreciation right granted in tandem with a stock option will be the same as the stock option to which the stock appreciation right relates. The vesting of a stock option or stock appreciation right will be subject to such conditions as the Compensation Committee may determine, which may include the attainment of performance goals.

Restricted Stock

The terms and conditions of awards of restricted stock granted under the 2006 Equity and Incentive Plan will be determined by our Compensation Committee and set forth in an award agreement. A restricted stock award granted under the 2006 Equity and Incentive Plan will consist of shares of our common stock that may not be sold, assigned, transferred, pledged or otherwise encumbered, except as provided in the applicable award agreement or until such time as the restrictions applicable to the award lapse. Under the 2006 Equity and Incentive Plan, the Compensation Committee will have the authority to determine the participants to whom restricted stock will be granted and the terms and conditions of restricted stock awards, including whether the lapse of restrictions applicable to the award will be subject to the attainment of one or more performance goals. Certificates issued in respect of shares of restricted stock will be held by us until such time as the restrictions lapse, at which time we will deliver a certificate to the participant.

Restricted Stock Units

A restricted stock unit is an award of a right to receive a share of our common stock. These awards will be subject to such restrictions on transferability and other restrictions, if any, as the Compensation Committee may impose at the date of grant or thereafter, which restrictions may lapse separately or in combination at such times, under such circumstances (including without limitation a specified period of employment or the satisfaction of preestablished performance goals), in such installments, or otherwise, as the Compensation Committee may determine.

Dividends

The Compensation Committee may determine that the holder of restricted stock or restricted stock units may receive dividends (or dividend equivalents, in the case of restricted stock units) that may be deferred during the restricted period applicable to these awards.

Other Equity-Based Awards

The 2006 Equity and Incentive Plan will provide for other equity-based awards, the form and terms of which will be as determined by the Compensation Committee, consistent with the purposes of the 2006 Equity and Incentive Plan. The vesting or payment of one of these awards may be made subject to the attainment of performance goals.

Change in Control

The 2006 Equity and Incentive Plan will provide that, unless otherwise determined by the Compensation Committee at the time of grant, in the event of a change in control (as defined in the 2006 Equity and Incentive Plan), all awards granted under the 2006 Equity and Incentive Plan will become fully vested and/or exercisable, and any performance conditions will be deemed to be fully achieved.

Equitable Adjustments to Outstanding Cendant Equity-Based Awards

In connection with the distribution, equitable adjustments will be made to outstanding stock option and restricted stock unit awards which currently relate to Cendant common stock, to the extent necessary to maintain equivalent value of such awards following the distribution.

Subject to, if necessary, any required employee consents, all Cendant restricted stock units which would otherwise have been subject to vesting based upon the attainment of "above-target" performance goals will be cancelled prior to the first distribution of us and Realogy and no additional restricted stock units will be issued in respect to these canceled "above-target" restricted stock units. With respect to the remaining Cendant restricted stock units (i.e., those that are not subject to the "above-target" performance goals), each holder of such restricted stock units (including Cendant, Realogy and Wyndham Worldwide employees) will be issued a number of restricted stock units relating to Wyndham Worldwide common stock (without regard to the attainment of any existing performance criteria, which have been waived by action of the Cendant Compensation Committee), equal to the number of shares of Wyndham Worldwide common stock that such holder would receive in the distribution assuming the restricted stock units relating to Cendant common stock represented actual shares of Cendant common stock (i.e., a ratio of one unit relating to Wyndham Worldwide common stock for every five units relating to Cendant common stock). Such holders will also receive restricted stock units of Realogy (and Travelport if it is not sold) of such number determined in a corresponding manner. The Wyndham Worldwide restricted stock units expected to receive accelerated vesting (approximately 2.12 million) and the adjusted Cendant restricted stock units expected to receive accelerated vesting (approximately 10.6 million) will become vested on the earlier of (i) the date on which such units would have vested in accordance with the terms of the existing vesting schedule or (ii) the 30th day following the completion of the second of the distributions of us and Realogy (or, if applicable, the 30th day following the simultaneous distribution of us and Realogy), assuming the holder remains in employment through such date, and will be settled in shares of Wyndham Worldwide stock (net of any tax withholdings) shortly thereafter. For purposes of vesting of restricted stock units, continued employment with Cendant, Wyndham Worldwide, Realogy or Travelport will be viewed as continued employment with the issuer of the restricted stock units.

Effective as of our distribution, equitable adjustments will be made with respect to stock options relating to Cendant common stock held by Cendant directors, officers and employees (including current and former Realogy and Wyndham Worldwide directors, officers and employees). Subject to any required employee consents, stock options relating to Cendant common stock which would otherwise have been subject to vesting based upon the attainment of "above-target" performance goals will be canceled immediately prior to the first distribution of us and Realogy, and no additional Cendant stock options will be issued in respect to these canceled "above-target" Cendant options. With respect to remaining Cendant stock options (i.e., those that are not subject to the "above-target" performance goals), we expect that all such options will be adjusted into three separate options (or four separate options if Travelport is not sold), one relating to Cendant common stock, one relating to Wyndham

Worldwide common stock and one relating to Realogy common stock. Such adjustment is expected to be made such that (i) the number of shares relating to the Wyndham Worldwide option will be equal to the number of shares of Wyndham Worldwide common stock that the option holder would have received in our distribution had the Cendant option shares represented outstanding shares of Cendant common stock (i.e., a ratio of one share of Wyndham Worldwide common stock for every five shares of Cendant common stock), and (ii) the per share option exercise price of the original Cendant stock option will be proportionally allocated between the three types of stock options based upon the relative per share trading prices immediately following the distributions.

All Wyndham Worldwide options issued as part of this adjustment expected to receive accelerated vesting (approximately 1.1 million) and the Cendant options expected to receive accelerated vesting (approximately 220,000) will continue to be subject to their current vesting schedules and become fully vested 30 days following the completion of the second of the distributions of us and Realogy (or, if applicable, the 30th day following the simultaneous distribution of us and Realogy) (without regard to the attainment of any existing performance criteria, which have been waived by action of the Cendant Compensation Committee) assuming the holder remains in employment through such date. Further, for purposes of vesting of stock options and the post-termination exercise periods applicable to stock options, the Cendant Compensation Committee determined that continued employment with Cendant, Wyndham Worldwide or Realogy (or Travelport, if it is not sold) will be viewed as continued employment with the issuer of the options and to the extent permitted under Section 409A of the Code and the terms of the applicable stock option 2006 Equity and Incentive Plans, the post-termination exercise period of certain designated Wyndham Worldwide and Cendant stock options will be extended to three years (but not beyond the original expiration of the option and not if the option holder resigns employment or is terminated in connection with a breach of Code of Conduct of the option holder's employer).

Term; Amendment

No awards will be made under the 2006 Equity and Incentive Plan following the tenth anniversary of the date that the 2006 Equity and Incentive Plan becomes effective. Our Board may amend or terminate the 2006 Equity and Incentive Plan at any time, provided that the amendment or termination does not adversely affect any award that is then outstanding without the award holder's consent. We must obtain stockholder approval of an amendment to the 2006 Equity and Incentive Plan if stockholder approval is required to comply with any applicable law, regulation or stock exchange rule.

Savings Restoration Plan

We intend to adopt a savings restoration plan for the benefit of certain of our employees whose contributions to our 401(k) plan are limited by certain Code rules governing the 401(k) plan. Participants in this plan will be selected by our Compensation Committee and must be, among other things, deemed a "management or highly compensated employee" (within the meaning of the Employee Retirement Income Security Act of 1974, or ERISA. Plan participants will be permitted to defer compensation in excess of the amounts permitted by the Code under our 401(k) plan, but will not be entitled to any matching contributions. Accounts will be established in the participant's name, and the participant may allocate his or her deferrals to one or more deemed investments under the plan, which may include a deemed investment in our common stock. We intend to establish a so-called "rabbi trust" for the purpose of holding assets to be used for the payment of benefits under the savings restoration plan. Distributions under this plan may be made in a single lump sum or in installments, at the participant's election, generally commencing following termination of the participant's employment. In connection with the distribution, deferred compensation obligations of Wyndham Worldwide employees under Cendant's Savings Restoration Plan will become our obligations under our new savings restoration plan. We also expect to enter into an arrangement whereby we and each of the other separated companies, other than Avis Budget Group, Inc. and other than Travelport (if it is sold), will guarantee each other's obligations (including Avis Budget Group, Inc.'s, but not Travelport's if it is sold) under the applicable company's respective savings restoration plans for amounts deferred in respect of 2005 and earlier years.

Officer Deferred Compensation Plan

We intend to adopt an officer deferred compensation plan for the benefit of certain of our officers selected by our Compensation Committee from time to time. Under this plan, participants will be permitted to defer compensation on such terms as our Compensation Committee will determine from time to time. We intend to establish a so-called "rabbi trust" for the purpose of holding assets to be used for the payment of benefits under the officer deferred compensation plan. We will contribute amounts deferred by the participant to that trust, as well as any matching contributions that may be made by us in our discretion. Accounts will be established in the participant's name and the participant may allocate his or her deferrals to one or more deemed investments under the plan, which may include a deemed investment in our common stock. Matching contributions may be subject to such vesting provisions as we will determine from time to time; however, all of a participant's accounts under this plan will become fully vested in the event of a change in control (as defined in the officer deferred compensation plan) or in the event that the participant's service with us terminates as a result of death or disability. A participant in this plan may elect a single lump-sum payment of his or her account, or may elect payments over time; however, the participant's entire account balance will be paid in a single lump sum following a change in control.

In connection with the distribution, deferred compensation obligations of Wyndham Worldwide employees thereunder will become our obligations under our new deferred compensation plan, and that a corresponding amount of assets held under a rabbi trust under the Cendant Deferred Compensation Plan will be transferred to a rabbi trust under our deferred compensation plan. We also expect to enter into an arrangement whereby we and each of the other separated companies, other than Avis Budget Group, Inc. and other than Travelport (if it is sold), will guarantee each other's obligations (including Avis Budget Group, Inc.'s, but not Travelport's if it is sold) under the applicable company's respective officer deferred compensation plans for amounts deferred in respect of 2005 and earlier years.

Non-Employee Directors Deferred Compensation Plan

We intend to adopt a deferred compensation plan for the benefit of our non-employee directors which will facilitate the deferral of all or a portion of certain fees they receive from us for service on our Board. See "—Board of Directors' Compensation." In connection with our separation, we expect that the deferred compensation obligations of Wyndham Worldwide non-employee directors under Cendant's deferred compensation plan will become our obligations under our deferred compensation plan. We also expect to enter into an arrangement whereby we and each of the other separated companies, other than Avis Budget Group, Inc. and other than Travelport (if it is sold), will guarantee each other's obligations (including Avis Budget Group, Inc.'s, but not Travelport's if it is sold) under the applicable company's respective non-employee director deferred compensation plans for amounts deferred in respect of 2005 and earlier years.

Code Section 409A

The U.S. federal income tax laws were recently amended to impose additional limitations on certain types of deferred compensation. In the event that any payment under the foregoing programs and policies would result in an imposition of tax under these provisions, we intend to act to modify any such payments to avoid imposition of such tax to the extent permissible under applicable law.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date hereof, all of the outstanding shares of our common stock are owned by Cendant. After the distribution, Cendant will own none of our common stock. The following table provides information with respect to the expected beneficial ownership of our common stock by (i) each of our stockholders who we believe will be a beneficial owner of more than 5% of our outstanding common stock, (ii) each of the persons nominated to serve as our directors, (iii) each officer named in the Summary Compensation Table and (iv) all of our executive officers and directors nominees as a group. We based the share amounts on each person's beneficial ownership of Cendant common stock as of June 8, 2006, unless we indicate some other basis for the share amounts, and assuming a distribution ratio of one share of our common stock for every five shares of Cendant common stock.

To the extent our directors and officers own Cendant common stock at the time of the separation, they will participate in the distribution on the same terms as other holders of Cendant common stock. In addition, following the distribution, we expect Cendant stock-based awards held by these individuals will be equitably adjusted to become separate awards relating to both Cendant common stock and our common stock. Such awards relating to our common stock are reflected in the table below based upon our expected adjustment formula. Furthermore, certain stock-based awards held by these individuals that will vest on the 30th day following the completion of the second of the distributions of us and Realogy (or, if applicable, the 30th day following the simultaneous distribution of us and Realogy) are included in a footnote to the table below. For a description of the equitable adjustments expected to be made to Cendant stock-based awards, see "Management—Employee Benefit Plans—2006 Equity and Incentive Plan—Equitable Adjustments to Outstanding Cendant Equity-Based Awards."

Except as otherwise noted in the footnotes below, each person or entity identified below has sole voting and investment power with respect to such securities. Following the distribution, we will have outstanding an aggregate of approximately 200 million shares of common stock based upon approximately one billion shares of Cendant common stock outstanding as of June 8, 2006, assuming no exercise of Cendant options and applying the distribution ratio of one share of our common stock for every five shares of Cendant common stock held as of the record date.

Name of Beneficial Owner	# of Shares to be Owned[a]	% of Class[b]	Of the Total # of Shares Beneficially Owned, Shares which may be Acquired within 60 Days[c]
Principal Stockholder:			
Barclays Global Investors, N.A.[d]	17,787,760	8.88%	17,787,760
Directors and Executive Officers[e]:			
Myra J. Biblowit[f]	28,753	*	28,753
James E. Buckman[g]	724,331	*	699,855
George Herrera[h]	3,151	*	3,151
Stephen P. Holmes[i]	759,285	*	674,507
The Right Honourable Brian Mulroney[j]	93,348	*	91,591
Michael H. Wargotz	722	*	—
Pauline D.E. Richards[k]	3,916	*	3,916
Franz S. Hanning[l]	76,637	*	72,807
Kenneth N. May[m]	109,050	*	102,163
Steven A. Rudnitsky[n]	89,846	*	88,612
Virginia M. Wilson[o]	7,042	*	4,904
All directors and executive officers as a group (14 persons)[p]	1,948,375	*	1,820,396

* Amount represents less than 1% of outstanding common stock.

(a) The amounts included in this column represent the shares of our common stock that will be beneficially owned by the listed individuals based on the distribution ratio of one share of common stock for every five shares of Cendant common stock owned by such individuals on June 8, 2006. Amounts include direct and indirect ownership of shares, stock options and restricted stock units that are currently vested or will become vested within 60 days of June 8, 2006, or Vested Awards, and shares of common stock, the receipt of which has been deferred by directors in accordance with our and Cendant's Non-Employee Directors Deferred Compensation Plans, or Deferred Shares.

(b) Represents the percentage of our common stock that we expect to be outstanding (based on the expected number of our shares to be distributed based on 1,001,506,868 shares of Cendant common stock outstanding on June 8, 2006).

(c) Includes Vested Awards and Deferred Shares.

(d) Reflects beneficial ownership of 88,938,800 shares of Cendant common stock by Barclays Global Investors, N.A. and its affiliated entities, or Barclays, as derived solely from information reported in a Schedule 13G under the Exchange Act filed by Barclays with the SEC on January 26, 2006. Such Schedule 13G indicates that Barclays has sole voting power over 78,108,267 of the shares and no voting power over 10,830,533 of the shares. The principal business address for Barclays is 45 Fremont Street, San Francisco, CA 94015. Information is based upon the assumption that Barclays holds 88,938,800 shares of Cendant common stock as of June 8, 2006.

(e) Such director's and/or executive officer's Vested Awards are deemed outstanding for purposes of computing the percentage of class for such director and/or executive officer.

(f) Includes 5,818 Deferred Shares and 22,935 Vested Awards.

(g) Includes 3,220 shares held in Mr. Buckman's IRA account and 13,616 shares held in a non-qualified deferred compensation plan.

(h) Includes 3,151 Deferred Shares.

(i) Includes 3,394 shares held by Mr. Holmes' children, 22,000 shares held in trust and 18,125 shares held in a non-qualified deferred compensation plan.

(j) Includes 6,075 Deferred Shares and 85,516 Vested Awards.

(k) Includes 3,916 Deferred Shares.

(l) Includes 72,807 Vested Awards.

(m) Includes 138 shares held in Mr. May's 401(k) account, 1,600 shares held in a deferred compensation plan and 102,163 Vested Awards.

(n) Includes 88,612 Vested Awards.

(o) Includes 4,904 Vested Awards.

(p) Certain stock-based awards held by certain of our executive officers and Mr. Buckman, in his capacity as an executive officer of Cendant, will vest on the 30th day following completion of the second of the distributions of us and Realogy (or, if applicable, the 30th day following the simultaneous distribution of us and Realogy). Such amounts, which reflect the application of the distribution ratio, are as follows:

Mr. Holmes	43,359
Mr. Hanning	15,007
Mr. May	14,814
Mr. Rudnitsky	14,526
Ms. Wilson	15,643
Mr. Buckman	28,630
All directors and executive officers as a group	141,958

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Distribution from Cendant

The distribution will be accomplished by Cendant distributing all of its shares of our common stock to holders of Cendant common stock entitled to such distribution, as described in "The Separation" section, included elsewhere in this information statement. Completion of the distribution will be subject to satisfaction or waiver by Cendant of the conditions to the separation and distribution described below under "—Agreements with Cendant, Realogy and Travelport."

For purposes of this section, we refer to the Real Estate Services and Travel Distribution Services businesses of Cendant prior and subsequent to the separation of such businesses from Cendant as Realogy and Travelport, respectively.

Related Party Transactions

Certain affiliates of Barclays Global Investors, N.A., which we refer to collectively as Barclays, an approximately 8.88% stockholder of Cendant based on a Schedule 13G filed by Barclays in January 2006 and approximately one billion shares of Cendant common stock outstanding on June 29, 2006, have performed, and may in the future perform, various commercial banking, investment banking and other financial advisory services for Cendant (including us and our subsidiaries) for which they have received, and will receive, customary fees and expenses. The fees paid to Barclays by Cendant and its subsidiaries in 2005 were $5 million.

Mr. Hanning's brother-in-law served as Of Counsel at a law firm which provided general consultation and advice on regulatory matters to our vacation ownership business. Fees and expenses paid for such services equaled $218,000 and $198,000 in 2005 and 2004, respectively. No fees or expenses were paid in 2003. In January 2006, Mr. Hanning's brother-in-law withdrew from his prior firm to establish a new firm, which new firm has continued providing such services to our vacation ownership business.

In addition, an employee of our vacation ownership business also is related to Mr. Hanning. This individual was hired in 1981 prior to Mr. Hanning's employment and currently serves as a Senior Vice President, Sales. He received total cash compensation in the form of base salary, commissions and bonuses in the aggregate amounts of $437,000, $510,000 and $386,000 in 2005, 2004 and 2003, respectively. He also was granted restricted stock units relating to Cendant common stock in the amounts of 19,970, 18,126 and 3,648 units in 2005, 2004 and 2003, respectively, and $47,506 in restricted cash units in 2003. All compensation and incentive awards were paid and/or awarded on a basis consistent with that applied to other Cendant employees. Any such awards which remain outstanding will vest or terminate in the manner described above. See "Management—Employee Benefit Plans—2006 Equity and Incentive Plan—Equitable Adjustments to Outstanding Cendant Equity-Based Awards."

Mr. Mulroney, a nominee to our Board of Directors, is a Senior Partner of Oglivy Renault, a Montreal-based law firm. Oglivy Renault represented Cendant and certain of its subsidiaries in certain matters in 2005. Mr. Mulroney has not received compensation for the services provided by Oglivy Renault to Cendant, and amounts Cendant and its subsidiaries paid to Oglivy Renault in 2005 constituted less than 1% of Oglivy Renault's gross revenues for such year.

From time to time, certain of our directors and executive officers have engaged, and may in the future engage, in commercial transactions involving Cendant and certain of Cendant's and our current or past subsidiaries. Such transactions have included but have not been limited to, for example, the purchase of vacation ownership interests from Cendant's vacation ownership subsidiaries or the purchase and/or sale of homes through Cendant's real estate brokerage subsidiaries. Such transactions have been conducted on similar terms as those prevailing at the time for comparable transactions with other third-party customers generally, and did not involve more than normal risk.

Agreements with Cendant, Realogy and Travelport

Before our separation from Cendant, we will enter into a Separation and Distribution Agreement and several other agreements with Cendant and Cendant's other businesses to effect the separation and provide a framework for our relationships with Cendant and Cendant's other businesses after the separation. These agreements will govern the relationships among us, Cendant, Realogy and Travelport subsequent to the completion of the separation plan and provide for the allocation among us, Cendant, Realogy and Travelport of Cendant's assets, liabilities and obligations (including employee benefits and tax-related assets and liabilities) attributable to periods prior to the respective separations of each of the businesses from Cendant. In addition to the Separation and Distribution Agreement (which contains many of the key provisions related to our separation from Cendant and the distribution of our shares of common stock to Cendant stockholders), these agreements include:

- the Tax Sharing Agreement, and
- the Transition Services Agreement.

The principal agreements described below have been filed as exhibits to the registration statement on Form 10 of which this information statement is a part, and the summaries of each of these agreements set forth the terms of the agreements that we believe are material. These summaries are qualified in their entireties by reference to the full text of the applicable agreements, which are incorporated by reference into this information statement.

The terms of the agreements described below that will be in effect following our separation have not yet been finalized; changes, some of which may be material, may be made prior to our separation from Cendant. Moreover, following our separation from Cendant, additional changes may be made by Cendant and Travelport (prior to its separation from Cendant) with respect to rights and obligations between those two parties. None of the changes made after our separation from Cendant may be made without our consent if such changes would adversely affect us.

Separation and Distribution Agreement

The Separation and Distribution Agreement will set forth our agreements with Cendant, Realogy and Travelport regarding the principal transactions necessary to separate us from Cendant. It will also set forth other agreements that govern certain aspects of our relationships with Cendant, Realogy and Travelport after the completion of the separation plan. The parties intend to enter into the Separation and Distribution Agreement immediately before the distribution of our shares of common stock to Cendant stockholders, and the Separation and Distribution Agreement will become effective upon such distribution.

Transfer of Assets and Assumption of Liabilities. The Separation and Distribution Agreement will identify assets to be transferred, liabilities to be assumed and contracts to be assigned to each of us, Realogy, Travelport and Cendant as part of the separation of Cendant into four companies, and it will describe when and how these transfers, assumptions and assignments will occur, although, many of the transfers, assumptions and assignments may have already occurred prior to the parties' entering into the Separation and Distribution Agreement. In particular, the Separation and Distribution Agreement will provide that, subject to the terms and conditions contained in the Separation and Distribution Agreement:

- All of the assets and liabilities (including whether accrued, contingent or otherwise) primarily related to our businesses (the business and operations of Cendant's Hospitality Services (including Timeshare Resorts) segment) will be retained by or transferred to us or one of our subsidiaries;
- All of the assets and liabilities (including whether accrued, contingent or otherwise) primarily related to the businesses and operations of Cendant's Real Estate Services segment will be retained by or transferred to Realogy or one of its subsidiaries;

- All of the assets and liabilities (including whether accrued, contingent or otherwise) primarily related to the businesses and operations of Cendant's Travel Distribution Services segment will be retained by or transferred to Travelport or one of its subsidiaries;
- All of the assets and liabilities (including whether accrued, contingent or otherwise) primarily related to the businesses and operations of Cendant's Vehicle Rental segment will be retained by or transferred to Cendant or one of its subsidiaries;
- Liabilities (including whether accrued, contingent or otherwise) related to, arising out of or resulting from businesses of Cendant that were previously terminated or divested will be allocated among the parties to the extent formerly owned or managed by or associated with such parties or their respective businesses;
- Each party will assume or retain any liabilities relating to its employees in respect of the period prior to, on or following the effective time of the Separation and Distribution Agreement;
- Each party or one of its subsidiaries will assume or retain any liabilities (including under applicable federal and state securities laws) relating to, arising out of or resulting from any registration statement or similar disclosure document which offers for sale any security of such party to the extent such documents exclusively relate to such party or its subsidiaries or affiliates;
- Each party or one of its subsidiaries will assume or retain any liabilities relating to, arising out of or resulting from any of its or its subsidiaries' or controlled affiliates' indebtedness (including debt securities and asset-backed debt), regardless of the issuer of such indebtedness, exclusively relating to its business or secured exclusively by its assets;
- We will assume 37.5% and Realogy will assume 62.5% (or, if the sale of Travelport is not completed, we will assume 30%, Realogy will assume 50% and Travelport will assume 20%) of certain contingent and other corporate liabilities of Cendant or its subsidiaries, which we refer to in this information statement as Assumed Cendant Contingent and Other Liabilities, which are not primarily related to any of our business or the business of Realogy or Travelport and/or Cendant's Vehicle Rental business, in each case incurred on or prior to the earlier of (x) December 31, 2006 or (y) the date of the separation of Travelport from Cendant, including liabilities of Cendant and its subsidiaries related to, arising out of or resulting from (i) certain terminated or divested businesses including, among others, Cendant's former PHH and Marketing Services (now known as Affinion) businesses, (ii) liabilities relating to the Travelport sale including, in general (but subject to certain exceptions), liabilities for taxes of Travelport for taxable periods through the date of the Travelport sale, (iii) the Securities Action, the PRIDES Action and the ABI Actions (for further description of these litigation matters see "Business—Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Legal Proceedings—Legal—Cendant Corporate Litigation"), (iv) any actions with respect to the separation plan or the distributions (other than actions arising out of disclosure documents distributed or filed relating to the securities or indebtedness of one of the four businesses) made or brought by any third party and (v) payments under certain identified contracts (or portions thereof) that were not allocated to any specific party in connection with the separation. Cendant will not assume liability for any such Assumed Cendant Contingent and Other Liabilities (although, if a party defaults in payments in respect of any such liability, each non-defaulting party, including Cendant, will pay an equal share of such defaulted amount). The parties to the Separation and Distribution Agreement agreed that following completion of the separation plan, Cendant, which will consist of the Vehicle Rental business, will not retain any contingent or other corporate liabilities incurred prior to the completion of the separation plan that are not primarily related to the Vehicle Rental business because the Vehicle Rental company is expected to have more total debt, both secured and unsecured, and/or lower credit ratings, than us, Realogy and Travelport;
- We will be entitled to receive 37.5% and Realogy will be entitled to receive 62.5% (or, if the sale of Travelport is not completed, we will be entitled to receive 30%, Realogy will be entitled to receive 50%

and Travelport will be entitled to receive 20%) of the proceeds (or, in certain cases, a portion thereof) from certain contingent corporate assets of Cendant, which we refer to in this information statement as Cendant Contingent Assets, which are not primarily related to any of our business, the businesses of Realogy or Travelport or the Vehicle Rental business, arising or accrued on or prior to the earlier of (x) December 31, 2006 or (y) the date of the separation of Travelport from Cendant including (i) certain minority investments of Cendant which do not primarily relate to any of the separated businesses, (ii) rights to receive payments under certain tax-related agreements with former businesses of Cendant and (iii) rights under a certain litigation claim; and

- Except as otherwise provided in the Separation and Distribution Agreement or any ancillary agreement, other than the costs and expenses relating to the issuance of debt or debt-related securities by any party or its subsidiaries (the costs and expenses of which are expected to be the responsibility of such party), the corporate costs and expenses relating to the separation plan will be paid (x) from the proceeds of the borrowings Travelport is transferring to Cendant in connection with the separation or (y) treated as Assumed Cendant Contingent and Other Liabilities (as described above).

Except as may expressly be set forth in the Separation and Distribution Agreement or any ancillary agreement, all assets will be transferred on an "as is," "where is" basis and the respective transferees will bear the economic and legal risks that (i) any conveyance will prove to be insufficient to vest in the transferee good title, free and clear of any security interest and (ii) any necessary consents or governmental approvals are not obtained or that any requirements of laws or judgments are not complied with.

Information in this information statement with respect to the assets and liabilities of the parties following the separation is presented based on the allocation of such assets and liabilities pursuant to the Separation and Distribution Agreement, unless the context otherwise requires. Certain of the liabilities and obligations to be assumed by one party or for which one party will have an indemnification obligation under the Separation and Distribution Agreement and the other agreements relating to the separation are, and following the separation may continue to be, the legal or contractual liabilities or obligations of another party. Each such party that continues to be subject to such legal or contractual liability or obligation will rely on the applicable party that assumed the liability or obligation or the applicable party that undertook an indemnification obligation with respect to the liability or obligation, as applicable, under the Separation and Distribution Agreement, to satisfy the performance and payment obligations or indemnification obligations with respect to such legal or contractual liability or obligation.

Sale of Travelport. On June 30, 2006, Cendant announced that it had entered into an agreement to sell Travelport to an affiliate of the Blackstone Group for $4,300 million in cash (which purchase price is subject to adjustment as described below). Pursuant to the Separation and Distribution Agreement, Cendant has agreed to use its reasonable best efforts to effect the sale of Travelport. However, Cendant will be required to distribute the shares of common stock of Travelport to Cendant stockholders as originally planned if the sale of Travelport has not been completed by December 31, 2006.

Cendant expects the sale of Travelport to close in August 2006, and, pursuant to the purchase agreement, the sale cannot close before August 22, 2006, unless otherwise agreed to by the parties to the purchase agreement. The purchase agreement contains customary representations, warranties, covenants and agreements of Cendant, Travelport and the buyer. The buyer has obtained equity and debt financing commitments for the transactions contemplated by the purchase agreement, which are subject to customary conditions. The closing of the sale is subject to customary closing conditions including performance by Cendant and the buyer in all material respects of their respective covenants, the receipt of requisite government approvals (including the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Act and foreign antitrust laws) and the absence of any material adverse effect with respect to Travelport. "Material adverse effect" is defined in the purchase agreement as any changes, events or conditions that have or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, results of operations or financial condition of Travelport, or that materially impairs the ability of Cendant and Travelport to consummate the

transactions contemplated by the purchase agreement, other than any changes, events or conditions resulting from: (i) general economic conditions in any of the markets or geographical areas in which Travelport operates, unless such conditions disproportionately affect Travelport in any material respect; (ii) changes in economic conditions or the financial, banking, currency or capital markets in general (whether in the United States or any other country or in any international market) or changes in currency exchange rates or currency fluctuations, unless such changes disproportionately affect Travelport in any material respect; (iii) other conditions generally affecting any of the industries in which Travelport operates, unless such conditions disproportionately affect Travelport in any material respect; (iv) acts of God, calamities, national or international political or social conditions, including the engagement by any country in hostilities, whether commenced before or after the date hereof, and whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack, unless such event disproportionately affects Travelport in any material respect; (v) changes in Law or in GAAP (or other generally accepted accounting principles applied by Travelport) or interpretations thereof; (vi) any actions taken, or failures to take action, or such other changes or events, in each case, to which the buyer has expressly consented; (vii) any item or items set forth in the disclosure letter that accompanies the purchase agreement; or (viii) the announcement or pendency of the transactions contemplated by the purchase agreement or the separation agreements, including by reason of the identity of the buyer or any communication by the buyer regarding the plans or intentions of Buyer with respect to the conduct of the business of Travelport.

The purchase price of $4,300 million is subject to adjustment, at and/or following the time of closing, based on the levels of cash, working capital and certain other expenses at Travelport at the time of its sale. The purchase agreement provides that such agreement may be terminated (i) by mutual consent of the buyer and the seller, (ii) by either party, subject to certain limitations, if the closing has not occurred on or before October 31, 2006, (iii) if any governmental law has been enacted or other government action has been taken prohibiting the transaction, or (iv) by the non-breaching party if the other party breaches any of its covenants, which covenants cannot be cured by October 31, 2006 or is not cured within 30 days after receipt of notice by the other party of such breach. In the event that Cendant terminates the Travelport sale agreement because the buyer (i) breaches its obligations to effect the closing and satisfy its obligations with respect to payment of the merger consideration when all conditions to the closing are satisfied and (ii) the buyer fails to effect the closing because of a failure to receive the proceeds of one or more of the debt financings contemplated by the debt financing commitments or because of the failure to have received the proceeds of any alternative debt financing, the buyer will be required to pay Cendant a $107.5 million termination fee. This termination fee payable to Cendant is the exclusive remedy of Cendant unless, in general, the buyer is otherwise in willful and material breach of the purchase agreement, in which case Cendant may pursue a damages claim. The aggregate liability of the buyer and its affiliates arising from any breach of the merger agreement is in any event capped at $215 million. A copy of the purchase agreement was filed by Cendant on a Current Report on Form 8-K on June 30, 2006.

The Separation and Distribution Agreement provides that the gross cash proceeds from a sale of Travelport will be allocated in the following manner:

- first, to pay costs and expenses incurred by Cendant in connection with the Travelport sale and certain other expenses of Cendant;
- second, Cendant will retain an amount equal to the estimated taxes payable by Cendant as a result of the Travelport sale;
- third, Cendant will retain an amount to compensate Cendant for certain projected lost tax attributes (i.e., certain tax attributes that Cendant projects would have been allocated to Cendant as of January 1, 2007 had the Travelport sale not occurred);
- fourth, to repay interim indebtedness incurred by Travelport to help fund the repayment of outstanding corporate indebtedness of Cendant and certain other corporate obligations of Cendant;
- fifth, any priority payment (up to $100 million, if any) to us by reason of our incurring additional indebtedness in connection with our separation (see “The Distributions and Financings” below);

- sixth, any amount of sale proceeds remaining following the applications described above will be contributed to us and Realogy on a 37.5% and 62.5% basis, respectively, for the purposes of reducing the initial indebtedness incurred by us and Realogy in connection with our respective separations, until our initial indebtedness is reduced to a remaining amount equal to the amount of indebtedness outstanding under Cendant's asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses (which we currently expect to be approximately $600 million at the time of our separation) that Cendant is repaying at the time of our separation (with the maximum amount of Travelport proceeds contributed to us under this subpart being approximately $760 million based upon the outstanding indebtedness under Cendant's asset-linked facility as of June 30, 2006);
- seventh, any amount of sale proceeds remaining following the applications described above will be contributed to Realogy, for the purpose of reducing the initial indebtedness Realogy incurred in connection with its separation, until such indebtedness is fully repaid;
- eighth, any amount of sale proceeds remaining following the applications described above will be contributed to us for the purpose of reducing the initial indebtedness incurred by us in connection with our separation from Cendant until such indebtedness is fully repaid; and
- ninth, any amount of sale proceeds remaining following the applications described above will be contributed to us and Realogy on a 37.5% and 62.5% basis, respectively.

The Separation and Distribution Agreement requires us to utilize all of the cash proceeds received by us from the sale of Travelport in order to reduce the indebtedness incurred by us in connection with the separation. Accordingly, since the cash sale price is $4,300 million, we estimate that we will receive approximately $760 million of cash sale proceeds. The actual amount of cash proceeds we receive may be more or less than the range provided above depending on the amount of any purchase price adjustment, the amount of expenses, taxes and other payments incurred in connection with such sale, and the amount outstanding under Cendant's Hospitality Services (including Timeshare Resorts) businesses. In the event Travelport is not sold, we will not receive any proceeds and therefore our indebtedness will not be reduced.

Assuming the following: (i) that the gross proceeds of a sale of Travelport were $4,300 million in cash and no net purchase price adjustment was made, (ii) such a sale was completed after our separation, (iii) neither we nor Travelport was required to incur additional indebtedness in order for Cendant to repay its corporate debt and other obligations and (iv) no amount was retained by Cendant for lost tax attributes, the gross cash proceeds would be allocated as follows:

- approximately $65 million would be utilized to satisfy costs and expenses incurred in connection with the Travelport sale and certain other expenses of Cendant;
- approximately $200 million would be retained by Cendant for tax liabilities incurred in connection with a Travelport sale;
- approximately $1,800 million would be utilized to repay interim indebtedness incurred by Travelport; and
- the remaining approximately $2,235 million of sale proceeds would be contributed to us and Realogy, with approximately $760 million contributed to us and $1,475 million contributed to Realogy for the purposes of reducing the initial indebtedness incurred by us and Realogy in connection with our respective separations.

Assuming our anticipated borrowings of approximately $1,360 million of debt in connection with our separation, following the application of all of the proceeds received by us at the time of the Travelport sale to reduce our initial indebtedness, the total amount of such initial indebtedness would be reduced by approximately $760 million, such that approximately $600 million of this initial indebtedness would still remain outstanding. The timing of any such reduction of our indebtedness would depend, in large part, on the timing of the completion of the sale of Travelport. All of the above described assumptions, including the approximate uses of

the proceeds from the sale of Travelport, are provided solely for purposes of providing you an example of how the proceeds from a sale of Travelport would be applied under the formula described above. There can be no assurance that any of these estimates will in fact be realized or any proceeds from a Travelport sale will in fact be realized and all of these amounts are subject to events and circumstances outside of our control. Therefore, you should not rely on these estimates and assumptions in evaluating Wyndham Worldwide.

Further Assurances. To the extent that any transfers contemplated by the Separation and Distribution Agreement have not been consummated on or prior to the date of the applicable separation, the parties will agree to cooperate to effect such transfers as promptly as practicable following the date of the applicable separation. In addition, each of the parties will agree to cooperate with each other and use commercially reasonable efforts to take or to cause to be taken all actions, and to do, or to cause to be done, all things reasonably necessary under applicable law or contractual obligations to consummate and make effective the transactions contemplated by the Separation and Distribution Agreement and the ancillary agreements.

The Distributions and Financings. The Separation and Distribution Agreement will also govern the rights and obligations of the parties regarding the proposed distributions. Each of us and Realogy (and Travelport if the sale of Travelport is not completed) will agree to distribute to Cendant as a stock dividend the number of shares of such party's common stock distributable in the applicable distribution to effectuate the applicable separation. In addition, Cendant will agree to cause its agent to distribute to Cendant stockholders that hold shares of Cendant common stock as of the applicable record date all the shares of the common stock of the company being separated from Cendant.

Under the Separation and Distribution Agreement, we, Realogy and Travelport have agreed to take certain actions so that we, Realogy and Travelport, and not Cendant, will bear economic responsibility for general liabilities and obligations of Cendant (including costs and expenses and corporate debt) other than those that relate primarily to Cendant's Vehicle Rental business. To effect this arrangement, each of us, Realogy and Travelport anticipate entering into borrowing facilities at the time of or, in the case of Travelport, prior to its respective separation from Cendant, the proceeds of which will be transferred to Cendant to repay Cendant's corporate debt and, with respect to the amount transferred by Travelport, fund the actual and estimated cash costs and expenses of the plan of separation borne by Cendant relating to the separation (other than those primarily related to its vehicle rental business). For these purposes, Realogy is expected to borrow approximately $2,225 million at the time of its separation and we expect to borrow approximately $1,360 million at the time of our separation. The allocation of debt among the parties was based upon estimates of the relative future ability of each party to service its debt, each party's ability to maintain acceptable debt ratings and the possibility that Travelport may be sold rather than separated. We anticipate that Cendant will repay its corporate indebtedness at or around the time of our separation. Upon the closing of the sale of Travelport, Cendant will be obligated to use a significant portion of the proceeds it receives to repay the Travelport indebtedness incurred and transferred to Cendant (for a detailed description of the use of proceeds from the sale of Travelport, see "—Sale of Travelport").

Any insufficiency resulting from comparing the sum of the borrowings transferred by us, Realogy and Travelport to Cendant, together with the cash at Cendant then available to be utilized to repay its corporate debt, to the amount necessary to enable Cendant to repay all of its outstanding corporate indebtedness and, with respect to the amount transferred by Travelport, to repay other corporate obligations and to fund the actual and estimated cash expenses borne by Cendant relating to the separation (other than those primarily related to its Vehicle Rental business) will result in an upward adjustment to the amount of indebtedness allocated to Travelport to the extent that Travelport is able to obtain such additional debt financing on commercially reasonable terms; as a result, such additional amount of Travelport indebtedness will be repaid out of the proceeds of the Travelport sale (if such a sale is thereafter completed) and therefore will reduce the amount of residual proceeds available for distribution to us and Realogy (see "—Sale of Travelport"). Any additional insufficiency beyond the additional amount of indebtedness that Travelport could incur on commercially reasonable terms will be satisfied through the incurrence of additional indebtedness by us equal to such remaining insufficiency up to $100 million, and we will transfer such additional amounts to Cendant. To the

extent the remaining insufficiency is in excess of $100 million, we and Realogy will be required to incur additional indebtedness equal to 37.5% and 62.5%, respectively, of such excess and transfer such amounts to Cendant. In the event that the borrowings transferred by us, Realogy and Travelport, together with Cendant's cash, result in an excess in the amounts necessary to repay all of Cendant's corporate indebtedness, and, with respect to the amount transferred by Travelport, to repay other corporate obligations and to fund the actual and estimated cash expenses borne by Cendant relating to the separation measured at the time of our separation, such excess (a "priority excess") will be allocated between us and Realogy in the manner described in the next paragraph below.

Any cash costs and expenses related to the plan of separation incurred by Cendant following the date of the adjustment described above that have not otherwise been included in the estimated costs and expenses through the completion of the plan of separation for the purposes of the adjustment will be treated as Assumed Cendant Contingent and Other Liabilities under the Separation and Distribution Agreement and therefore borne 37.5% by us and 62.5% by Realogy (or if the sale of Travelport is not completed, we will assume 30%, Realogy will assume 50% and Travelport will assume 20%). If the amount of cash costs and expenses estimated to be incurred prior to the completion of the plan of separation for the above-described adjustment exceeds the actual cash costs and expenses incurred by Cendant, such excess (a "Cendant excess amount") will be allocated in the following manner: (i) in the event that a priority excess exists, all or a portion of the Cendant excess amount will be allocated to us and Realogy on a 37.5% and 62.5% basis, respectively, up to the amount of the priority excess and (ii) any remaining Cendant excess amount will be treated as a Cendant Contingent Asset to which we will be entitled to 37.5% and Realogy will be entitled to 62.5% (or if the sale of Travelport is not completed, we will be entitled to 30%, Realogy will be entitled to 50% and Travelport will be entitled to 20%).

Additionally, the Separation and Distribution Agreement will provide that the distributions are subject to several conditions that must be satisfied or waived by Cendant in its sole discretion. For further information regarding our separation from Cendant, see "The Separation—Conditions to the Distribution."

Intercompany Accounts. The Separation and Distribution Agreement will provide that, subject to any provisions in the Separation and Distribution Agreement or any ancillary agreement to the contrary, prior to the separation from Cendant of us, Realogy or Travelport, as the case may be, intercompany accounts will be settled as will be set forth in the Separation and Distribution Agreement, and it is expected that substantially all of such balances will no longer be outstanding.

Cash Balances. The Separation and Distribution Agreement sets forth intended balances of cash and cash equivalents of $120 million and $80 million for us and Realogy, respectively, as of immediately following our respective separations from Cendant. Cendant intends to sweep any cash and/or cash equivalents in excess of such target balances at or shortly prior to our respective separations (in accordance with Cendant's ordinary course cash management procedures). There is a post-separation true-up between us and Realogy based upon comparing the actual cash and cash equivalent balances with the target balances referenced above which may result in our or Realogy's making payments to the other. To the extent that our and Realogy's actual cash and cash equivalent balances immediately following our separations exceeds our respective target balance, then the amount of such excess will be treated as a Cendant Contingent Asset. To the extent that the our or Realogy's actual cash and cash equivalent balances immediately following our respective separations is less than our respective target balance, then the amount of such insufficiency will be treated as an assumed Cendant Contingent and Other Liability.

Releases and Indemnification. Except as otherwise provided in the Separation and Distribution Agreement or any ancillary agreement, each party will release and forever discharge each other party and its respective subsidiaries and affiliates from all liabilities existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the separation from Cendant of any such parties. The releases will not extend to obligations or liabilities under any agreements between the parties that remain in effect following the separation pursuant to the Separation and Distribution Agreement or any ancillary agreement.

In addition, the Separation and Distribution Agreement will provide for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of our business with us and financial responsibility for the obligations and liabilities of Cendant's Vehicle Rental business, Realogy's business and Travelport's business with Cendant, Realogy and Travelport, respectively. Specifically, each party will, and will cause its subsidiaries and affiliates to, indemnify, defend and hold harmless the other parties, their respective affiliates and subsidiaries and each of their respective officers, directors, employees and agents for any losses arising out of or otherwise in connection with:

- the liabilities each such party assumed or retained pursuant to the Separation and Distribution Agreement;
- any misstatement of or omission to state a material fact contained in any party's public filings, only to the extent the misstatement or omission is based upon information that was furnished by the applicable indemnifying party (or incorporated by reference from a filing of such indemnifying party) and then only to the extent the statement or omission was made or occurred after the separation of the party seeking indemnification; and
- any breach by such party of the Separation and Distribution Agreement.

Legal Matters. Each party to the Separation and Distribution Agreement will assume the liability for, and control of, all pending and threatened legal matters related to its own business or assumed or retained liabilities and will indemnify the other parties for any liability arising out of or resulting from such assumed legal matters.

Each party to a claim will agree to cooperate in defending any claims against two or more parties for events that took place prior to, on or after the date of the separation of such party from Cendant.

Except with respect to actions brought against Cendant by a governmental entity (in which case Cendant will act as managing party and manage and assume control of such legal matters), Realogy will act as managing party and manage and assume control of all legal matters related to any Assumed Cendant Contingent and Other Liability or Cendant Contingent Asset. Each of us, Cendant, Realogy and Travelport will cooperate fully with the applicable managing party in connection with the management of such assets and liabilities. The party responsible for managing an Assumed Cendant Contingent and Other Liability or Cendant Contingent Asset shall be reimbursed for all out-of-pocket costs and expenses related thereto by us and, if Cendant is acting as managing party, by Realogy in proportion to the applicable percentage that each such party is responsible for in respect of such liability or right to such asset. If either we or Realogy defaults in payment of its portion of any Assumed Cendant Contingent and Other Liabilities or the cost of managing any Cendant Contingent Asset, the non-defaulting parties (including Avis Budget and excluding Travelport if it is sold) will be responsible for an equal portion of the amount in default (although any such payments will not release the obligation of the defaulting party). Additionally, the Separation and Distribution Agreement will provide that if, as a result of a change of control or other extraordinary corporate transaction, either we or Realogy were to suffer certain downgrades to our or its, as applicable, respective senior credit ratings, then upon the demand of us, Realogy or Cendant, as applicable, any such party suffering such credit downgrade would be required to post a letter of credit or similar security obligation generally in respect of its portion of the remaining Assumed Cendant Contingent and Other Liability based on an appraisal prepared by a third-party expert. If the sale of Travelport is not completed, Travelport will generally have similar rights or obligations to those of us with respect to Assumed Cendant Contingent and Other Liabilities and Cendant Contingent Assets and with respect to the matters described in this paragraph.

The Separation and Distribution Agreement will provide for the formation of a contingent claim committee, which will have the responsibility for the adoption of any plan to settle, resolve or achieve the disposition of any Assumed Cendant Contingent and Other Liability or Cendant Contingent Asset, with one representative from each of us, Realogy and Cendant. If the sale of Travelport is not completed, Travelport would also be entitled to a representative on the contingent claim committee. Realogy will have two votes on any matter submitted to the contingent claim committee (while we will still have one vote). However, if a sale of Travelport is not

completed, each of us, Realogy and Travelport will each have one vote. Resolution of a matter submitted to the contingent claim committee will require the approval of a majority of the representatives entitled to vote on such matter, except that in certain cases where a party may be adversely affected, the approval by the affected party is also required. Except with respect to certain limited matters where Cendant would be adversely affected by the disposition of a claim (including in respect of actions by a governmental entity which involve non-monetary claims), Cendant's representative to the contingent claim committee will not be entitled to vote on matters submitted to the contingent claim committee for resolution.

Employee Matters. The Separation and Distribution Agreement will allocate liabilities and responsibilities relating to employee compensation and benefit plans and programs and other related matters in connection with the separation of Cendant, including the treatment of certain outstanding and long-term incentive awards, existing deferred compensation obligations and certain retirement and welfare benefit obligations. The Separation and Distribution Agreement will provide that we and Realogy (and Travelport, if it is not sold) will guarantee each other's (as well as Cendant's) obligations under our respective deferred compensation plans for amounts deferred in respect of 2005 and earlier years. The Separation and Distribution Agreement will also provide that outstanding Cendant stock options and restricted stock unit awards will be equitably adjusted in connection with each distribution (see "Management—Employee Benefit Plans—2006 Equity and Incentive Plan—Equitable Adjustments to Outstanding Cendant Equity-Based Awards").

Insurance. The Separation and Distribution Agreement will provide for the allocation among the parties of benefits under existing insurance policies for occurrences prior to each separation and sets forth procedures for the administration of insured claims. In addition, the agreement will allocate among the parties the right to proceeds and the obligation to incur deductibles under certain insurance policies. In addition, the Separation and Distribution Agreement provides that Cendant will obtain, subject to the terms of the agreement, certain directors and officers insurance policies and error and omissions run-off insurance policies to apply against certain pre-separation claims, if any.

Dispute Resolution. In the event of any dispute arising out of the Separation and Distribution Agreement, the general counsels of the parties will negotiate for a reasonable period of time to resolve any disputes among the parties. If the parties are unable to resolve disputes in this manner, the disputes will be resolved through binding arbitration.

Other Matters Governed by the Separation and Distribution Agreement. Other matters governed by the Separation and Distribution Agreement include access to financial and other information, intellectual property, confidentiality, access to and provision of records and treatment of outstanding guarantees and similar credit support.

Tax Sharing Agreement

Before our separation from Cendant, we will enter into a Tax Sharing Agreement with Cendant, Realogy and Travelport that generally will govern the other separated companies' and our respective rights, responsibilities and obligations after the distribution with respect to taxes, including ordinary course of business taxes and taxes, if any, incurred as a result of any failure of the distributions of all of the stock of Realogy or Wyndham Worldwide (or Travelport if the sale of Travelport is not completed and the common stock of Travelport is distributed) to qualify as a tax-free distribution for U.S. federal income tax purposes within the meaning of Section 355 of the Code. Under the Tax Sharing Agreement, we expect, with certain exceptions, that:

- for taxable years ending on or before December 31, 2006, (i) we generally will be responsible for the payment of income and non-income taxes attributable to our operations that we currently are obligated to pay on a separate return basis (i.e., not as part of a group of which Cendant is the common parent); (ii) each of Realogy, Travelport and Cendant generally will be responsible for the payment of income and non-income taxes attributable to its (or its subsidiaries') operations that such company (or its subsidiaries) currently is obligated to pay on a separate return basis (i.e., not as part of a group of which

Cendant is the common parent); (iii) we generally will be responsible for the payment of 37.5% (or 30% if the sale of Travelport is not completed and the common stock of Travelport is distributed) of all income and non-income taxes imposed on Cendant and certain other subsidiaries, the operations (or former operations) of which were determined by Cendant not to relate specifically to its Vehicle Rental business or the businesses of Wyndham Worldwide, Realogy and Travelport or their respective subsidiaries; and (iv) Realogy generally will be responsible for the payment of 62.5% (or 50% and 20% for Realogy and Travelport, respectively, if the sale of Travelport is not completed and the common stock of Travelport is distributed), respectively, of all income and non-income taxes imposed on Cendant and certain other subsidiaries the operations (or former operations) of which were determined by Cendant not to relate specifically to its Vehicle Rental business and the businesses of Wyndham Worldwide, Realogy and Travelport or their respective subsidiaries,

- subject to certain exceptions, audits relating to Cendant and certain other subsidiaries the operations (or former operations) of which were determined by Cendant not to relate specifically to the businesses of Wyndham Worldwide, Realogy, Travelport, the Vehicle Rental business or their respective subsidiaries for taxable years ending on or before December 31, 2006, will be settled by Cendant in the sole discretion of Realogy (or at the direction of a majority of Wyndham Worldwide, Realogy and Travelport if the sale of Travelport is not completed and the common stock of Travelport is distributed) the Tax Sharing Agreement also requires Wyndham Worldwide and Realogy to indemnify Cendant in the event that the settlement of any such audits results in adverse tax consequences to Cendant relating to periods beginning after December 31, 2006 (such indemnity to be shared between Wyndham Worldwide and Realogy on a 37.5% and 62.5% basis, respectively, or between Wyndham Worldwide, Realogy and Travelport on a 30%, 50% and 20% basis, respectively, if the sale of Travelport is not completed and the common stock of Travelport is distributed); and
- for taxable years beginning on or after January 1, 2007, Wyndham Worldwide generally will be responsible for the payment of income and non-income taxes imposed on Wyndham Worldwide and its direct or indirect subsidiaries.

Notwithstanding the foregoing, we expect that, under the Tax Sharing Agreement, Wyndham Worldwide also generally will be responsible for the payment of any taxes imposed on Cendant that arise from the failure of the distribution of the stock of Wyndham Worldwide to qualify as a tax-free distribution for U.S. federal income tax purposes within the meaning of Section 355 of the Code, if such failure to qualify is attributable to the actions of or transactions undertaken by Wyndham Worldwide or its direct or indirect subsidiaries after the separation. In addition, we generally will be responsible for the payment of 37.5% (or 30% if the sale of Travelport is not completed and the common stock of Travelport is distributed) of any taxes imposed on Cendant that arise from the failure of the distribution of the stock of Wyndham Worldwide and Realogy (or Travelport, if the sale of Travelport is not completed and the common stock of Travelport is distributed), in each case, to qualify as a tax-free distribution for U.S. federal income tax purposes within the meaning of Section 355 of the Code, if such failure to qualify is not attributable to the actions of or transactions undertaken by us, any of the other separated companies, or our or their direct or indirect subsidiaries after the separation. The Tax Sharing Agreement also is expected to impose restrictions on our and Cendant's ability to engage in certain actions following our separation from Cendant and to set forth the respective obligations among us, Cendant and the other separated companies with respect to the filing of tax returns, the administration of tax contests, assistance and cooperation and other matters.

Commercial Intercompany Arrangements with Cendant and its Subsidiaries

We have commercial arrangements with Cendant's other business units. The arrangements we have that will be continuing after our separation from Cendant are described below. Although we believe that these agreements are substantially similar to those we would have entered into with unaffiliated third parties, there can be no assurance that the terms of these agreements are the same or more or less favorable than the terms we might have received from unaffiliated third parties.

Distribution Agreements

We have agreements with certain subsidiaries of Travelport pursuant to which we provide Travelport with certain of our products and services, such as hotel room inventory from our lodging business and inventory from our vacation exchange and rental business, for distribution through the various distribution channels of Travelport, including its global distribution system. Generally, these agreements extend for an initial term of one to four years unless terminated earlier in accordance with the terms of the applicable agreement. We have paid approximately $6 million, $3 million and $3 million in 2005, 2004 and 2003, respectively, with respect to these agreements, and we have received approximately $338,000 and $109,000 in 2005 and 2004, respectively, and less than $1,000 in 2003, with respect to these agreements.

Marketing Agreements

We have marketing agreements with Cendant's Vehicle Rental business pursuant to which the Vehicle Rental business markets certain of its products and services to our customers through the transfer of interested callers to certain designated call centers of the Vehicle Rental business, and we market certain of our products and services to the customers of the Vehicle Rental business through the transfer of interested callers to certain of our designated call centers. The Vehicle Rental business pays us commissions on a per transfer basis with respect to transfers we provide to it, and we pay the Vehicle Rental business commissions on a per transfer basis with respect to transfers it provides to us. Generally, these agreements extend for an initial term of one to two years unless terminated earlier in accordance with the terms of the applicable agreement. We have paid to the Vehicle Rental business approximately $1 million, $276,000 and $71,000 in 2005, 2004 and 2003, respectively, with respect to these agreements, and we have received from the Vehicle Rental business approximately $48,000, $65,000 and $82,000 in 2005, 2004 and 2003, respectively, with respect to these agreements.

In addition, our vacation ownership business has an agreement with Cendant's Vehicle Rental business pursuant to which the Vehicle Rental business has the opportunity to establish a desk and offer car rental services to guests staying at certain resorts of our vacation ownership business, and our vacation ownership business has the opportunity to establish a desk at certain Vehicle Rental business locations for the purpose of marketing its products and services to customers of the Vehicle Rental business. The Vehicle Rental business will pay a monthly fee to our vacation ownership business for each car rental desk located at a property of our vacation ownership business, and our vacation ownership business will pay a monthly fee to the Vehicle Rental business for each vacation ownership desk located at a Vehicle Rental business location. This agreement extends for an initial term of five years unless terminated earlier in accordance with the terms of the agreement. Because payments under this agreement depend on each party's exercising its right to establish desks in the locations of the other party, we cannot currently estimate the payments we will make and receive under this agreement.

Affinity and Promotion Agreements

We have agreed to promote the products and services of Realogy and Cendant's Vehicle Rental business to our franchisees, customers and employees, as applicable, through various forms of advertising and media, including but not limited to brochures, newsletters and presentations at various conferences, and those businesses have agreed to promote our products and services in a similar manner. These agreements generally extend for an initial term of one to four years unless terminated earlier in accordance with the terms of the applicable agreement. We have received from Realogy approximately $174,000, $194,000 and $30,000 in 2005, 2004 and 2003, respectively, with respect to these agreements. We have received from the Vehicle Rental business approximately $737,000, $566,000 and $687,000 in 2005, 2004 and 2003, respectively, with respect to these agreements.

In addition, we have an agreement with Realogy pursuant to which Realogy permits our vacation exchange business to market reduced cost vacation certificates to its franchisees. Our vacation exchange business pays to Realogy a per certificate commission for each certificate purchased by a franchisee. This agreement extends for a

term of one year unless terminated earlier in accordance with the terms of the agreement. We have paid approximately $160,000, $144,000 and $85,000 in 2005, 2004 and 2003, respectively, with respect to this agreement.

We also have an agreement with Travelport pursuant to which our vacation ownership business can promote its products and services to customers accessing various consumer travel websites of Travelport's businesses. These promotions may include vouchers redeemable for designated theme park attraction tickets. Our vacation ownership business pays a commission to Travelport based on the number of vouchers issued and redeemed. This agreement terminates on December 31, 2006 unless terminated earlier in accordance with the terms of the agreement. We have paid approximately $162,000, $135,000 and $100,000 in 2005, 2004 and 2003, respectively, with respect to this agreement.

Reservation Services Agreements

We receive certain reservation support services, such as global distribution system subscriber access, airline ticketing and foreign language reservation services, from certain subsidiaries of Travelport. In addition, we receive certain vehicle rental reservation services from Cendant's Vehicle Rental business. Generally, these agreements extend for an initial term of one to three years unless terminated earlier in accordance with the terms of the applicable agreement. We have paid to Travelport approximately $1 million, $916,000 and $1 million in 2005, 2004 and 2003, respectively, with respect to these agreements. We have paid to Cendant's Vehicle Rental business approximately $2 million in each of 2005, 2004 and 2003 with respect to these agreements.

In addition, we provide, through our vacation exchange business in Europe, certain reservation support services to Travelport and Cendant Mobility, Realogy's corporate relocation services business, which is expected to be renamed Cartus Corporation in May 2006, and which is referred to as Cartus throughout this information statement, with respect to their employees' business travel needs. Generally, these agreements extend indefinitely unless terminated earlier in accordance with the terms of the applicable agreement. We have received from Travelport approximately $2 million, $2 million and $1 million in 2005, 2004 and 2003, respectively, with respect to these agreements. We have received from Cartus approximately $729,000, $665,000 and $237,000 in 2005, 2004 and 2003, respectively, with respect to these agreements.

Corporate Relocation Services Agreement

We have agreed to continue to outsource to Cartus our employee relocation services, including relocation policy management, household goods moving services and departure and destination real estate related services. Pursuant to such agreement, we will pay a fee for each relocating employee as well as reimbursement for direct costs associated with the relocation. The agreement extends indefinitely unless terminated earlier in accordance with the terms of the agreement. We paid approximately $453,000, $307,000 and $508,000 for use of these services in 2005, 2004 and 2003, respectively. Our payments to Cartus for subsequent periods will be based on the extent to which we use these services in the future.

Commercial Real Estate Brokerage Agreement

We have agreed to continue to utilize Realogy's commercial real estate brokerage network to provide certain real estate related services, such as transaction management, acquisition and disposition services, broker price opinions, renewal due diligence and portfolio review. The agreement extends for an initial term of three years unless terminated earlier in accordance with the terms of the agreement. We do not directly compensate Realogy for these commercial real estate brokerage transactions which utilize their franchisees; however, Realogy does receive revenue in the form of royalty payments made by their commercial real estate brokerage franchisees on such transactions. In certain circumstances, Realogy-owned brokerage operations may provide the ultimate service.

Corporate Travel Agreement

We have entered into an agreement with a subsidiary of Travelport to continue to utilize the business' corporate travel management services, which include full-service ticketing and fulfillment services, a custom- configured corporate on-line booking tool and access to a corporate travel call center. The agreement extends for an initial term of three years unless terminated earlier by either party in accordance with the terms of the agreement. We paid approximately $365,000 and $124,000 for use of these services in 2005 and 2004, respectively. Corporate travel services were not provided through Travelport in 2003.

Car Rental Rate Agreements

We have agreed to designate Cendant's car rental brands, Avis and Budget, as the exclusive primary and secondary suppliers, respectively, of car rental services for our employees. These agreements provide for negotiated car rental rates and discounts for both business and leisure travel in domestic and international locations where Avis and Budget operate. The agreements extend for an initial term of three years unless terminated earlier by either party in accordance with the terms of the agreement. We paid Cendant's Vehicle Rental business approximately $1 million for use of its car rental services in each of 2005, 2004 and 2003.

Commercial Intercompany Arrangements with Former Cendant Affiliates

Marketing Services Division

In October 2005, Cendant sold the companies that made up its Marketing Services division business, or MSD. We are a party to a number of commercial arrangements with the MSD companies pursuant to which we each provide the other with certain services and each market or otherwise make available certain of our products and services to customers of the other. Services arrangements include (i) the loyalty program agreements, pursuant to which MSD's loyalty solutions subsidiary administers our TripRewards and RCI Elite Rewards loyalty programs; and (ii) travel agency services agreements, pursuant to which MSD provides our vacation exchange business with travel agency services in the United States, and our vacation exchange business provides MSD with travel agency services in certain European countries. Marketing arrangements include (i) marketing agreements, pursuant to which MSD may market their products and services to customers of our lodging and vacation exchange businesses through several channels; and (ii) a rate discount agreement, pursuant to which our lodging business provides MSD with certain discounted room rates that MSD may offer to certain of its customers. The initial terms of these agreements generally extend for three to five years unless terminated by either party in accordance with the terms of those agreements. With respect to the services arrangements, the parties typically pay each other for services provided, and with respect to the marketing arrangements, the parties typically pay each other commissions, either based on customers referred or products and services sold. In addition, prior to the sale of MSD, we shared space and services with MSD in certain international locations. We continue such an arrangement with respect to our Brussels, Belgium location pursuant to a license agreement expiring on March 31, 2013. We have paid approximately $37 million, $20 million and $11 million in 2005, 2004 and 2003, respectively, with respect to these agreements, and we have received approximately $5 million, $4 million and $4 million in 2005, 2004 and 2003, respectively, with respect to these agreements.

Transition Services Agreement

Transition Services Provided by Cendant and the Other Separated Companies to Us

Prior to the separation of Realogy from Cendant, we will enter into a Transition Services Agreement with Cendant, Realogy and Travelport to provide for an orderly transition to being an independent company. Under the Transition Services Agreement, Cendant will agree to provide us with various services, including services relating to human resources and employee benefits, payroll, financial systems management, treasury and cash management, accounts payable services, telecommunications services and information technology services. In certain cases, services provided by Cendant under the Transition Services Agreement may be provided by one of the separated companies following the date of such company's separation from Cendant.

Under the Transition Services Agreement, the cost of each transition service will generally reflect the same payment terms and will be calculated using the same cost allocation methodologies for the particular service as those associated with the costs on our historical financial statements. The cost of each transition service will be based on either a flat fee or an allocation of the cost incurred by the company providing the service. The Transition Services Agreement is being negotiated in the context of a parent-subsidiary relationship and in the context of the separation of Cendant into four independent companies. Unless specifically indicated below, all services to be provided under the Transition Services Agreement will be provided for a specified period of time, and the parties' abilities to terminate those services in advance without penalty will be limited. After the expiration of the arrangements contained in the Transition Services Agreement, we may not be able to replace these services in a timely manner or on terms and conditions, including cost, as favorable as those we have received from Cendant or one of the newly separated companies. We are developing a plan to increase our own internal capabilities in the future to reduce our reliance on Cendant for these services. We will have the right to receive reasonable information with respect to the charges to us by Cendant and other service providers for transition services provided by them.

The following sets forth a summary of the services that will be provided to us by Cendant or the other separated companies under the Transition Services Agreement and the manner of allocation of costs to us for these services. Also set forth is a description of payments made for such services for the preceding three fiscal years. We believe these allocations approximate the actual costs to provide these services.

Human Resources and Employee Benefits. Cendant provides us with human resources services and related technology solutions and administers Cendant's compensation, retirement and benefits plans in which we participate. After our separation from Cendant, we will establish our own 401(k), life insurance and accidental death and dismemberment insurance benefit plans, among others. Under the Transition Services Agreement, Cendant will continue to provide human resources and employee benefits services to support both our existing and newly established plans and programs until December 31, 2006. Cendant has allocated certain of the costs of human resources services (other than those costs related to human resource-related technology solutions) to us based on the number of our employees. After our separation from Cendant, these costs will be allocated to us in this manner under the Transition Services Agreement. For 2005, 2004 and 2003, Cendant allocated the costs of human resource-related technology solutions to us through our share of Cendant's general corporate overhead, which is discussed below. Following our separation from Cendant, these costs will be allocated to us based on the number of our employees. Our allocated share of the costs of these services was approximately $3 million, $2 million and $3 million in 2005, 2004 and 2003, respectively.

Payroll. Cendant provides us with payroll management services. Under the Transition Services Agreement, Cendant will continue to provide such services through December 31, 2006, with the possibility of extension through June 30, 2007. In addition, the Transition Services Agreement will include provisions for tax filings and the distributions of W-2s to our employees for the 2006 tax year. Cendant has allocated the costs of payroll management services to us based on the number of our employees. After our separation from Cendant, these costs will be allocated to us in this manner under the Transition Services Agreement. In addition, we will pay Cendant a one-time management fee of $50,000 to manage the transition of our payroll processing to a third- party provider. Our allocated share of the costs of these services was approximately $1 million in each of 2005, 2004 and 2003.

Financial Systems Management. Cendant provides us with financial systems management. Under the Transition Services Agreement, Cendant will continue to provide us with financial systems management for a period of six months from the date of our separation. For 2005, 2004 and 2003, Cendant allocated the cost of these services to us through our share of Cendant's general corporate overhead, which is discussed below. After our separation from Cendant, these costs will be allocated to us under the Transition Services Agreement based on resources used and time spent for support services. Following our separation from Cendant, we may need to purchase from various third parties new licenses for software licensed from such parties that we may require to operate our financial management systems.

Treasury and Cash Management. Cendant provides us with our treasury and cash management services. For 2005, 2004 and 2003, Cendant allocated the costs of these services to us through our share of Cendant's general corporate overhead, which is discussed below, and also based on resources used and time spent in providing such services. After our separation from Cendant, we will generally maintain the resources within our own operations to provide these services, with the exception of certain limited treasury and cash management services that Cendant and Travelport will provide to us on an as needed basis through January 31, 2007. We will be responsible for the actual cost of these transition services. Our allocated share of costs for these services was approximately $357,000, $312,000 and $162,000 in 2005, 2004 and 2003, respectively.

Accounts Payable Services. Cendant provides us with management of our accounts payable processing. Under the Transition Services Agreement, Cendant will continue to provide us with management of such processing through December 31, 2006. Cendant has allocated the costs of this service to us based on the number of transactions it has processed for us. After our separation from Cendant, these costs will be allocated to us in this manner under the Transition Services Agreement. Our allocated share of costs for this service was approximately $1 million in each of 2005, 2004 and 2003.

Telecommunications and Information Technology Services. Cendant provides us with both (i) telecommunications services, including our local and long distance rate per minute charges, through arrangements it has with third-party providers and (ii) certain information technology support, software, hardware and services, primarily at or from Cendant's data center in Greenwood Village, Colorado, and generally through contracts with its third-party licensors and hardware and service providers. Cendant and its third-party contractors and providers will continue providing information technology services and telecommunication services for varying periods (up to two years, with respect to information technology services, and until certain third-party contracts expire with respect to telecommunications services). Subject to any potential third-party contractual limitations and/or termination restrictions or penalties, we may terminate the provision of these services upon 90 days' prior written notice to Cendant. In such event, we would be responsible for the repayment to Cendant of any unamortized computer hardware service charges and software charges and other associated transition and early termination payments. Cendant has allocated the costs for these services to us based on our actual usage and pre-determined rates and the level of support we receive from Cendant and its service providers. After our separation from Cendant, these costs will be allocated to us in this manner under the Transition Services Agreement. Our allocated share of the costs for these services was approximately $29 million, $23 million and $21 million in 2005, 2004 and 2003, respectively.

Corporate Real Estate. Cendant provides us with corporate real estate services, including construction management and finance services. After our separation from Cendant, Cendant and Travelport will continue to provide certain of these services to us until June 30, 2007. Cendant has allocated the costs of these services to us based on the number of locations and related square footage we maintain. After our separation from Cendant, these costs will be allocated to us in this manner under the Transition Services Agreement. Our allocated share of costs for these services was approximately $500,000, $400,000 and $400,000 in 2005, 2004 and 2003, respectively.

Media Services. Cendant provides us with media planning and advertising buying services. We pay advertising costs directly to the third-party vendors. In addition, Cendant allocates the costs of managing these third-party vendor agreements to us through our share of Cendant's general corporate overhead, which is discussed below. Following the separation of Realogy from Cendant, Realogy will continue to provide these services to us through 2007 on similar economic terms. We will need to negotiate our own agreements with media vendors following the expiration of Realogy's provision of the services.

Event Marketing. Cendant provides us with event marketing services, such as arranging annual franchise sales meetings, corporate meetings and other events. Following Realogy's separation from Cendant, Realogy will provide us with these services through our last corporate event of 2007. Cendant has allocated the costs for these services to us based on the number of meetings and the number of attendees at meetings planned by us. After our

separation from Cendant, these costs will be allocated to us in this manner under the Transition Services Agreement. Our allocated share of the costs for these services was approximately $400,000, $100,000 and $300,000 in 2005, 2004 and 2003, respectively.

Public and Regulatory Affairs. Cendant provides us with public and regulatory affairs services, including governmental affairs. Following Realogy's separation from Cendant, Realogy will provide us with these services until December 31, 2007. Cendant allocated the costs of these services to us through our share of Cendant's general corporate overhead, which is discussed below. After our separation from Cendant, these costs will be allocated to us based on resources used and time spent in providing such services.

Transition Services Provided by Us to Cendant and the Other Separated Companies

In connection with our separation from Cendant, portions of certain operations previously provided by Cendant to us and to Cendant's other subsidiaries will be transferred to us. These operations include certain aspects of the corporate facilities and real estate functions. As a result, pursuant to the Transition Services Agreement, we may provide these services to Cendant, Realogy and Travelport for a period of time following the distribution as described below.

Facilities. We will provide Realogy, Cendant and Travelport with facilities services, including space planning and property management, until December 31, 2006. We will allocate the costs of these services under the Transition Services Agreement based on resources used and time spent in providing such services.

Corporate Real Estate. We will provide Cendant and Travelport with certain corporate real estate services, including transaction and construction management services, until June 30, 2007. We will allocate the costs of these services under the Transition Services Agreement based on resources used and time spent in providing such services.

Allocation of Certain Costs

True-Up. With respect to certain of the services described above, if the actual cost to the service provider of providing such services is different than the costs allocated to a service recipient pursuant to the Transition Services Agreement, the service provider or service recipient, as applicable, will reimburse the other party so that the amount ultimately paid for such services reflects the actual cost.

Severance. When the employment of certain employees providing transition services is terminated, the service recipients that had received services from such employees will reimburse the service provider for any severance costs payable to such employees, except in certain circumstances.

Other Intercompany Relationships between Cendant, the Other Separated Companies and Us

Intercompany Balances

We have an intercompany balance due from Cendant, which equaled $1,126 million as of December 31, 2005. Such balance will be settled pursuant to the Separation and Distribution Agreement, and it is expected that substantially all of such balance will no longer be outstanding following our separation. See "Agreements with Cendant, Realogy and Travelport—Separation and Distribution Agreement."

Franchise Agreement Guarantees

Regulations applicable to the offer and sale of franchises require the inclusion of audited financial statements in offering materials delivered to prospective franchisees. As a division of Cendant, we did not have our own audited financial statements. Therefore, Cendant's audited financial statements, and its guarantee of our obligations under the franchise agreements associated with such offering materials, were included in the offering

materials to satisfy the regulations and will remain in place until the underlying franchise agreements expire over the next twenty years. Accordingly, Cendant historically has guaranteed the performance of our obligations to our franchisees under our franchise agreements. Following our separation from Cendant, we will include our own audited financial statements in the franchise offering materials, and Cendant will no longer provide these guarantees in connection with franchise agreements entered into or replaced after completion of our separation from Cendant.

Travel Authority and Association Guarantees

Certain travel authorities and associations require certain subsidiaries of our vacation exchange and rental business selling travel products and services to obtain bank guarantees to guarantee such subsidiaries' payment obligations to travel consumers and suppliers. The banks supplying such guarantees typically require Cendant to guarantee the subsidiaries' obligation to repay the banks if a travel authority or association requests payment under a bank guarantee. Cendant will no longer provide such guarantees following the completion of our separation from Cendant.

Subleases and Related Guarantees

Domestically, Cendant has allocated to us the cost of occupying approximately 200,000 rentable square feet within its One Campus Drive and One, Seven and Ten Sylvan Way offices for our corporate, lodging franchise, vacation exchange and rental, and vacation ownership operations in Parsippany, New Jersey, and approximately 3,000 square feet in its Mission Viejo, California space for our vacation ownership operations. We pay, or are allocated by, Cendant rent for the Parsippany, New Jersey and Mission Viejo, California locations. We also pay for cafeteria, maintenance and security services. Our rent and related costs under these arrangements were $5 million in each of 2005, 2004 and 2003. The One and Seven Sylvan Way leases will be assigned to us at the time of our separation from Cendant. We expect to enter into a short-term sublease with Travelport at the Seven Sylvan Way location through June 30, 2007. With respect to the One Campus Drive and Ten Sylvan Way facilities, we expect to enter into short-term sublease arrangements with Realogy and Cendant, respectively, which will permit our personnel to occupy a total of approximately 64,500 rentable square feet of space through June 30, 2007 and June 30, 2008, respectively. We have entered into a sublease arrangement with Realogy, as sublessor, at the Mission Viejo location through the prime lease termination date on September 30, 2013. In 2005, we began sharing space in Rosemont, Illinois with Travelport, for which we paid rent and related costs of $121,000 in 2005. We will continue to sublease this facility from Travelport through June 30, 2010. In addition, we previously shared two additional spaces in Atlanta, Georgia and Dallas, Texas with Realogy pursuant to which we were charged $286,000, $279,000 and $278,000 in 2005, 2004 and 2003, respectively. We are currently in the process of relocating our Atlanta-based functions to a new facility. The Dallas, Texas location is currently vacant, and the lease will expire on May 31, 2007.

Internationally, we have shared space in Hammersmith, United Kingdom with Realogy and in Brussels, Belgium; Hammersmith, United Kingdom; Basserdorf, Switzerland and Singapore with Travelport. We received rent and related payments with respect to these facilities (other than the Basserdorf location) from Realogy in the amount of $85,000 in 2005 and from Travelport in the amounts of $520,000, $204,000 and $204,000 in 2005, 2004 and 2003, respectively. With respect to the Basserdorf location, we entered into this arrangement in 2006; therefore we did not make any payments prior to that year. In connection with the separation of Realogy from Cendant, we entered into sublease arrangements regarding the Hammersmith facility, pursuant to which we will sublease a portion of that facility to Realogy until 2012. In addition, we will enter into sublease arrangements regarding the Singapore and Brussels facilities, pursuant to which we will sublease a portion of those facilities to Travelport until 2007 and 2013, respectively. We also will enter into a sublease arrangement for the Basserdorf location, pursuant to which Travelport will act as the sublessor to us through January 31, 2007. We also shared a contact center facility in Saint John, New Brunswick, Canada with other Cendant subsidiaries. We paid $1 million, $1 million and $800,000 in 2005, 2004 and 2003, respectively, to Cendant for use of that space. In connection with our separation from Cendant, we will assume the lease for this facility as described below.

Finally, we occupy space on an exclusive basis in approximately 36 other locations under leases that are currently in Cendant's name. At the time of our separation from Cendant, Cendant will assign these leases to us on an exclusive basis. Our rent and related costs under these agreements were $11 million, $9 million and $6 million in 2005, 2004 and 2003, respectively.

Cendant will remain liable to landlords for lease obligations pursuant to either guaranty agreements or the assignment provisions of those leases assigned by Cendant to us, subject to applicable law and the express terms of relevant documents including any landlord release. Estimated liabilities associated with these obligations will decline over the average remaining term of five years.

Preferred Alliance with Suppliers

We participate in Cendant's preferred alliance programs pursuant to which we designate to franchisees and other third parties various suppliers for particular goods and services. In connection with such programs, Cendant may earn a commission on goods and services purchased from certain preferred vendors under those programs. We expect that the third-party agreements where we, and not Cendant or one of its other affiliates, are the primary participant to the relevant agreement will be assigned to us by Cendant prior to our separation from Cendant. We expect that the third-party agreements where both we and other Cendant companies are covered by a single agreement will be assigned to us or amended to enable us to become a party to a separate but identical agreement with the third-party vendor. For 2005, 2004 and 2003, Cendant allocated the costs of administration of the preferred alliance programs to us through our share of Cendant's general corporate overhead, which is discussed below.

Revenue Audit Services

Cendant provided us with revenue audit services by internal auditors through December 31, 2005. Cendant has allocated the costs of these services to us based on the number of audits performed on our business. Our allocated share of the costs for these services was $800,000 in each of 2005, 2004 and 2003. Since January 2006, we moved the function within our own operations to provide these services, and, as such, Cendant will no longer bill us for these services.

Insurance

We have paid, and currently pay, Cendant for a variety of insurance policies. These insurance policies include executive risk coverage, property and casualty, workers compensation, umbrella liability insurance and losses from crime. Cendant generally has allocated the costs of the insurance policies to us based on the number of our employees. We will be required to purchase our own insurance policies upon consummation of our separation from Cendant. Our insurance in the future will be significantly more expensive than the current insurance costs allocated to us by Cendant. Our allocated share of the costs of insurance policies was $10 million, $9 million and $6 million in 2005, 2004 and 2003, respectively. In addition, costs for our directors and officers insurance in 2005, 2004 and 2003 were included in our share of Cendant's general corporate overhead, which is discussed below. We expect our annual costs for insurance policies to increase by approximately $6 million, primarily due to the purchase of directors and officers insurance and errors and omissions insurance.

General Corporate Overhead

In addition to the services discussed above for which costs are directly allocated to us by Cendant, certain corporate services are charged to us through Cendant's general corporate overhead allocation, which is calculated based on a percentage of our revenues. These services include certain of the services discussed above, which will be provided to us as transition services for a period of time following our separation from Cendant and services, such as corporate purchasing, that we will have to secure for ourselves following the end of the transition services period. Our share of the general corporate overhead was $36 million, $30 million and $29 million in 2005, 2004 and 2003, respectively.

Litigation For Which We Have Assumed Liability Pursuant to the Separation and Distribution Agreement

Pursuant to the Separation and Distribution Agreement, we agreed to be responsible for 37.5% (or 30% if the sale of Travelport is not completed) of the contingent and other corporate liabilities (and related costs and expenses) related to the Cendant litigation described in the "Business—Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Legal Proceedings—Legal—Cendant Corporate Litigation" section, included elsewhere in this information statement.

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of information concerning our capital stock. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of our amended and restated certificate of incorporation or of our amended and restated by-laws. The summary is qualified in its entirety by reference to these documents, which you must read for complete information on our capital stock. Our amended and restated certificate of incorporation and by-laws are included as exhibits to our registration statement on Form 10.

Distributions of Securities

In the past three years, we have not sold any securities, including sales of reacquired securities, new issues, securities issued in exchange for property, services or other securities and new securities resulting from the modification of outstanding securities, that were not registered under the Securities Act of 1933, as amended.

Common Stock

Immediately following the distribution, our authorized capital stock will consist of up to 600 million shares of common stock, par value $0.01 per share.

Shares Outstanding. Immediately following the distribution, we expect that approximately 200 million shares of our common stock will be issued and outstanding, based upon approximately one billion shares of Cendant common stock outstanding as of June 29, 2006, and assuming no exercise of Cendant options, and applying the distribution ratio of one share of our common stock for every five shares of Cendant common stock held as of the record date.

Dividends. Subject to prior dividend rights of the holders of any preferred shares, holders of shares of our common stock are entitled to receive dividends when, as and if declared by our Board of Directors out of funds legally available for that purpose.

Voting Rights. Each share of common stock is entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of our common stock do not have cumulative voting rights. In other words, a holder of a single share of common stock cannot cast more than one vote for each position to be filled on our Board. A consequence of not having cumulative voting rights is that the holders of a majority of the shares of common stock entitled to vote in the election of directors can elect all directors standing for election, which means that the holders of the remaining shares will not be able to elect any directors.

Other Rights. In the event of any liquidation, dissolution or winding up of our company, after the satisfaction in full of the liquidation preferences of holders of any preferred shares, holders of shares of our common stock are entitled to ratable distribution of the remaining assets available for distribution to stockholders. The shares of our common stock are not subject to redemption by operation of a sinking fund or otherwise. Holders of shares of our common stock are not currently entitled to pre-emptive rights.

Fully Paid. The issued and outstanding shares of our common stock are fully paid and non-assessable. This means the full purchase price for the outstanding shares of our common stock has been paid and the holders of such shares will not be assessed any additional amounts for such shares. Any additional shares of common stock that we may issue in the future will also be fully paid and non-assessable.

Preferred Stock

We are authorized to issue up to 6 million shares of preferred stock, par value $0.01 per share. Our Board, without further action by the holders of our common stock, may issue shares of our preferred stock. Our Board is vested with the authority to fix by resolution the designations, preferences and relative, participating, optional or other special rights, and such qualifications, limitations or restrictions thereof, including, without limitation,

redemption rights, dividend rights, liquidation preference and conversion or exchange rights of any class or series of preferred stock, and to fix the number of classes or series of preferred stock, the number of shares constituting any such class or series and the voting powers for each class or series.

The authority possessed by our Board to issue preferred stock could potentially be used to discourage attempts by third-parties to obtain control of our company through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. Our Board may issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock. Except as described below, there are no current agreements or understandings with respect to the issuance of preferred stock and our Board has no present intention to issue any shares of preferred stock. As of the completion of the distribution, [ ] million shares of our Series A junior participating preferred stock will be reserved for issuance upon exercise of our preferred stock purchase rights (see "—Rights Plan").

Rights Plan

We expect our Board will adopt a rights agreement, with Mellon Investor Services as rights agent, on or prior to the distribution date. Pursuant to the rights agreement, one preferred stock purchase right will be issued for each outstanding share of our common stock. Each right issued will be subject to the terms of the rights agreement.

Our Board believes that the rights agreement will protect our stockholders from coercive or otherwise unfair takeover tactics. In general terms, our rights agreement works by imposing a significant penalty upon any person or group that acquires 15% or more of our outstanding common stock without the approval of our Board.

We provide the following summary description below. Please note, however, that this description is only a summary, is not complete, and should be read together with our entire rights agreement, which has been filed as an exhibit to the registration statement of which this information statement forms a part.

The Rights. Our Board will authorize the issuance of one right for each share of our common stock outstanding on the date the distribution is completed.

Our rights will initially trade with, and will be inseparable from, our common stock. Our rights will not be represented by certificates. New rights will accompany any new shares of common stock we issue after the date the separation is completed until the date on which the rights are separated from our common stock and exercisable as described below.

Exercise Price. Each right will allow its holder to purchase from us one one-thousandth of a share of our Series A junior participating preferred stock, which we refer to as our preferred stock, for $150, once the rights become separated from our common stock and exercisable. Prior to its exercise, a right does not give its holder any dividend, voting or liquidation rights.

Exercisability. Each right will not be separated from our common stock and exercisable until:

- ten business days (or a later date determined by our Board before the rights are separated from our common stock) after the public announcement that a person or group has become an "acquiring person" by acquiring beneficial ownership of 15% or more of our outstanding common stock or, if earlier,
- ten business days (or a later date determined by our Board before the rights are separated from our common stock) after a person or group begins a tender or exchange offer that, if completed, would result in that person or group becoming an acquiring person.

Until the date the rights become exercisable, book-entry ownership of our common stock will evidence the rights, and any transfer of shares of our common stock will constitute a transfer of the rights associated with the shares of common stock. After the date the rights separate from our common stock, our rights will be evidenced by book-entry credits. Any of our rights held by an acquiring person will be void and may not be exercised.

Consequences of a Person of Group Becoming an Acquiring Person.

- *Flip In*. If a person or group becomes an acquiring person, all holders of our rights except the acquiring person may, for the then applicable exercise price, purchase shares of our common stock with a market value of twice the then applicable exercise price, based on the market price of our common stock prior to such acquisition.
- *Flip Over*. If we are acquired in a merger or similar transaction after the date the rights become exercisable, all holders of our rights except the acquiring person may, for the then applicable exercise price, purchase shares of the acquiring corporation with a market value of twice the then applicable exercise price, based on the market price of the acquiring corporation's stock prior to such merger.

Expiration. Our rights plan contains a so-called "sunset provision," pursuant to which the continuation of this rights plan will be submitted to a vote of our stockholders at the 2008 annual meeting of our stockholders. If our stockholders do not approve the continuation of this rights plan by a vote of the majority of the shares present and entitled to vote at the meeting, these rights will expire. If our stockholders approve the continuation of this plan, these rights will expire on [ ], 2016.

Redemption. Our Board may redeem these rights for $0.001 per right at any time before a person or group becomes an acquiring person. If our Board redeems any of our rights, it must redeem all of our rights. Once our rights are redeemed, the only right of the holders of our rights will be to receive the redemption price of $0.001 per right. The redemption price will be adjusted if we have a stock split or issue stock dividends on our common stock.

Exchanges. After a person or group becomes an acquiring person, but before an acquiring person owns 50% or more of our outstanding common stock, our Board may extinguish these rights by exchanging one share of our common stock or an equivalent security for each right, other than rights held by the acquiring person.

Anti-Dilution Provisions. The purchase price for one one-thousandth of a share of our preferred stock, the number of shares of our preferred stock issuable upon the exercise of a right and the number of our outstanding rights may be subject to adjustment in order to prevent dilution that may occur from a stock dividend, a stock split or a reclassification of our preferred stock. No adjustments to the purchase price of our preferred stock will be required until the cumulative adjustments would amount to at least 1% of the purchase price.

Amendments. The terms this our rights agreement may be amended by us without the consent of the holders of our common stock. After the rights separate from our common stock and become exercisable, we may not amend the agreement in a way that adversely affects the interests of the holders of the rights.

Restrictions on Payment of Dividends

We are incorporated in Delaware and are governed by Delaware law. Delaware law allows a corporation to pay dividends only out of surplus, as determined under Delaware law.

Anti-takeover Effects of Our Stockholder Rights Plan, Our Certificate of Incorporation and By-laws and Delaware Law

Our stockholder rights plan and some provisions of our amended and restated certificate of incorporation and by-laws and of Delaware law could make the following more difficult:

- acquisition of us by means of a tender offer;
- acquisition of us by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

Our stockholder rights plan, which is summarized above, and these provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. The provisions summarized below are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unsolicited proposal to acquire or restructure us and outweigh the disadvantages of discouraging those proposals because negotiation of the proposals could result in an improvement of their terms.

Election and Removal of Directors

Our amended and restated certificate of incorporation and by-laws provide that our Board is divided into three classes. The term of the first class of directors expires at our 2007 annual meeting of stockholders, the term of the second class of directors expires at our 2008 annual meeting of stockholders and the term of the third class of directors expires at our 2009 annual meeting of stockholders. At each of our annual meetings of stockholders, the successors of the class of directors whose term expires at that meeting of stockholders will be elected for a three-year term, one class being elected each year by our stockholders. Our amended and restated certificate of incorporation and by-laws provide that our directors may only be removed for cause and only by the affirmative vote of the holders of at least 80% of the voting power of the then outstanding capital stock entitled to vote generally in the election of directors. This system of removing directors may discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of our Board.

Size of Board and Vacancies

Our amended and restated certificate of incorporation and by-laws provide that our Board may consist of no less than three and no more than 15 directors. The number of directors on our Board will be fixed exclusively by our Board, subject to the minimum and maximum number permitted by our amended and restated certificate of incorporation and by-laws. Newly created directorships resulting from any increase in our authorized number of directors will be filled by a majority of our Board then in office, provided that a majority of our entire Board, or a quorum, is present, and any vacancies in our Board resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled generally by the majority vote of our remaining directors in office, even if less than a quorum is present.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation and by-laws expressly eliminate the right of our stockholders to act by written consent. Stockholder action must take place at the annual or a special meeting of our stockholders.

Stockholder Meetings

Under our amended and restated certificate of incorporation and by-laws, only our chairman of our Board or our chief executive officer may call special meetings of our stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated by-laws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our Board or a committee of our Board.

Delaware Anti-takeover Law

Upon the distribution, we will be subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date such person becomes an interested

stockholder, unless the business combination or the transaction in which such person becomes an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person that, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by our Board and the anti-takeover effect includes discouraging attempts that might result in a premium over the market price for the shares of our common stock.

Supermajority Voting

Our amended and restated certificate of incorporation provides that amendments to provisions in the amended and restated certificate of incorporation relating to the general powers of our Board, the number, classes and tenure of directors, filling vacancies on our Board, removal of directors, limitation of liability of directors, indemnification of directors and officers, special meetings of stockholders, stockholder action by written consent, the supermajority amendment provision of the amended and restated by-laws and the supermajority amendment provision of the amended and restated certificate of incorporation will require the affirmative vote of the holders of at least 80% of the voting power of the shares entitled to vote generally in the election of directors. Our amended and restated certificate of incorporation and by-laws provide that amendments to the by-laws may be made either (i) by the affirmative vote of the at least a majority of our entire Board or (ii) by the affirmative vote of the holders of at least 80% of the voting power of the shares entitled to vote generally in the election of directors.

No Cumulative Voting

Our amended and restated certificate of incorporation and by-laws do not provide for cumulative voting in the election of directors.

Undesignated Preferred Stock

The authorization in our amended and restated certificate of incorporation of undesignated preferred stock makes it possible for our Board to issue our preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. The provision in our amended and restated certificate of incorporation authorizing such preferred stock may have the effect of deferring hostile takeovers or delaying changes of control of our management.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Mellon Investor Services.

NYSE Listing

We have applied to list our shares of common stock on the NYSE. We expect that our shares will trade under the ticker symbol "WYN."

Limitation on Liability of Directors and Indemnification of Directors and Officers

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed actions, suit or proceeding, whether civil, criminal, administrative or investigative, in which such person is made a party by reason of the fact that the person is or was a director, officer, employee or agent of the corporation (other than an action by or in the right

of the corporation—a "derivative action"), if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's by-laws, disinterested director vote, stockholder vote, agreement or otherwise.

Our amended and restated certificate of incorporation provides that no director shall be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation on liability is not permitted under the DGCL, as now in effect or as amended. Currently, Section 102(b)(7) of the DGCL requires that liability be imposed for the following:

- any breach of the director's duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; and
- any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation and by-laws provide that, to the fullest extent authorized or permitted by the DGCL, as now in effect or as amended, we will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person, or a person of whom he or she is the legal representative, is or was our director or officer, or by reason of the fact that our director or officer is or was serving, at our request, as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by us. We will indemnify such persons against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action if such person acted in good faith and in a manner reasonably believed to be in our best interests and, with respect to any criminal proceeding, had no reason to believe such person's conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such actions, and court approval is required before there can be any indemnification where the person seeking indemnification has been found liable to us. Any amendment of this provision will not reduce our indemnification obligations relating to actions taken before an amendment.

We intend to obtain policies that insure our directors and officers and those of our subsidiaries against certain liabilities they may incur in their capacities as directors and officers. Under these policies, the insurer, on our behalf, may also pay amounts for which we have granted indemnification to the directors or officers.

DESCRIPTION OF MATERIAL INDEBTEDNESS

New Borrowing Facilities

We entered into borrowing arrangements for a total of $2,000 million, comprised of a $300 million term loan facility, an $800 million interim loan facility and a $900 million revolving credit facility. At or prior to the distribution, we expect to draw $1,360 million against those facilities and issue approximately $70 million in letters of credit, leaving approximately $570 million available to provide liquidity for additional letters of credit and for working capital and ongoing corporate needs. All of the approximately $1,360 million of debt we expect to incur will be transferred to Cendant solely to repay a portion of Cendant's corporate debt (including its existing asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses). Our interest rate under these facilities will be based on a spread over LIBOR, tied to our credit ratings as determined by Standard & Poor's and Moody's. Based on our recently issued ratings of BBB and Baa2 by Standard & Poor's and Moody's, respectively, that rate will be at LIBOR plus 55 basis points.

Historically, Cendant has borrowed under its existing asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses, which borrowings amounted to $600 million, $575 million and $550 million at June 30, 2006, March 31, 2006 and December 31, 2005, respectively. These Cendant borrowings have been reflected in our accompanying historical combined financial statements. We expect that Cendant will repay the then-outstanding balance of these borrowings at the time of our separation with a portion of our initial borrowings of $1,360 million.

The interim loan facility ranks pari passu with our unsecured debt except with respect to maturity as the interim facility has a one-year term and the revolving credit facility and term loan facility has five-year terms. Subject to market conditions, we intend to replace the interim loan facility in its entirety with a combination of public, senior unsecured medium-term (a duration of between 3 and 10 years), non-convertible, fixed and/or floating rate bonds. In the event of a sale of Travelport is completed, we intend to use a portion of the proceeds contributed to us to pay down the interim facility; in addition, the receipt of such proceeds would likely result in our issuing a proportionally smaller amount of the bonds described above. The remainder of the proceeds from a sale of Travelport, if any, will be used to repay other debt.

The new facilities include affirmative covenants, including the maintenance of specific financial ratios. These financial covenants consist of a minimum interest coverage ratio of at least 3.0 times as of the measurement date and a maximum leverage ratio not to exceed 3.5 times on the measurement date. The interest coverage ratio is calculated by dividing EBITDA (as defined in the credit agreement) by Interest Expense (as defined in the credit agreement), excluding interest expense on any Securitized Indebtedness and on Non-Recourse Indebtedness (as the two terms are defined in the credit agreement), both as measured on a trailing 12 month basis preceding the measurement date. The leverage ratio is calculated by dividing total Consolidated Total Indebtedness (as defined in the credit agreement) excluding any Securitization Indebtedness and any Non-Recourse Secured debt as of the measurement date by EBITDA as measured on a trailing 12 month basis preceding the measurement date. Negative covenants in the new credit facilities include limitations on indebtedness of material subsidiaries; liens; mergers, consolidations, liquidations, dissolutions and sales of substantially all assets; and sale and leasebacks. Events of default in the new credit facilities include nonpayment of principal when due; nonpayment of interest, fees or other amounts; violation of covenants; cross payment default and cross acceleration (in each case, to indebtedness (excluding securitization indebtedness) in excess of $50 million); and a change of control (the definition of which permits our separation from Cendant).

We currently expect the aggregate amount of our pro forma indebtedness, after giving effect to the separation and distributions and the application of proceeds from the sale of Travelport, to be at least $946 million excluding the vacation ownership securitization program described in detail below.

Vacation Ownership Securitization Program

In connection with our vacation ownership business, Fairfield, Trendwest and their respective subsidiaries provide financing to purchasers of vacation ownership interests. A significant portion of the funding for such financing is provided through the sale of the vacation ownership loans and related assets into a securitization program.

Under the securitization program, each of our consumer financing subsidiary, an affiliate of Fairfield Resorts, Inc. to which Fairfield assigns loans that it originates, and Trendwest Resorts, each of which is referred to as a Seller and together as the Sellers, has entered into a loan purchase agreement with Sierra Deposit Company, LLC, a special purpose, wholly-owned subsidiary of our consumer financing subsidiary.

Generally, loans purchased from the Sellers by Sierra Deposit Company are sold into a facility funded by the issuance of variable funding notes to a group of commercial paper conduits. From time to time, Sierra Deposit Company creates a new special purpose entity to issue a new series of term notes. The proceeds of the term notes are used, indirectly, to pay amounts owing on the variable funding notes, resulting in the release of loans which are then sold to the new special purpose entity and used to secure and pay the new series of term notes.

With respect to each outstanding series of notes, our consumer financing subsidiary acts as the servicer of the loans.

With respect to each outstanding series of notes, Cendant Corporation has provided a performance guarantee guarantying the performance by the Sellers of their obligations under the loan purchase agreements and the servicer's performance under the note indentures. Effective as of the date of our separation from Cendant, the performance guarantee provided by Cendant with respect to the variable funding notes will be replaced by a performance guarantee provided by Wyndham Worldwide. For each outstanding series of term notes, Wyndham Worldwide has provided to the trustee an additional performance guarantee, and the trustee will be instructed to look first to the performance guarantee provided by Wyndham Worldwide before seeking to enforce the performance guarantee provided by Cendant.

Currently, there are five outstanding series of notes payable from vacation ownership loans sold by Sierra Deposit Company. As of March 31, 2006, approximately $1,167 million was outstanding under these programs, which was secured by $1,556 million in assets.

- Series 2002-1, which are the variable funding notes issued to a group of commercial paper conduits. Currently, the facility limit for this series is $800 million. The liquidity facility related to this series is subject to annual termination and, if not renewed, will result in an amortization of the variable funding notes and termination of the facility. The documents governing the Series 2002-1 also describe numerous other events, many tied to the performance of the loans, that may result in the occurrence of an amortization of the notes or an event of default and termination of the facility.
- Series 2003-1, which were issued in March 2003 in four classes aggregating $302.6 million in initial principal amount.
- Series 2003-2, which were issued in December 2003 in four classes aggregating $375 million in initial principal amount.
- Series 2004-1, which were issued in May 2004 as a single class in the initial principal amount of $336 million. The payment of principal and interest on the Series 2004-1 notes is insured under the terms of a financial guaranty insurance policy.
- Series 2005-1, which were issued in August 2005 as a single class in initial principal amount of $525 million. The payment of principal and interest on the Series 2005-1 notes is insured under the terms of a financial guaranty insurance policy.

On July 11, 2006, we closed an additional series of notes payable from vacation ownership loans as a single class in the initial principal amount of $550 million. The payment of principal and interest on these notes is insured under the terms of a financial guaranty insurance policy. Approximately $500 million of the proceeds from these notes was used to reduce the principal and interest outstanding under the Series 2002-1 variable funding notes referenced above and the remaining proceeds will be used for general corporate purposes.

Other Indebtedness

From time to time, our subsidiaries enter into bank borrowings in connection with our operations in order to, among other things, fund working capital. For example, to support our vacation ownership operations in the South Pacific, we currently have AUD $195 million, or $145 million, available under foreign credit facilities, portions of which are secured, that are collateralized by our vacation ownership contract receivables and related assets in that location. As of March 31, 2006, we had $104 million of secured borrowings outstanding under these facilities, collateralized by $121 million of underlying vacation ownership contract receivables and related assets. In addition, we lease vacation homes located in European holiday parks as part of our vacation exchange and rental business. As of March 31, 2006, we had $141 million of capital lease obligations. We also maintain other unsecured debt facilities which arise through the ordinary course of operations.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form 10 with the SEC with respect to the shares of our common stock (and related preferred stock purchase rights) that Cendant stockholders will receive in the distribution. This information statement is a part of that registration statement and, as allowed by SEC rules, does not include all of the information you can find in the registration statement or the exhibits to the registration statement. For additional information relating to our company and the distribution, reference is made to the registration statement and the exhibits to the registration statement. Statements contained in this information statement as to the contents of any contract or document referred to are not necessarily complete and in each instance, if the contract or document is filed as an exhibit to the registration statement, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each such statement is qualified in all respects by reference to the applicable document.

After the distribution, we will file annual, quarterly and special reports, proxy statements and other information with the SEC. We intend to furnish our stockholders with annual reports containing consolidated financial statements audited by an independent registered public accounting firm. The registration statement is, and any of these future filings with the SEC will be, available to the public over the Internet on the SEC's website at http://www.sec.gov. You may read and copy any filed document at the SEC's public reference rooms in Washington, D.C. at 100 F Street, N.E., Judiciary Plaza, Washington, D.C. 20549 and at the SEC's regional offices in New York at 233 Broadway, New York, New York 10279 and in Chicago at Citicorp Center, 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661. Please call the SEC at 1 (800) SEC-0330 for further information about the public reference rooms.

We maintain an Internet site at http://www.wyndhamworldwide.com. Our website and the information contained on that site, or connected to that site, are not incorporated into this information statement or the registration statement on Form 10.

INDEX TO INTERIM COMBINED CONDENSED FINANCIAL STATEMENTS

INDEX TO ANNUAL COMBINED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Cendant Corporation Board of Directors:

We have reviewed the accompanying combined condensed balance sheet of the Wyndham Worldwide Businesses of Cendant Corporation (the "Company"), consisting of certain businesses of Cendant Corporation ("Cendant") as of March 31, 2006, and the related combined condensed statements of income and cash flows for the three-month periods ended March 31, 2006 and 2005. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such combined condensed interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the interim combined condensed financial statements, the Company is comprised of the assets and liabilities used in managing and operating the lodging, vacation exchange and rental and vacation ownership businesses of Cendant. Included in Note 11 of the interim combined condensed financial statements is a summary of transactions with related parties. Also as discussed in Note 1 to the interim combined condensed financial statements, as of January 1, 2006, the Company adopted the provisions for accounting for real estate time-sharing transactions.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the combined balance sheet of the Company as of December 31, 2005, and the related combined statements of income, invested equity, and cash flows for the year then ended; and in our report dated May 10, 2006 (June 15, 2006 as to the effects of the restatement discussed in Note 22), we expressed an unqualified opinion (which included an explanatory paragraph relating to the Company being comprised of the assets and liabilities used in managing and operating the lodging, vacation exchange and rental and vacation ownership businesses of Cendant, as discussed in Note 1 to the combined financial statements and the restatement of the combined balance sheets, the combined statements of income and invested equity and the combined statements of cash flows as discussed in Note 22 to the combined financial statements) on those combined financial statements.

/s/ Deloitte & Touche LLP
Parsippany, New Jersey

June 15, 2006 (July 12, 2006 as to the subsequent
events disclosed in Note 12)

WYNDHAM WORLDWIDE BUSINESSES OF CENDANT CORPORATION
COMBINED CONDENSED STATEMENTS OF INCOME
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2006	2005
Revenues		
Vacation ownership interest sales	$ 309	$ 281
Service fees and membership	356	334
Franchise fees	109	90
Consumer financing	65	54
Other	31	36
Net revenues	870	795
Expenses		
Operating	332	277
Cost of vacation ownership interests	67	69
Marketing and reservation	174	155
General and administrative	115	110
Provision for loan losses	—	25
Depreciation and amortization	34	32
	722	668
Operating income	148	127
Interest expense (income), net	(2)	2
Income before income taxes and minority interest	150	125
Provision (benefit) for income taxes	57	(5)
Income before cumulative effect of accounting change	93	130
Cumulative effect of accounting change, net of tax	(65)	—
Net income	$ 28	$ 130

See Notes to Combined Condensed Financial Statements.

WYNDHAM WORLDWIDE BUSINESSES OF CENDANT CORPORATION
COMBINED CONDENSED BALANCE SHEETS
(In millions)
(Unaudited)

	Cendant Dividend Pro Forma March 31, 2006	March 31, 2006	December 31, 2005
ASSETS			
Current assets:			
Cash and cash equivalents	$ 115	$ 115	$ 99
Trade receivables, net	484	484	371
Vacation ownership contract receivables, net	230	230	239
Inventory	497	497	446
Deferred income taxes	121	121	84
Due from Cendant, net	1,159	1,159	1,125
Other current assets	314	314	204
Total current assets	2,920	2,920	2,568
Long-term vacation ownership contract receivables, net	1,812	1,812	1,835
Non-current inventory	245	245	190
Property and equipment, net	760	760	718
Goodwill	2,647	2,647	2,645
Trademarks	585	585	580
Franchise agreements and other intangibles, net	412	412	412
Other non-current assets	229	229	219
Total assets	**$ 9,610**	**$ 9,610**	**$ 9,167**
LIABILITIES AND INVESTED EQUITY			
Current liabilities:			
Current portion of long-term debt:			
Securitized vacation ownership debt	$ 184	$ 184	$ 154
Other	196	196	201
Accounts payable	368	368	239
Deferred income	480	480	271
Accrued expenses and other current liabilities	456	456	430
Dividends payable to Cendant	1,360	—	—
Total current liabilities	3,044	1,684	1,295
Long-term debt:			
Securitized vacation ownership debt	983	983	981
Other	725	725	706
Deferred income taxes	825	825	823
Deferred income	265	265	262
Other non-current liabilities	65	65	67
Total liabilities	5,907	4,547	4,134
Commitments and contingencies (Note 7)			
Invested equity:			
Parent Company's net investment	3,593	4,953	4,925
Accumulated other comprehensive income	110	110	108
Total invested equity	3,703	5,063	5,033
Total liabilities and invested equity	**$ 9,610**	**$ 9,610**	**$ 9,167**

See Notes to Combined Condensed Financial Statements.

WYNDHAM WORLDWIDE BUSINESSES OF CENDANT CORPORATION
COMBINED CONDENSED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2006	2005
Operating Activities		
Net income	$ 28	$ 130
Adjustments to arrive at income before cumulative effect of accounting change	65	—
Income before cumulative effect of accounting change	93	130
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	34	32
Provision for loan loss	33	25
Deferred income taxes	1	(115)
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:		
Trade receivables	(112)	(138)
Principal collection of vacation ownership contract receivables	159	146
Origination of vacation ownership contract receivables	(256)	(222)
Inventory	(7)	(21)
Accounts payable, accrued expenses and other current liabilities	141	182
Deferred income	7	18
Other, net	(27)	(16)
Net cash provided by operating activities	**66**	**21**
Investing Activities		
Property and equipment additions	(29)	(21)
Net assets acquired, net of cash acquired, and acquisition-related payments	(1)	(8)
Net intercompany funding (to) from parent	(44)	35
Increase in restricted cash	(15)	(9)
Other, net	(6)	8
Net cash provided by (used in) investing activities	**(95)**	**5**
Financing Activities		
Proceeds from borrowings	205	160
Principal payments on borrowings	(160)	(166)
Other, net	(1)	—
Net cash provided by (used in) financing activities	**44**	**(6)**
Effect of changes in exchange rates on cash and cash equivalents	1	(3)
Net increase in cash and cash equivalents	16	17
Cash and cash equivalents, beginning of period	99	94
Cash and cash equivalents, end of period	**$ 115**	**$ 111**
Supplemental Disclosure of Cash Flow Information		
Interest payments	$ 16	$ 14
Income tax payments, net	6	7

See Notes to Combined Condensed Financial Statements.

WYNDHAM WORLDWIDE BUSINESSES OF CENDANT CORPORATION
NOTES TO COMBINED CONDENSED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions, except per share amounts)
(Unaudited)

1. Basis of Presentation

Wyndham Worldwide Corporation, which holds or will hold the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of Cendant Corporation's ("Cendant") Hospitality Services (including Timeshare Resorts) businesses, represents a combined reporting entity comprised of substantially all of the assets and liabilities used in managing and operating the lodging, vacation exchange and rental and vacation ownership businesses of Cendant (collectively, the "Company"). On October 23, 2005, Cendant's Board of Directors preliminarily approved a plan to separate Cendant into four independent, publicly traded companies—one each for Cendant's Hospitality Services (including Timeshare Resorts), Real Estate Services, Travel Distribution Services and Vehicle Rental businesses. On April 24, 2006, Cendant announced a modification to its previously announced separation plan. In addition to continuing its original plan to distribute the shares of common stock of Cendant's Travel Distribution Services business to Cendant stockholders, Cendant is also exploring the possible sale of the Travel Distribution Services business. See Note 12—Subsequent Events for further detail.

The Company's combined results of operations, financial position and cash flows may not be indicative of its future performance and do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Company operated as a separate, stand-alone entity during the periods presented, including changes in its operations and capitalization as a result of the separation and distribution from Cendant.

Certain corporate and general and administrative expenses, including those related to executive management, tax, accounting, legal and treasury services, certain employee benefits and real estate usage for common space have been allocated by Cendant to the Company based on forecasted revenues. Management believes such allocations are reasonable. However, the associated expenses recorded by the Company in the Combined Condensed Statements of Income may not be indicative of the actual expenses that would have been incurred had the Company been operating as a separate, stand-alone public company for the periods presented. Following the separation and distribution from Cendant, the Company will perform these functions using internal resources or purchased services, certain of which may be provided by Cendant or one of the separated companies during a transitional period pursuant to the Transition Services Agreement. Refer to Note 11—Related Party Transactions for a detailed description of the Company's transactions with Cendant.

In presenting the Combined Condensed Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates. In management's opinion, the Combined Condensed Financial Statements contain all normal recurring adjustments necessary for a fair presentation of interim results reported. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These financial statements should be read in conjunction with the Company's 2005 Combined Financial Statements included herein.

Unaudited Pro Forma Balance Sheet for Cendant Dividend

In connection with the separation from Cendant, the Company expects to enter into a $300 million term loan facility, an $800 million interim term facility and a $900 million revolving credit facility. At or prior to the distribution, the Company intends to utilize the full capacity under these facilities with the exception of $70 million in letters of credit to be issued and $570 million available to provide liquidity for additional letters of credit and for working capital and ongoing corporate needs. Historically, Cendant has borrowed funds under Cendant's existing asset-linked facility for the benefit of the Company's vacation ownership business. As of

March 31, 2006, Cendant's borrowings outstanding under Cendant's asset-linked facility were $575 million, all of which were attributable to the Company's business, and were accordingly included in the Company's balance sheet as of that date. However, Cendant is the borrower under the facility and is consequently obligated to repay the outstanding balance. Therefore, the Company intends to transfer the proceeds of approximately $1,360 million to Cendant, which will permit Cendant to repay the $575 million balance of the asset-linked facility. The remaining proceeds of the borrowings are expected to be transferred to Cendant solely for the purpose of permitting Cendant to repay other of its corporate indebtedness. The unaudited pro forma balance sheet as of March 31, 2006 included elsewhere in this information statement gives effect to the approximately $1,360 million dividend expected to be paid to Cendant.

Business Description

The Company operates in the following business segments:

- **Lodging**—franchises hotels in the upscale, middle and economy segments of the lodging industry and provides property management services to owners of upscale branded hotels.
- **Vacation Exchange and Rental**—provides vacation exchange products and services to owners of intervals of vacation ownership interests and markets vacation rental properties primarily on behalf of independent owners.
- **Vacation Ownership**—markets and sells vacation ownership interests ("VOIs") to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.

Throughout the Notes to Combined Condensed Financial Statements, Cendant's Real Estate Services business is referred to as Realogy or the Real Estate Services business and Cendant's Travel Distribution Services business is referred to as Travelport or the Travel Distribution Services business.

Changes in Accounting Policies during 2006

Vacation Ownership Transactions. In December 2004, the FASB issued SFAS No. 152, "Accounting for Real Estate Time-Sharing Transactions," in connection with the previous issuance of the American Institute of Certified Public Accountants' Statement of Position No. 04-2, "Accounting for Real Estate Time-Sharing Transactions." SFAS No. 152 provides guidance on revenue recognition for vacation ownership transactions, accounting and presentation for the uncollectibility of vacation ownership contract receivables, accounting for costs of sales of vacation ownership interests and related costs, accounting for operations during holding periods, and other transactions associated with vacation ownership operations.

The Company's revenue recognition policy for vacation ownership transactions has historically required a 10% minimum down payment (initial investment) as a prerequisite to recognizing revenue on the sale of a vacation ownership interest. SFAS No. 152 requires that the Company consider the fair value of certain incentives provided to the buyer when assessing whether such threshold has been achieved. If the buyer's investment has not met the minimum investment criteria of SFAS No. 152, the revenue associated with the sale of the vacation ownership interest and the related cost of sales and direct costs are deferred until the buyer's commitment satisfies the requirements of SFAS No. 152. In addition, certain costs previously included in the Company's percentage-of-completion calculation prior to the adoption of SFAS No. 152 are now expensed as incurred rather than deferred until the corresponding revenue is recognized.

SFAS No. 152 requires the Company to record the estimate of uncollectible vacation ownership contract receivables at the time a vacation ownership transaction is consummated as a reduction of net revenue. Prior to the adoption of SFAS No. 152, the Company recorded such provisions within operating expense on the Combined Statements of Income.

SFAS No. 152 also requires that revenue in excess of costs associated with the rental of unsold units be accounted for as a reduction to the carrying value of vacation ownership inventory (which reduces the cost of such inventory when it is sold) and that costs in excess of revenues associated with the rental of unsold units be

charged to expense as incurred. Prior to the adoption of SFAS No. 152, rental revenues and expenses were separately recorded in the Combined Statements of Income.

The Company adopted the provisions of SFAS No. 152 effective January 1, 2006, as required, and recorded an after tax charge of $65 million during first quarter 2006 as a cumulative effect of an accounting change, which consisted of a pre-tax charge of $105 million representing the deferral of revenue and costs associated with sales of vacation ownership interests that were recognized prior to January 1, 2006, the recognition of certain expenses that were previously deferred and an associated tax benefit of $40 million. There was no impact to cash flows from the adoption of SFAS No. 152.

Accounting Changes and Error Corrections. In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections-a replacement of APB Opinion No. 20 and FASB Statement No. 3." SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable. APB Opinion No. 20, "Accounting Changes," previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. SFAS No. 154 became effective for the Company on January 1, 2006. The adoption of SFAS No. 154 did not have a material impact on the Company's Combined Financial Statements.

Stock-Based Compensation. On January 1, 2003, Cendant adopted the fair value method of accounting for stock-based compensation of SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123") and the prospective transition method of SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure." Accordingly, Cendant has recorded stock-based compensation expense for all employee stock awards that were granted or modified subsequent to December 31, 2002. At the time of separation, Cendant anticipates converting a portion of its outstanding equity awards into equity awards of the Company (see Note 9—Stock-Based Compensation).

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS No. 123(R)"), which eliminates the alternative to measure stock-based compensation awards using the intrinsic value approach permitted by APB Opinion No. 25 and by SFAS No. 123, "Accounting for Stock-Based Compensation." The Company adopted SFAS No. 123(R) on January 1, 2006, as required by the Securities and Exchange Commission, under the modified prospective application method. Because the Company was allocated stock-based compensation expense for all outstanding employee stock awards prior to the adoption of SFAS No. 123(R), the adoption of such standard did not have a material impact on the Company's results of operations.

Recently Issued Accounting Pronouncements

Accounting for Servicing of Financial Assets. In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets—an amendment of FASB Statement No. 140" ("SFAS No. 156"). SFAS No. 156 requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract and requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable. SFAS No. 156 will become effective for the Company on January 1, 2007. The Company believes that the adoption of SFAS No. 156 will not have a material impact on its Combined Financial Statements.

Variability to Be Considered in Applying FASB Interpretation No. 46(R). In April 2006, the FASB issued FASB Staff Position ("FSP") FIN 46R-6, "Determining the Variability to Be Considered in Applying FASB Interpretation No. 46(R) ("FIN 46R-6"). FIN 46R-6 addresses certain implementation issues related to FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities" ("FIN 46R"). Specifically, FSP FIN 46R-6 addresses how a reporting enterprise should determine the variability to be considered in applying FIN 46R. The variability that is considered in applying FIN 46R affects the determination of (a) whether an entity is a variable interest entity ("VIE"), (b) which interests are "variable interests" in the entity, and (c) which party, if any, is the primary beneficiary of the VIE. That variability affects any calculation

of expected losses and expected residual returns, if such a calculation is necessary. The Company is required to apply the guidance in FIN 46R-6 prospectively to all entities (including newly created entities) and to all entities previously required to be analyzed under FIN 46R when a "reconsideration event" has occurred, beginning July 1, 2006. The Company will evaluate the impact of this FSP at the time any such "reconsideration event" occurs, and for any new entities created.

2. Comprehensive Income

Comprehensive income consisted of the following:

	Three Months Ended March 31,	
	2006	2005
Net income	$ 28	$ 130
Unrealized gains on cash flow hedges, net of tax of $1 and $2	1	2
Foreign currency translation adjustments, net of tax of $6 and $7	1	(32)
Total comprehensive income	$ 30	$ 100

Foreign currency translation adjustments exclude income taxes related to investments in foreign subsidiaries where the Company intends to reinvest the undistributed earnings indefinitely in those foreign operations.

3. Intangible Assets

Intangible assets consisted of:

	As of March 31, 2006			As of December 31, 2005		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Unamortized Intangible Assets						
Goodwill	$ 2,647			$ 2,645		
Trademarks	$ 585			$ 580		
Amortized Intangible Assets						
Franchise agreements	$ 580	$ 224	$ 356	$ 573	$ 220	$ 353
Other	163	107	56	161	102	59
	$ 743	$ 331	$ 412	$ 734	$ 322	$ 412

The changes in the carrying amount of goodwill are as follows:

	Balance at January 1, 2006	Goodwill Acquired during 2006	Adjustments to Goodwill Acquired during 2005	Foreign Exchange and Other	Balance at March 31, 2006
Lodging	$ 241	$ —	$ —	$ —	$ 241
Vacation Exchange and Rental	1,082	—	—	1	1,083
Vacation Ownership	1,322	—	1	—	1,323
Total Company	$ 2,645	$ —	$ 1	$ 1	$ 2,647

Amortization expense relating to all intangible assets was as follows:

	Three Months Ended March 31,	
	2006	2005
Franchise agreements	$ 4	$ 4
Other	4	4
Total (*)	$ 8	$ 8

(*) Included as a component of depreciation and amortization on the Company's Combined Condensed Statements of Income.

Based on the Company's amortizable intangible assets as of March 31, 2006, the Company expects related amortization expense for the remainder of 2006 and each of the five succeeding fiscal years to approximate $20 million.

4. Vacation Ownership Contract Receivables

The Company generates vacation ownership contract receivables by extending financing to the purchasers of VOIs. Current and long-term vacation ownership contract receivables, net consisted of:

	March 31, 2006	December 31, 2005
Current vacation ownership contract receivables:		
Securitized	$ 175	$ 180
Other	81	75
	256	255
Less: Allowance for loan losses	(26)	(16)
Current vacation ownership contract receivables, net	$ 230	$ 239
Long-term vacation ownership contract receivables:		
Securitized	$ 1,258	$ 1,198
Other	757	758
	2,015	1,956
Less: Allowance for loan losses	(203)	(121)
Long-term vacation ownership contract receivables, net	$ 1,812	$ 1,835

The activity in the allowance for loan losses on vacation ownership contract receivables is as follows:

	Amount
Allowance for loan losses as of January 1, 2006	$ (137)
Provision for loan losses	(61)
Contract receivables written-off, net	52
Reclass of estimated recoveries due to adoption of SFAS No. 152	(83)
Allowance for loan losses as of March 31, 2006	$ (229)

As a result of the adoption of SFAS No. 152 on January 1, 2006, the Company recorded a reclassification of $83 million of the vacation ownership interests to be recovered related to future defaulted contract receivables from the allowance for loan losses to inventory. SFAS No. 152 also requires the Company to report the provision for loan losses and contract receivables write-offs gross of inventory recoveries in those years subsequent to adoption. As a result, the provision for loan losses and contract receivables written-off, net during 2006 include $28 million related to estimated future inventory recoveries. Accordingly, the provision for loan losses reflected in the combined statement of income for the three months ended March 31, 2006 was $33 million, which is net of the $28 million of estimated future inventory recoveries.

Principal payments that are contractually due on the Company's vacation ownership contract receivables during the next twelve months are classified as current on the Company's Combined Condensed Balance Sheets. The average interest rate on outstanding vacation ownership contract receivables was 13.0% and 13.1% as of March 31, 2006 and December 31, 2005, respectively.

5. Inventory

Inventory consisted of:

	March 31, 2006	December 31, 2005
Land held for VOI development	$ 95	$ 88
VOI construction in process	426	308
Completed inventory and vacation credits	221	240
Total inventory	742	636
Less: Current portion	497	446
Non-current inventory	$ 245	$ 190

Inventory that the Company expects to sell within the next twelve months is classified as current on the Company's Combined Condensed Balance Sheets. The March 31, 2006 balance includes the estimated value of inventory to be recovered on future defaulted contract receivables, which was reclassified from allowance for loan losses in accordance with the Company's adoption of SFAS No. 152.

6. Long-Term Debt and Borrowing Arrangements

Long-term debt consisted of:

	March 31, 2006	December 31, 2005
Securitized vacation ownership debt	$ 1,167	$ 1,135
Other:		
Vacation ownership asset-linked debt	575	550
Bank borrowings:		
Vacation ownership	104	113
Vacation rental	66	68
Vacation rental capital leases	141	139
Other	35	37
Total long-term debt	2,088	2,042
Less: Current portion	380	355
Long-term debt	$ 1,708	$ 1,687

The Company's outstanding debt as of March 31, 2006 matures as follows:

	Securitized Vacation Ownership Debt	Other	Total
Within 1 year	$ 184	$196	$ 380
Between 1 and 2 years	220	583	803
Between 2 and 3 years	417	7	424
Between 3 and 4 years	82	7	89
Between 4 and 5 years	61	17	78
Thereafter	203	111	314
	$ 1,167	$921	$2,088

As debt maturities are based on the contractual payment terms of the underlying vacation ownership contract receivables, actual maturities may differ as a result of prepayments by the vacation ownership contract receivable obligors.

The Company's borrowing arrangements contain various combinations of restrictive covenants, including performance triggers and advance rates linked to the quality of the underlying assets, financial reporting requirements, restrictions on dividends, mergers and changes of control and a requirement that the Company generate at least $400 million of net income before depreciation and amortization, interest expense (other than interest expense relating to securitized vacation ownership borrowings), income taxes and minority interest, determined quarterly for the preceding twelve month period.

As of March 31, 2006, available capacity under the Company's borrowing arrangements was as follows:

	Total Capacity [a]	Outstanding Borrowings	Available Capacity
Securitized vacation ownership debt [b]	$ 1,456	$ 1,167	$ 289
Other:			
Vacation ownership asset-linked debt [c]	600	575	25
Bank borrowings:			
Vacation ownership [d]	122	104	18
Vacation rental [e]	66	66	—
Vacation rental capital leases	141	141	—
Other	35	35	—
	$ 2,420	$ 2,088	$ 332

(a) Capacity is subject to maintaining sufficient assets to collateralize these secured obligations.
(b) The outstanding debt is collateralized by approximately $1,556 million of underlying vacation ownership contract receivables and related assets.
(c) The outstanding debt is collateralized by approximately $1,343 million of vacation ownership-related assets, consisting primarily of unsecuritized vacation ownership contract receivables and vacation ownership inventory.
(d) The outstanding debt is collateralized by approximately $121 million of underlying vacation ownership contract receivables and related assets.
(e) The outstanding debt is collateralized by approximately $120 million of land and related vacation rental assets.

Interest expense incurred in connection with the Company's securitized vacation ownership debt amounted to $14 million and $9 million during the three months ended March 31, 2006 and 2005, respectively, and is recorded within the operating expenses line item on the Combined Condensed Statements of Income as the Company earns consumer finance income on the related securitized vacation ownership contract receivables.

Interest expense incurred in connection with the Company's other debt amounted to $12 million and $9 million during the three months ended March 31, 2006 and 2005, respectively, and is recorded within the interest expense (income) line item on the Combined Condensed Statements of Income.

7. Commitments and Contingencies

The Internal Revenue Service ("IRS") is currently examining Cendant's taxable years 1998 through 2002 of which the Company is included. Over the course of this audit, the Company and Cendant have responded to various requests for information, primarily focused on the 1999 statutory merger of Cendant's former fleet business, the calculation of the stock basis in the 1999 sale of a Cendant subsidiary; and the deductibility of expenses associated with the shareholder class action litigation. To date, the Company and Cendant have not agreed to any IRS proposed adjustments related to these matters. Although the Company and Cendant believe there is appropriate support for the positions taken on the tax returns, the Company and Cendant have recorded liabilities representing the best estimates of the probable loss on certain tax positions. The Company and Cendant believe that the accruals for tax liabilities are adequate for all open years, based on the assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. Although the Company and Cendant believe the recorded assets and liabilities are reasonable, tax regulations are subject to

interpretation and tax litigation is inherently uncertain; therefore, the Company and Cendant's assessments can involve a series of complex judgments about future events and rely heavily on estimates and assumptions. While the Company and Cendant believe the estimates and assumptions supporting its assessments are reasonable, the final determination of tax audits and any related litigation could be materially different from that which is reflected in historical income tax provisions and recorded assets and liabilities. Based on the results of an audit or litigation, a material effect on the income tax provision, net income, or cash flows in the period or periods for which that determination is made could result. See Note 12—Subsequent Events for further details related to the assumption of certain tax contingencies at the time of separation.

The Company is involved in claims, legal proceedings and governmental inquiries related to contract disputes, business practices, intellectual property, environmental issues and other commercial, employment and tax matters. Such matters include, but are not limited to, allegations that (i) the Company's Fairfield subsidiary violated alleged duties to members of its internal vacation exchange program through changes made to its reservations and availability policies, which changes diminished the value of vacation ownership interests purchased by members; (ii) its TripRewards loyalty program infringes on third-party patents; (iii) the Company's RCI Points exchange program, a global points-based exchange network that allows members to redeem points, is an unlicensed travel club and the unregistered sales of memberships in that program violate the Alberta Fair Trading Act; and (iv) the Company's vacation ownership business alleged failure to perform its duties arising under its management agreements, as well as for construction defects and inadequate maintenance, which claims are made by property owners' associations from time to time.

The Company believes that it has adequately accrued for such matters with a reserve of approximately $24 million, or, for matters not requiring accrual, believes that such matters will not have a material adverse effect on its results of operations, financial position or cash flows based on information currently available. However, litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable resolutions could occur. As such, an adverse outcome from such unresolved proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings or cash flows in any given reporting period. However, the Company does not believe that the impact of such unresolved litigation should result in a material liability to the Company in relation to its combined financial position or liquidity.

8. Income Taxes

The Company's first quarter 2005 effective tax rate differs from the statutory rate of 35% primarily as a result of a one-time increase in the tax basis of certain foreign assets. In March 2005, the Company entered into a foreign tax restructuring where certain of its foreign subsidiaries were considered liquidated for United States tax purposes. This liquidation resulted in a taxable transaction which resulted in an increase in the tax basis of the assets held by these subsidiaries to their fair market value and the recognition of a deferred tax benefit during first quarter 2005.

9. Stock-Based Compensation

As of March 31, 2006, all employee stock awards (stock options and restricted stock units ("RSUs")) were granted by Cendant. At the time of separation, Cendant anticipates converting a portion of its outstanding equity awards into equity awards of the Company. The conversion ratio is anticipated to approximate one share of the Company's common stock for every five shares of Cendant's common stock (subject to change upon finalization of the distribution ratio).

Cendant Stock-based Compensation Plans

Stock Options

Stock options granted by Cendant to its employees generally have a ten-year term, and those granted prior to 2004 vest ratably over periods ranging from two to five years. In 2004, Cendant adopted performance and time

vesting criteria for stock option grants. The predetermined performance criteria determine the number of options that will ultimately vest and are based on the growth of Cendant's earnings and cash flows over the vesting period of the respective award. The number of options that will ultimately vest may range from 0% to 200% of the base award. Vesting occurs over a four-year period, but cannot exceed 25% of the base award in each of the three years following the grant date. Cendant's policy is to grant options with exercise prices at then-current fair market value.

Restricted Stock Units

RSUs granted by Cendant entitle the employee to receive one share of Cendant common stock upon vesting. RSUs granted in 2003 vest ratably over a four-year term. Subsequently, Cendant adopted performance and time vesting criteria for RSU grants. The predetermined performance criteria determine the number of RSUs that will ultimately vest and are based on the growth of Cendant's earnings and cash flows over the vesting period of the respective award. The number of RSUs that will ultimately vest may range from 0% to 200% of the base award. Vesting occurs over a four-year period, but cannot exceed 25% of the base award in each of the three years following the grant date.

The activity related to Cendant's RSU and stock option plans consisted of:

	Three Months Ended March 31, 2006			
	RSUs		Options	
	Number of RSUs [c]	Weighted Average Grant Price	Number of Options [d]	Weighted Average Exercise Price
Balance at January 1, 2006	23	$ 20.65	129	$ 18.09
Vested/exercised [a]	—	—	(2)	10.30
Cancelled	—	—	(1)	18.96
Balance at March 31, 2006[b]	23[e]	$ 20.65	126[f]	$ 18.22

(a) Stock options exercised during first quarter 2006 had an intrinsic value of approximately $14 million.

(b) As of March 31, 2006, Cendant's outstanding "in the money" stock options and RSUs had aggregate intrinsic value of $259 million and $391 million, respectively. Aggregate unrecognized compensation expense related to outstanding stock options and RSUs amounted to $443 million as of March 31, 2006.

(c) As a result of Cendant's planned separation into four independent, publicly-traded companies, approximately 13 million of the RSUs outstanding at March 31, 2006 are expected to convert into shares of the new companies based upon the pro rata market value of each new company. An additional 10 million RSUs are expected to be cancelled in connection with the planned separation.

(d) Options outstanding as of March 31, 2006 have a weighted average remaining contractual life of 3.2 years and include 125 million exercisable options. As a result of Cendant's planned separation into four independent, publicly-traded companies, approximately 125 million of the options outstanding at March 31, 2006 are expected to be converted into options of the new companies based upon the pro rata market value of each new company.

(e) As of March 31, 2006, approximately 6 million of the total RSUs outstanding in Cendant common stock related to RSUs granted to employees of the Company.

(f) As of March 31, 2006, approximately 15 million of the total options outstanding in Cendant common stock related to options granted to employees of the Company.

STOCK-BASED COMPENSATION EXPENSE ALLOCATED TO THE COMPANY

During the quarter ended March 31, 2006 and 2005, Cendant allocated pre-tax stock-based compensation expense of $6 million and $4 million ($4 million and $2 million, after tax), respectively, to the Company. Such compensation expense relates only to the options and RSUs that were granted by Cendant to the Company's employees subsequent to January 1, 2003. The allocation was based on the estimated number of options and RSUs Cendant believed it would ultimately provide and the underlying vesting period of the award.

10. Segment Information

The reportable segments presented below represent the Company's operating segments for which separate financial information is available and which are utilized on a regular basis by its chief operating decision maker

to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management evaluates the operating results of each of its reportable segments based upon revenue and "EBITDA," which is defined as net income before depreciation and amortization, interest (excluding interest on securitized vacation ownership debt), income taxes and minority interest, each of which is presented on the Company's Combined Statements of Income. The Company's presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

	Three Months Ended March 31,			
	2006		2005	
	Net Revenues	EBITDA	Net Revenues	EBITDA
Lodging	$ 144	$ 41	$ 112	$ 40
Vacation Exchange and Rental	282	77	287	86
Vacation Ownership	445	64	400	40
Corporate and Other(*)	(1)	—	(4)	(7)
Total Company	$ 870	$ 182	$ 795	$ 159

(*) Includes the elimination of transactions between segments.

	Three Months Ended March 31,	
	2006	2005
EBITDA	$ 182	$ 159
Depreciation and amortization	34	32
Interest expense (income), net	(2)	2
Income before income taxes and minority interest	$ 150	$ 125

11. Related Party Transactions

DUE FROM CENDANT, NET

The following table summarizes related party transactions occurring between the Company and Cendant:

	Three Months Ended March 31,	
	2006	2005
Due from Cendant, beginning balance	$ 1,125	$ 661
Corporate-related functions	(23)	(22)
Income taxes, net	(52)	(105)
Net interest earned on amounts due from and to Cendant	10	6
Advances to Cendant, net	99	88
	34	(33)
Due from Cendant, ending balance	$ 1,159	$ 628

Corporate-Related Functions

The Company is allocated general corporate overhead expenses from Cendant for corporate-related functions based on a percentage of the Company's forecasted revenues. General corporate overhead expense allocations include executive management, tax, accounting, financial systems management, legal, treasury and cash management, certain employee benefits and real estate usage for common space. During the three months ended March 31, 2006 and 2005, the Company was allocated $9 million of general corporate expenses from Cendant, which are included within the general and administrative expenses line item on the Combined Condensed Statements of Income.

Cendant also incurs certain expenses on behalf of the Company. These expenses, which directly benefit the Company, are allocated to the Company based upon the Company's actual utilization of the services. Direct allocations include costs associated with insurance, information technology, revenue franchise audit, telecommunications and real estate usage for Company-specific space. During the three months ended March 31, 2006 and 2005, the Company was allocated $14 million and $13 million, respectively, of expenses directly benefiting the Company, which are included within the general and administrative and operating expense line items on the Combined Condensed Statements of Income.

The Company believes the assumptions and methodologies underlying the allocations of general corporate overhead and direct expenses from Cendant are reasonable. However, such expenses are not indicative of, nor is it practical or meaningful for the Company to estimate for all historical periods presented, the actual level of expenses that would have been incurred had the Company been operating as a separate, stand-alone public company.

Related Party Agreements

The Company conducts the following business activities, among others, with Cendant's other business units or newly separated companies, as applicable: (i) provision of access to hotel accommodation and vacation exchange and rental inventory to be distributed through Travelport; (ii) utilization of employee relocation services, including relocation policy management, household goods moving services and departure and destination real estate related services; (iii) utilization of commercial real estate brokerage services, such as transaction management, acquisition and disposition services, broker price opinions, renewal due diligence and portfolio review; (iv) utilization of corporate travel management services of Travelport; and (v) designation of Cendant's car rental brands, Avis and Budget, as the exclusive primary and secondary suppliers, respectively, of car rental services for the Company's employees. The majority of the related party agreement transactions were settled in cash.

Income Taxes, net

The Company is included in the consolidated federal and state income tax returns of Cendant. The net income tax payable to Cendant approximated $755 million and $703 million as of March 31, 2006 and December 31, 2005, respectively, and is recorded as a component of the due from Cendant, net line item on the Combined Condensed Balance Sheets.

Net Interest Earned on Amounts Due from and to Cendant and Advances to Cendant, net

In the ordinary course of business, Cendant sweeps cash from the Company's bank accounts and the Company maintains certain balances due to or from Cendant. Inclusive of unpaid corporate allocations, the Company had net amounts due from Cendant, exclusive of income taxes, totaling $1,914 million and $1,828 million as of March 31, 2006 and December 31, 2005, respectively. Certain of the advances between the Company and Cendant are interest-bearing. In connection with the interest-bearing balances, the Company recorded net interest income of $10 million and $6 million during the three months ended March 31, 2006 and 2005, respectively.

12. Subsequent Events

Separation from Cendant

On October 23, 2005, Cendant's Board of Directors preliminarily approved a plan to separate Cendant into four independent, publicly traded companies—one for each of Cendant's Hospitality Services (including Timeshare Resorts), Real Estate Services, Travel Distribution Services and Vehicle Rental businesses. On April 24, 2006, Cendant announced a modification to its plan of separation. In addition to continuing to pursue its original plan to distribute the shares of common stock of Cendant's Travel Distribution Services business to Cendant stockholders, Cendant is also exploring the possible sale of Travel Distribution Services business. In

connection with the separation and distribution, the Company expects to issue approximately $1,360 million of debt, which is not reflected within the accompanying Combined Condensed Financial Statements. The amount of debt to be issued was based on future estimates of the Company's ability to service such debt relative to Realogy and Travelport. Cendant's corporate debt does not specifically relate to the Company's operations or prior acquisitions. The accompanying unaudited pro forma balance sheet as of March 31, 2006 included elsewhere in this information statement gives effect to the approximately $1,360 million dividend expected to be paid to Cendant. All of the proceeds received in connection with the Company's planned borrowings (approximately $1,360 million) will be transferred to Cendant solely to repay a portion of Cendant's corporate debt (including its asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses).

Additionally, pursuant to the Separation and Distribution Agreement, subject to certain exceptions contained in the Tax Sharing Agreement, upon distribution of the Company's common stock to Cendant stockholders, the Company is expected to be allocated 30% of certain Cendant corporate assets and assume and be responsible for 30% of certain Cendant corporate liabilities, including those relating to unresolved tax and legal matters (none of which are reflected within the Combined Condensed Financial Statements). Realogy and Travelport, both of which also are expected to be distributed to Cendant's stockholders as part of the separation plan, are expected to assume and be responsible for 50% and 20%, respectively, of these assets and liabilities. Similar to the determination of debt to be issued, the amount of liabilities to be assumed was determined based on the Company's ability to satisfy these liabilities which was generally based on certain earnings contributions of the Company and the Real Estate Services and Travel Distribution Services businesses in 2005. The actual amount that the Company may be required to pay under these arrangements could vary depending upon the outcome of any unresolved matters, which may not be resolved for several years, and if any of the other parties responsible for such liabilities were to default in its payment of costs or expenses related to any such liability.

Certain lawsuits are currently outstanding against Cendant, some of which relate to accounting irregularities arising from some of the CUC International, Inc. ("CUC") business units acquired when HFS Incorporated merged with CUC to form Cendant. While Cendant has settled many of the principal lawsuits relating to the accounting irregularities, these settlements do not encompass all litigation associated with it. Cendant and the Company do not believe that it is feasible to predict or determine the final outcome or resolution of these unresolved proceedings. An adverse outcome from such unresolved proceedings or other proceedings for which the Company has assumed liability under the separation agreements could be material to the Company's earnings or cash flows in any given reporting period.

Potential Sale of Travelport

On April 24, 2006, Cendant announced a modification to its previously announced separation plan. In addition to pursuing its original plan to distribute the shares of common stock of Travelport, the Cendant subsidiary that will hold the assets and liabilities associated with Cendant's Travel Distribution Services businesses, to Cendant stockholders, Cendant was also exploring the possible sale of Travelport.

Definitive Agreement to Sell Travelport

On June 30, 2006, Cendant entered into a definitive agreement to sell Travelport for $4,300 million in cash. The sale is expected to be completed in August 2006. If the sale of Travelport is completed, the net cash proceeds from the sale would be utilized in part to reduce the indebtedness anticipated to be incurred by the Company in connection with the separation and utilized to satisfy certain outstanding Cendant corporate indebtedness. The amount and timing of such reduction would depend, in large part, on the timing of the completion of the sale of Travelport and on the ultimate amount of proceeds received by the Company realized in such a sale.

In addition, if a sale of Travelport is completed, the Company expects that such sale would change the Company's expected allocation of Cendant's contingent and other corporate liabilities and contingent and other

corporate assets attributable to periods prior to the completion of the plan of separation from 30% to 37.5%. There can be no assurance that a sale of Travelport will be completed or as to the terms of any such sale. If a sale is not completed, Cendant expects to pursue its original plan to distribute the shares of common stock of Travelport to Cendant stockholders. Upon a sale of Travelport, certain Cendant assets and liabilities may be allocated only to the Company and Realogy. Although the Company does not currently expect the terms of any commercial arrangements, including any short-term transition arrangements, to be affected by a potential sale of Travelport, there can be no assurance that this will be the case.

Acquisition of Baymont Inn & Suites

On April 7, 2006, the Company completed the previously announced acquisition of the Baymont Inn & Suites brand and system of 115 independently owned franchised properties for approximately $60 million in cash. In addition, in April 2006, following the closing of the acquisition, the Company announced its intent to consolidate the AmeriHost-branded properties with its newly acquired Baymont-branded properties to create a more significant midscale brand.

Borrowing Facilities

On July 7, 2006, the Company entered into borrowing arrangements for a total of $2,000 million, comprised of a $900 million five-year revolving credit facility, a $300 million five-year term loan facility and an $800 million interim loan facility which is due in June 2007. The $900 million five-year revolving credit facility bears interest at LIBOR plus 55 basis points, in addition to a commitment fee of 10 basis points, each of which are dependent on the Company's credit ratings. The $300 million five-year term loan facility bears interest at LIBOR plus 55 basis points and the $800 million interim loan facility each bear interest at LIBOR plus 55 basis points dependent on the Company's credit ratings. No amounts have been drawn against these facilities. The facilities have certain affirmative covenants including the maintenance of specific financial ratios.

Securitization Facility

On July 11, 2006, the Company closed a series of notes payable from vacation ownership loans in the initial principal amount of $550 million. The payment of principal and interest on these notes is insured under the terms of a financial guaranty insurance policy. Approximately $500 million of the proceeds from these notes was used to reduce the principal and interest outstanding under a portion of the Company's securitized vacation ownership debt, and the remaining proceeds will be used for general corporate purposes.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Cendant Corporation Board of Directors:

We have audited the accompanying combined balance sheets of the Wyndham Worldwide businesses of Cendant Corporation (the "Company"), consisting of certain businesses of Cendant Corporation ("Cendant"), as of December 31, 2005 and 2004, and the related combined statements of income, invested equity and cash flows for each of the three years in the period ended December 31, 2005. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. The Company has determined that it is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the combined financial position of the Company as of December 31, 2005 and 2004, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the combined financial statements, the Company is comprised of the assets and liabilities used in managing and operating the lodging, vacation exchange and rental and vacation ownership businesses of Cendant. Included in Note 19 of the combined financial statements is a summary of transactions with related parties.

As discussed in Note 22 to the combined financial statements, the Company has restated its combined balance sheets as of December 31, 2005 and 2004, the combined statements of income and invested equity for the year ended December 31, 2005, and the combined statements of cash flows for each of the three years in the period ended December 31, 2005.

/s/ Deloitte & Touche LLP
Parsippany, New Jersey
May 10, 2006 (June 15, 2006 as to the effects of the restatement discussed in Note 22)

WYNDHAM WORLDWIDE BUSINESSES OF CENDANT CORPORATION
COMBINED STATEMENTS OF INCOME
(In millions)

	Year Ended December 31,		
	2005 As Restated	2004	2003
Revenues			
Vacation ownership interest sales	$ 1,379	$1,245	$1,162
Service fees and membership	1,288	1,105	881
Franchise fees	434	393	376
Consumer financing	234	176	173
Other	136	95	60
Net revenues	3,471	3,014	2,652
Expenses			
Operating	1,199	932	810
Cost of vacation ownership interests	341	316	313
Marketing and reservation	628	576	537
General and administrative	424	385	320
Provision for loan losses	128	86	70
Depreciation and amortization	131	119	107
	2,851	2,414	2,157
Operating income	620	600	495
Interest expense (income) (net of interest income of $35, $21 and $11)	(6)	13	(5)
Income before income taxes and minority interest	626	587	500
Provision for income taxes	195	234	186
Minority interest, net of tax	—	4	15
Net income	$ 431	$ 349	$ 299

See Notes to Combined Financial Statements.

WYNDHAM WORLDWIDE BUSINESSES OF CENDANT CORPORATION
COMBINED BALANCE SHEETS
(In millions)

	December 31, 2005 As Restated	December 31, 2004 As Restated
ASSETS		
Current assets:		
Cash and cash equivalents	$ 99	$ 94
Trade receivables (net of allowance for doubtful accounts of $96 and $79)	371	344
Vacation ownership contract receivables, net	239	215
Inventory	446	365
Deferred income taxes	84	185
Due from Cendant, net	1,125	661
Other current assets	204	207
Total current assets	2,568	2,071
Long-term vacation ownership contract receivables, net	1,835	1,559
Non-current inventory	190	160
Property and equipment, net	718	735
Goodwill	2,645	2,633
Trademarks	580	516
Franchise agreements and other intangibles, net	412	436
Other non-current assets	219	233
Total assets	$ 9,167	$ 8,343
LIABILITIES AND INVESTED EQUITY		
Current liabilities:		
Current portion of long-term debt:		
Securitized vacation ownership debt	$ 154	$ 134
Other	201	156
Accounts payable	239	271
Deferred income	271	249
Accrued expenses and other current liabilities	430	369
Total current liabilities	1,295	1,179
Long-term debt:		
Securitized vacation ownership debt	981	775
Other	706	703
Deferred income taxes	823	688
Deferred income	262	259
Other non-current liabilities	67	60
Total liabilities	4,134	3,664
Commitments and contingencies (Note 13)		
Invested equity:		
Parent Company's net investment	4,925	4,465
Accumulated other comprehensive income	108	214
Total invested equity	5,033	4,679
Total liabilities and invested equity	$ 9,167	$ 8,343

See Notes to Combined Financial Statements.

WYNDHAM WORLDWIDE BUSINESSES OF CENDANT CORPORATION
COMBINED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2005 As Restated	2004 As Restated	2003 As Restated
Operating Activities			
Net income	$ 431	$ 349	$ 299
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	131	119	107
Provision for loan losses	128	86	70
Deferred income taxes	236	31	108
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:			
Trade receivables	(40)	(30)	5
Principal collection of vacation ownership contract receivables	635	610	770
Origination of vacation ownership contract receivables	(1,097)	(1,106)	(1,022)
Inventory	(21)	8	(39)
Accounts payable, accrued expenses and other current liabilities	67	8	100
Deferred income	13	2	(12)
Other, net	5	65	24
Net cash provided by operating activities	488	142	410
Investing Activities			
Property and equipment additions	(134)	(116)	(102)
Net assets acquired, net of cash acquired, and acquisition-related payments	(154)	(181)	(40)
Net intercompany funding to parent	(398)	(44)	(436)
Proceeds received from disposition of businesses, net	—	41	—
Increase in restricted cash	(15)	(32)	(20)
Other, net	9	9	9
Net cash used in investing activities	(692)	(323)	(589)
Financing Activities			
Proceeds from borrowings	1,296	1,465	834
Principal payments on borrowings	(1,011)	(1,242)	(634)
Dividends paid to Cendant	(59)	—	—
Other, net	(5)	(6)	(11)
Net cash provided by financing activities	221	217	189
Effect of changes in exchange rates on cash and cash equivalents	(12)	(17)	(1)
Net increase in cash and cash equivalents	5	19	9
Cash and cash equivalents, beginning of period	94	75	66
Cash and cash equivalents, end of period	$ 99	$ 94	$ 75
Supplemental Disclosure of Cash Flow Information			
Interest payments	$ 55	$ 66	$ 13
Income tax payments, net	32	28	37

See Notes to Combined Financial Statements.

WYNDHAM WORLDWIDE BUSINESSES OF CENDANT CORPORATION
COMBINED STATEMENTS OF INVESTED EQUITY
(In millions)

	Parent Company's Net Investment	Accumulated Other Comprehensive Income	Total Invested Equity
Balance as of January 1, 2003	$ 3,764	$ 96	$3,860
Comprehensive income:			
Net income	299	—	
Currency translation adjustment, net of tax of $6	—	84	
Total comprehensive income	—	—	383
Capital contribution from Cendant	40	—	40
Balance as of December 31, 2003	4,103	180	4,283
Comprehensive income:			
Net income	349	—	
Currency translation adjustment, net of tax of $33	—	33	
Unrealized gains on cash flow hedges, net of tax of $1	—	1	
Total comprehensive income	—	—	383
Capital contribution from Cendant	13	—	13
Balance as of December 31, 2004	4,465	214	4,679
As Restated			
Comprehensive income:			
Net income	431	—	
Currency translation adjustment, net of tax of $(19)	—	(106)	
Unrealized gains on cash flow hedges, net of tax of $2	—	3	
Reclassification for gains on cash flow hedges, net of tax of $(2)	—	(3)	
Total comprehensive income	—	—	325
Dividends paid to Cendant	(59)	—	(59)
Capital contribution from Cendant	88	—	88
Balance as of December 31, 2005	$ 4,925	$ 108	$5,033

See Notes to Combined Financial Statements.

WYNDHAM WORLDWIDE BUSINESSES OF CENDANT CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions, except per share amounts)

1. Basis of Presentation

Wyndham Worldwide Corporation, which holds or will hold the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of Cendant Corporation's ("Cendant") Hospitality Services (including Timeshare Resorts) businesses, represents a combined reporting entity comprised of substantially all of the assets and liabilities used in managing and operating the lodging, vacation exchange and rental and vacation ownership businesses of Cendant (collectively, the "Company"). On October 23, 2005, Cendant's Board of Directors preliminarily approved a plan to separate Cendant into four independent, publicly traded companies—one each for Cendant's Hospitality Services (including Timeshare Resorts), Real Estate Services, Travel Distribution Services and Vehicle Rental businesses. See Note 21—Subsequent Events for further detail.

The Company's combined results of operations, financial position and cash flows may not be indicative of its future performance and do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Company operated as a separate, stand-alone entity during the periods presented, including changes in its operations and capitalization as a result of the separation and distribution from Cendant.

Certain corporate and general and administrative expenses, including those related to executive management, tax, accounting, legal and treasury services, certain employee benefits and real estate usage for common space have been allocated by Cendant to the Company based on forecasted revenues. Management believes such allocations are reasonable. However, the associated expenses recorded by the Company in the Combined Statements of Income may not be indicative of the actual expenses that would have been incurred had the Company been operating as a separate, stand-alone public company for the periods presented. Following the separation and distribution from Cendant, the Company will perform these functions using internal resources or purchased services, certain of which may be provided by Cendant or one of the separated companies during a transitional period pursuant to the Transition Services Agreement. Refer to Note 19—Related Party Transactions for a detailed description of the Company's transactions with Cendant.

In presenting the Combined Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates.

Business Description

The Company operates in the following business segments:

- **Lodging**—franchises hotels in the upscale, middle and economy segments of the lodging industry and provides property management services to owners of upscale branded hotels.
- **Vacation Exchange and Rental**—provides vacation exchange products and services to owners of intervals of vacation ownership interests and markets vacation rental properties primarily on behalf of independent owners.
- **Vacation Ownership**—markets and sells vacation ownership interests ("VOIs") to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.

Throughout the Notes to Combined Financial Statements, we refer to Cendant's Real Estate Services business as Realogy or the Real Estate Services business and to Cendant's Travel Distribution Services business as Travelport or the Travel Distribution Services business.

2. Summary of Significant Accounting Policies

PRINCIPLES OF CONSOLIDATION

The Combined Financial Statements include the accounts and transactions of Wyndham Worldwide, as well as entities in which Wyndham Worldwide directly or indirectly has a controlling financial interest. The Combined Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany balances and transactions have been eliminated in the Combined Financial Statements.

VARIABLE INTEREST ENTITIES

The Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 46 (Revised 2003), "Consolidation of Variable Interest Entities" ("FIN 46"), in its entirety as of December 31, 2003.

The adoption of FIN 46 did not have a significant impact on the Company's earnings, financial position or cash flows. However, during 2003, the underlying structures of certain entities that the Company utilizes to securitize vacation ownership contract receivables generated from financing the sale of vacation ownership interests were amended in a manner that resulted in these entities no longer meeting the criteria to qualify as off-balance sheet entities. Consequently, the Company consolidated these entities on September 1, 2003 pursuant to FIN 46. A limited number of entities used to securitize vacation ownership contract receivables continued to meet the criteria to qualify as off-balance sheet entities, and therefore are not consolidated. See Note 7—Vacation Ownership Contract Receivables for more detailed information.

Current Policy. In connection with FIN 46, when evaluating an entity for consolidation, the Company first determines whether an entity is within the scope of FIN 46 and if it is deemed to be a variable interest entity ("VIE"). If the entity is considered to be a VIE, the Company determines whether it would be considered the entity's primary beneficiary. The Company consolidates those VIEs for which it has determined that it is the primary beneficiary. The Company will consolidate an entity not deemed either a VIE or qualifying special purpose entity ("QSPE") upon a determination that its ownership, direct or indirect, exceeds 50% of the outstanding voting shares of an entity and/or that it has the ability to control the financial or operating policies through its voting rights, board representation or other similar rights. For entities where the Company does not have a controlling interest (financial or operating), the investments in such entities are classified as available-for-sale debt securities or accounted for using the equity or cost method, as appropriate. The Company applies the equity method of accounting when it has the ability to exercise significant influence over operating and financial policies of an investee in accordance with Accounting Principles Board ("APB") Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock."

Previous Policy. Prior to the adoption of FIN 46, the Company did not consolidate special purpose entities ("SPEs") and SPE-type entities unless the Company retained both control of the assets transferred and the risks and rewards of those assets. Additionally, non-SPE-type entities were consolidated only if the Company's ownership exceeded 50% of the outstanding voting shares of an entity and/or if the Company had the ability to control the financial or operating policies of an entity through its voting rights, board representation or other similar rights.

REVENUE RECOGNITION

Lodging

The Company enters into agreements to franchise its lodging franchise systems to independent hotel owners. The Company's standard franchise agreement typically has a term of 15 to 20 years and provides a franchisee with certain rights to terminate the franchise agreement before the term of the agreement under certain circumstances. The principal source of revenues from franchising hotels is ongoing franchise fees, which are

comprised of royalty fees and other fees relating to marketing and reservation services. Ongoing franchise fees typically are based on a percentage of gross room revenues of each franchisee and are accrued as the underlying franchisee revenues are earned and due from the franchisees. An estimate of uncollectible ongoing franchise fees is charged to bad debt expense and included in operating expenses on the Combined Statements of Income. Lodging revenues also include initial franchise fees, which are recognized as revenue when all material services or conditions have been substantially performed, which is when a franchised hotel opens for business or a franchise agreement is terminated as it has been determined that the franchised hotel will not open.

The Company's franchise agreements require the payment of fees for certain services, including marketing and reservations. With such fees, the Company provides its franchised properties with a suite of operational and administrative services, including access to an international, centralized, brand-specific reservations system, advertising, promotional and co-marketing programs, referrals, technology, training and volume purchasing. The Company is contractually obligated to expend the marketing and reservation fees it collects from franchisees in accordance with the franchise agreements; as such, revenues earned in excess of costs incurred are accrued as a liability for future marketing or reservation costs. Costs incurred in excess of revenues are expensed. In accordance with the Company's franchise agreements, the Company includes an allocation of certain overhead costs required to carry out marketing and reservation activities within marketing and reservation expenses.

The Company also provides property management services for hotels under management contracts. Management fees are comprised of base fees, which typically are calculated based upon a specified percentage of gross revenues from hotel operations, and incentive management fees, which typically are calculated based upon a specified percentage of a hotel's operating profit or the amount by which a hotel's operating profit exceeds specified targets. Management fee revenue is recognized when earned in accordance with the terms of the contract. The Company incurs certain reimbursable costs on behalf of managed hotel properties and reports reimbursements received from managed properties as revenue and the costs incurred on their behalf as expenses. The revenue is recorded as a component of service fees and membership on the Combined Statements of Income. The costs, which principally relate to payroll costs at managed properties where the Company is the employer, are reflected as a component of operating expenses on the Combined Statements of Income. The reimbursements from hotel owners are based upon the costs incurred with no added margin; as a result, these reimbursable costs have little to no effect on the Company's operating income. In 2005, management fee revenue and revenue related to payroll reimbursements were $1 million and $17 million, respectively.

Vacation Exchange and Rental

As a provider of vacation exchange services, the Company enters into affiliation agreements with developers of vacation ownership properties to allow owners of intervals to trade their intervals for certain other intervals within the Company's vacation exchange business and, for some members, for other leisure-related products and services. Additionally, as a marketer of vacation rental properties, generally the Company enters into contracts for exclusive periods of time with property owners to market the rental of such properties to rental customers. The Company's vacation exchange business derives a majority of its revenues from annual membership dues and exchange fees from members trading their intervals. Annual dues revenue represents the annual membership fees from members who participate in the Company's vacation exchange business. For additional fees, such participants are entitled to exchange intervals for intervals at other properties affiliated with our vacation exchange business. In addition, certain participants may exchange intervals for other leisure-related products and services. The Company records revenue from annual membership dues as deferred income on the Company's Combined Balance Sheets and recognizes it on a straight-line basis over the membership period during which delivery of publications, if applicable, and other services are provided to the members. Exchange fees are generated when members exchange their intervals for equivalent values of rights and services, which may include intervals at other properties within the Company's vacation exchange business or other leisure-related products and services. Exchange fees are recognized as revenue when the exchange requests have been confirmed to the member. The Company's vacation rental business derives its revenue principally from fees, which generally range from approximately 25% to 50% of the gross rent charged to rental customers. The

majority of the time, we act on behalf of the owners of the rental properties to generate our fees. We provide reservation services to the independent property owners and receive the agreed-upon fee for the service provided. We remit the gross rental fee received from the renter to the independent property owner, net of our agreed-upon fee. Revenue from such fees is recognized in the period that the rental reservation is made, net of expected cancellations. Upon confirmation of the rental reservation, the rental customer and property owner generally have a direct relationship for additional services to be performed. Cancellations for 2005 and 2004 totaled approximately 2% of rental transactions booked. Our revenue is earned when evidence of an arrangement exists, delivery has occurred or the services have been rendered, the seller's price to the buyer is fixed or determinable, and collectibility is reasonably assured. We also earn rental fees in connection with properties we own or lease under capital leases and such fees are recognized when the rental customer's stay occurs, as this is the point at which the service is rendered.

Vacation Ownership

The Company markets and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts. The Company's vacation ownership business derives the majority of its revenues from sales of VOIs and derives other revenues from consumer financing and property management. The Company's sales of VOIs are either cash sales or Company-financed sales. In order for the Company to recognize revenues of VOI sales under the full accrual method of accounting described in SFAS No. 66 "Accounting of Sales of Real Estate" for fully constructed inventory, a binding sales contract must have been executed, the statutory rescission period must have expired (after which time the purchasers are not entitled to a refund except for non-delivery by the Company), receivables must have been deemed collectible and the remainder of the Company's obligations must have been substantially completed. In addition, before the Company recognizes any revenues on VOI sales, the purchaser of the VOI must have met the initial investment criteria and, as applicable, the continuing investment criteria, by executing a legally binding financing contract. A purchaser has met the initial investment criteria when a minimum down payment of 10% is received by the Company. In those cases where financing is provided to the purchaser by the Company, the purchaser is obligated to remit monthly payments under financing contracts that represent the purchaser's continuing investment. The contractual terms of Company-provided financing arrangements require that the contractual level of annual principal payments be sufficient to amortize the loan over a customary period for the VOI being financed, which is generally seven to ten years, and payments under the financing contracts begin within 45 days of the sale and receipt of the minimum down payment of 10%. If all of the criteria for a VOI sale to qualify under the full accrual method of accounting have been met, as discussed above, except that construction of the VOI purchased is not complete, the Company recognizes revenues using the percentage-of-completion method of accounting provided that the preliminary construction phase is complete and that a minimum sales level has been met (to assure that the property will not revert to a rental property). The preliminary stage of development is deemed to be complete when the engineering and design work is complete, the construction contracts have been executed, the site has been cleared, prepared and excavated, and the building foundation is complete. The completion percentage is determined by the proportion of real estate inventory costs and certain sales and marketing and interest costs incurred to total estimated costs. These estimated costs are based upon historical experience and the related contractual terms. The remaining revenue and related costs of sales, including commissions and direct expenses, are deferred and recognized as the remaining costs are incurred. Until a contract for sale qualifies for revenue recognition, all payments received are accounted for as restricted cash and deposits within other current assets and deferred income, respectively, on the Combined Balance Sheets. Commissions and other direct costs related to the sale are deferred until the sale is recorded. If a contract is cancelled before qualifying as a sale, non-recoverable expenses are charged to operating expense in the current period on the Combined Statements of Income.

The Company also offers consumer financing as an option to customers purchasing VOIs, which are typically collateralized by the underlying VOI. Generally, the financing terms are for seven to ten years. An estimate of uncollectible amounts is recorded at the time of the sale with a charge to the provision for loan losses on the Combined Statements of Income. The interest income earned from the financing arrangements is earned on the principal balance outstanding over the life of the arrangement.

The Company also provides day-to-day-management services, including oversight of housekeeping services, maintenance and certain accounting and administrative services for property owners' associations and clubs. In some cases, the Company's employees serve as officers and/or directors of these associations and clubs in accordance with their by-laws and associated regulations. Management fee revenue is recognized when earned in accordance with the terms of the contract and is recorded as a component of service fees and membership on the Combined Statements of Income. The costs, which principally relate to the payroll costs for management of the associations, clubs and the resort properties where the Company is the employer, are reflected as a component of operating expenses on the Combined Statements of Income. Reimbursements are based upon the costs incurred with no added margin and thus presentation of these reimbursable costs has little to no effect on the Company's operating income. Management fee revenue and revenue related to reimbursements were $91 million and $124 million in 2005, respectively, $95 million and $103 million in 2004, respectively, and $82 million and $86 million in 2003, respectively. In 2005, 2004 and 2003, one of the associations that the Company manages paid RCI Global Vacation Network (vacation exchange and rental) $11 million, $9 million and $6 million, respectively, for exchange services.

The Company records lodging-related marketing and reservation revenues, as well as property management services revenues for the Company's lodging and vacation ownership segments, in accordance with Emerging Issues Task Force Issue 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," which requires that these revenues be recorded on a gross basis.

INCOME TAXES

The Company's operations have been included in the consolidated federal tax return of Cendant and will continue to be included up to the date of the separation. In addition, the Company has filed consolidated and unitary state income tax returns with Cendant in jurisdictions where required or permitted and will continue to file with Cendant up to the date of the separation. The income taxes associated with the Company's inclusion in Cendant's consolidated federal and state income tax returns are included in the due from Cendant, net line item on the accompanying Combined Balance Sheets. The provision for income taxes is computed as if the Company filed its federal and state income tax returns on a stand-alone basis and, therefore, determined using the asset and liability method, under which deferred tax assets and liabilities are calculated based upon the temporary differences between the financial statement and income tax bases of assets and liabilities using currently enacted tax rates. These differences are based upon estimated differences between the book and tax basis of the assets and liabilities for the Company as of December 31, 2005 and 2004. The Company's tax assets and liabilities may be adjusted in connection with the finalization of Cendant's prior years' income tax returns or with the plan to separate Cendant into four independent publicly traded companies.

The Company's deferred tax assets are recorded net of a valuation allowance when, based on the weight of available evidence, it is more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. Decreases to the valuation allowance are recorded as reductions to the Company's provision for income taxes and increases to the valuation allowance result in additional provision for income taxes. However, if the valuation allowance is adjusted in connection with an acquisition, such adjustment is recorded through goodwill rather than the provision for income taxes. The realization of the Company's deferred tax assets, net of the valuation allowance, is primarily dependent on estimated future taxable income. A change in the Company's estimate of future taxable income may require an addition to or reduction from the valuation allowance.

CASH AND CASH EQUIVALENTS

The Company considers highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

RESTRICTED CASH

Restricted cash consists of deposits received on sales of VOIs that are held in escrow until a certificate of occupancy is obtained, the legal rescission period has expired and the deed of trust has been recorded in

governmental property ownership records, as well as separately held amounts based upon the terms of the securitizations. Such amounts were $143 million and $128 million as of December 31, 2005 and 2004, respectively, of which $42 million and $44 million, respectively, are recorded with other current assets and $101 million and $84 million, respectively, are recorded within other non-current assets on the Company's Combined Balance Sheets.

RECEIVABLE VALUATION

Trade receivables

The Company's lodging and vacation exchange and rental businesses provide for estimated bad debts based on their assessment of the ultimate realizability of receivables, considering historical collection experience, the economic environment and specific customer information. When the Company determines that an account is not collectible, the account is written-off to the allowance for doubtful accounts. Such write-offs amounted to $34 million, $36 million and $31 million in 2005, 2004 and 2003, respectively. Bad debt expense is recorded in operating or marketing and reservation expenses on the Combined Statements of Income and amounted to $51 million, $43 million and $41 million in 2005, 2004 and 2003, respectively.

Vacation ownership contract receivables

Within the Company's vacation ownership business, the Company provides for estimated vacation ownership contract receivable cancellations and defaults at the time the VOI sales are recorded, with a charge to the provision for loan losses on the Combined Statements of Income. The Company considers factors including economic conditions, defaults, past due aging and historical write-offs of vacation ownership contract receivables to evaluate the adequacy of the allowance. The Company charges vacation ownership contract receivables to the loan loss allowance when they become 180 days contractually past due or are deemed uncollectible.

LOYALTY PROGRAMS

The Company operates loyalty programs called TripRewards and RCI Elite Rewards and also offers a branded credit card as part of its TripRewards and RCI Elite Rewards loyalty programs.

TripRewards members accumulate points by staying in hotels franchised under one of the Company's worldwide lodging brands (excluding Wyndham Hotels and Resorts), and purchasing everyday products and services from the various businesses that participate in the program.

Members may redeem their points for hotel stays, airline tickets, rental cars, resort vacation, electronics, sporting goods, movie and theme park tickets, and gift certificates. The Company earns revenue when a TripRewards member stays at a participating hotel, and the Company charges a fee to the franchisees based upon a percentage of room revenue generated by such members. This fee is in addition to marketing and reservation fees that the Company earns. The costs of this TripRewards loyalty program relate to marketing expenses to promote the program, costs to administer the program and costs of members' redemptions.

The branded credit cards also allow members to earn points that can be redeemed for similar items noted above. The Company earns revenue based upon a percentage of the members' spending on the credit card and such revenue is paid to the Company by a third-party issuing bank.

As members earn points through the Company's loyalty programs, the Company records an estimated cost of the points, which is calculated from the cost per point and the estimated redemptions of the points based upon historical experience and current trends. The points cannot be redeemed for cash. Revenues relating to the loyalty programs are recorded in other revenue in the Combined Statements of Income and amounted to $56 million, $23 million and $1 million while total expenses amounted to $49 million, $23 million and $1 million for the years ended 2005, 2004 and 2003, respectively. The point liability as of December 31, 2005 and 2004 amounted to $39 million and $28 million, respectively, and are included in accrued expenses and other current liabilities and other non-current liabilities in the Combined Balance Sheets.

INVENTORY

Inventory primarily consists of real estate and development costs of completed VOIs, VOIs under construction, land held for future VOI development, vacation ownership properties and vacation credits. Inventory is stated at the lower of cost, including capitalized interest, property taxes and certain other carrying costs incurred during the construction process, or net realizable value. Capitalized interest was $7 million, $5 million and $7 million in 2005, 2004 and 2003, respectively.

ADVERTISING EXPENSE

Advertising costs are generally expensed in the period incurred. Advertising expenses, recorded primarily within marketing and reservation expenses on the Company's Combined Statements of Income, were $66 million, $61 million and $52 million in 2005, 2004 and 2003, respectively.

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Combined Financial Statements requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the Company's Combined Financial Statements and accompanying notes. Although these estimates and assumptions are based on the Company's knowledge of current events and actions the Company may undertake in the future, actual results may ultimately differ from estimates and assumptions.

DERIVATIVE INSTRUMENTS

The Company uses derivative instruments as part of its overall strategy to manage its exposure to market risks primarily associated with fluctuations in foreign currency exchange rates and interest rates. As a matter of policy, the Company does not use derivatives for trading or speculative purposes. All derivatives are recorded at fair value either as assets or liabilities. Changes in fair value of derivatives not designated as hedging instruments and of derivatives designated as fair value hedging instruments are recognized currently in earnings and included either as a component of other revenues or interest expense, based upon the nature of the hedged item, in the Combined Statements of Income. The effective portion of changes in fair value of derivatives designated as cash flow hedging instruments is recorded as a component of other comprehensive income. The ineffective portion is reported currently in earnings as a component of revenues or net interest expense, based upon the nature of the hedged item. Amounts included in other comprehensive income are reclassified into earnings in the same period during which the hedged item affects earnings.

Certain derivative instruments used to manage interest rate risks of the Company were entered into on behalf of the Company by Cendant. The fair value of the instruments is recorded on Cendant's Combined Balance Sheets and passed to the Company through the related party accounts, which are presented on the Company's Combined Balance Sheets within the due from Cendant, net line item. The derivatives that were designated as cash flow hedging instruments by Cendant do not qualify for hedge accounting treatment on the Company's Combined Financial Statements as the derivative remains on Cendant's balance sheet and the underlying debt instrument resides on the Company's Combined Financial Statements. Therefore, any changes in fair value of these instruments are recognized in the Company's Combined Statements of Income.

RETAINED INTERESTS FROM SECURITIZATIONS

The retained interests from the Company's securitizations of vacation ownership contract receivables are classified as trading securities and recorded within other non-current assets on the Company's Combined Balance Sheets. Such amounts were $13 million and $40 million as of December 31, 2005 and 2004, respectively. The Company estimates fair value of retained interests based upon the present value of expected future cash flows, which is subject to the prepayment risks, expected credit losses and interest rate risks of the sold financial assets. See Note 7—Vacation Ownership Contract Receivables for more information regarding these retained interests which relate to the securitization of vacation ownership contract receivables prior to September 1, 2003.

PROPERTY AND EQUIPMENT

Property and equipment (including leasehold improvements) are recorded at cost, net of accumulated depreciation and amortization. Depreciation, recorded as a component of depreciation and amortization on the Combined Statements of Income, is computed utilizing the straight-line method over the estimated useful lives of the related assets. Amortization of leasehold improvements, also recorded as a component of depreciation and amortization, is computed utilizing the straight-line method over the estimated benefit period of the related assets or the lease term, if shorter. Useful lives are generally 30 years for buildings, up to 20 years for leasehold improvements, from 20 to 30 years for vacation rental properties and from three to seven years for furniture, fixtures and equipment.

The Company capitalizes the costs of software developed for internal use in accordance with Statement of Position No. 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Capitalization of software developed for internal use commences during the development phase of the project. The Company amortizes software developed or obtained for internal use on a straight-line basis, from three to seven years, when such software is substantially ready for use. The net carrying value of software developed or obtained for internal use was $56 million and $53 million as of December 31, 2005 and 2004, respectively.

IMPAIRMENT OF LONG-LIVED ASSETS

In connection with Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," the Company is required to assess goodwill and other indefinite-lived intangible assets for impairment annually, or more frequently if circumstances indicate impairment may have occurred. The Company assesses goodwill for such impairment by comparing the carrying value of its reporting units to their fair values. Each of the Company's reportable segments represents a reporting unit. The Company determines the fair value of its reporting units utilizing discounted cash flows and incorporates assumptions that it believes marketplace participants would utilize. When available and as appropriate, the Company uses comparative market multiples and other factors to corroborate the discounted cash flow results. Other indefinite-lived intangible assets are tested for impairment and written down to fair value, if necessary, as required by SFAS No. 142. The Company performs its annual impairment testing in the fourth quarter of each year subsequent to completing its annual forecasting process. In performing this test, the Company determines fair value using the present value of expected future cash flows.

The Company evaluates the recoverability of its other long-lived assets, including amortizing intangible assets, if circumstances indicate an impairment may have occurred pursuant to SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This analysis is performed by comparing the respective carrying values of the assets to the current and expected future cash flows, on an undiscounted basis, to be generated from such assets. Property and equipment is evaluated separately within each business. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value through a charge to the Company's Combined Statements of Income.

The Company performs its required annual impairment testing in the fourth quarter of each year subsequent to completing its annual forecasting process. In performing this test, the Company determines fair value using the present value of expected future cash flows. There were no impairments relating to intangible assets or other long-lived assets during 2005, 2004 or 2003.

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss) consists of accumulated foreign currency translation adjustments and accumulated unrealized gains and losses on derivative instruments designated as cash flow hedges. Foreign currency translation adjustments exclude income taxes related to indefinite investments in foreign subsidiaries. Assets and liabilities of foreign subsidiaries having non-U.S.-dollar functional currencies are

translated at exchange rates at the Combined Balance Sheet dates. Revenues and expenses are translated at average exchange rates during the periods presented. The gains or losses resulting from translating foreign currency financial statements into U.S. dollars, net of hedging gains or losses and taxes, are included in accumulated other comprehensive income on the Company's Combined Balance Sheets. Gains or losses resulting from foreign currency transactions are included in the Combined Statements of Income.

STOCK-BASED COMPENSATION

As of December 31, 2005, all employee stock awards were granted by Cendant. Prior to January 1, 2003, Cendant measured its stock-based compensation using the intrinsic value approach under APB Opinion No. 25, as permitted by SFAS No. 123, "Accounting for Stock-Based Compensation."

On January 1, 2003, Cendant adopted the fair value method of accounting for stock-based compensation provisions of SFAS No. 123. Cendant also adopted SFAS No. 148, "Accounting for Stock-Based Compensation—Transition and Disclosure," in its entirety on January 1, 2003, which amended SFAS No. 123 to provide alternative methods of transition for a voluntary change to the fair value based method of accounting provisions. As a result, Cendant now expenses all employee stock awards over their vesting periods based upon the fair value of the award on the date of grant. As Cendant elected to use the prospective transition method, Cendant allocated expense to the Company only for employee stock awards that were granted subsequent to December 31, 2002. See Note 15—Stock-Based Compensation for the pro forma stock-based compensation table.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Vacation Ownership Transactions. In December 2004, the FASB issued SFAS No. 152, "Accounting for Real Estate Time-Sharing Transactions," in connection with the previous issuance of the American Institute of Certified Public Accountants' Statement of Position No. 04-2, "Accounting for Real Estate Time-Sharing Transactions." SFAS No. 152 provides guidance on revenue recognition for vacation ownership transactions, accounting and presentation for the uncollectibility of vacation ownership contract receivables, accounting for costs of sales of vacation ownership interests and related costs, accounting for operations during holding periods, and other transactions associated with vacation ownership operations.

The Company's revenue recognition policy for vacation ownership transactions has historically required a 10% minimum down payment (initial investment) as a prerequisite to recognizing revenue on the sale of a vacation ownership interest. SFAS No. 152 requires that the Company consider the fair value of certain incentives provided to the buyer when assessing whether such threshold has been achieved. If the buyer's investment has not met the minimum investment criteria of SFAS No. 152, the revenue associated with the sale of the vacation ownership interest and the related cost of sales and direct costs are deferred until the buyer's commitment satisfies the requirements of SFAS No. 152. In addition, certain costs previously included in the Company's percentage-of-completion calculation prior to the adoption of SFAS No. 152 are now expensed as incurred rather than deferred until the corresponding revenue is recognized.

SFAS No. 152 requires the Company to record the estimate of uncollectible vacation ownership contract receivables at the time a vacation ownership transaction is consummated as a reduction of net revenue. Prior to the adoption of SFAS No. 152, the Company recorded such provisions within operating expense on the Combined Statements of Income.

SFAS No. 152 also requires that revenue in excess of costs associated with the rental of unsold units be accounted for as a reduction to the carrying value of vacation ownership inventory (which reduces the cost of such inventory when it is sold) and that costs in excess of revenues associated with the rental of unsold units be charged to expense as incurred. Prior to the adoption of SFAS No. 152, rental revenues and expenses were separately recorded in the Combined Statements of Income.

The Company adopted the provisions of SFAS No. 152 effective January 1, 2006, as required, and recorded an after tax charge of $65 million during first quarter 2006 as a cumulative effect of an accounting change, which consisted of a pre-tax charge of $105 million representing the deferral of revenue and costs associated with sales of vacation ownership interests that were recognized prior to January 1, 2006, the recognition of certain expenses that were previously deferred and an associated tax benefit of $40 million. There was no impact to cash flows from the adoption of SFAS No. 152.

Accounting Changes and Error Corrections. In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections-a replacement of APB Opinion No. 20 and FASB Statement No. 3." SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable. APB Opinion No. 20, "Accounting Changes," previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. SFAS No. 154 became effective for the Company on January 1, 2006. The Company believes that the adoption of SFAS No. 154 will not have a material impact on its Combined Financial Statements.

Accounting for Servicing of Financial Assets. In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets—an amendment of FASB Statement No. 140." SFAS No. 156 requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract and requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable. SFAS No. 156 will become effective for the Company on January 1, 2007. The Company believes that the adoption of SFAS No. 156 will not have a material impact on its Combined Financial Statements.

Stock-Based Compensation. In December 2004, the FASB issued SFAS No. 123R, "Share-Based Payment," which eliminates the alternative to measure stock-based compensation awards using the intrinsic value approach permitted by APB Opinion No. 25 and by SFAS No. 123, "Accounting for Stock-Based Compensation." The Company will adopt SFAS No. 123R on January 1, 2006, as required by the Securities and Exchange Commission. Although the Company has not yet completed its assessment of adopting SFAS No. 123R, it does not believe that such adoption will significantly affect its earnings, financial position or cash flows since the Company does not use the alternative intrinsic value approach.

3. Acquisitions

Assets acquired and liabilities assumed in business combinations were recorded on the Company's Combined Balance Sheets as of the respective acquisition dates based upon their estimated fair values at such dates. The results of operations of businesses acquired by the Company have been included in the Company's Combined Statements of Income since their respective dates of acquisition. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities assumed was allocated to goodwill. In certain circumstances, the allocations of the excess purchase price are based upon preliminary estimates and assumptions. Accordingly, the allocations may be subject to revision when the Company receives final information, including appraisals and other analyses. Any revisions to the fair values, which may be significant, will be recorded by the Company as further adjustments to the purchase price allocations. The Company is also in the process of integrating the operations of its acquired businesses and expects to incur costs relating to such integrations. These costs may result from integrating operating systems, relocating employees, closing facilities, reducing duplicative efforts and exiting and consolidating other activities. These costs will be recorded on the Company's Combined Balance Sheets as adjustments to the purchase price or on the Company's Combined Statements of Income as expenses, as appropriate.

2005 ACQUISITIONS

Wyndham. On October 11, 2005, the Company acquired the franchise and property management business associated with the Wyndham Hotels and Resorts brand for $111 million in cash. The acquisition includes franchise agreements, management contracts and the worldwide rights to the Wyndham brand. This acquisition

resulted in goodwill (based on the preliminary allocation of the purchase price) of $20 million, all of which is expected to be deductible for tax purposes. Such goodwill was allocated to the Company's lodging segment. This acquisition also resulted in $85 million of other intangible assets, such as trademarks and franchise agreements. Management believes that this acquisition adds an upscale brand to the Company's lodging portfolio and also represents the Company's entry into hotel property management services.

Other. During 2005, the Company also acquired three other individually non-significant businesses for aggregate consideration of $35 million in cash. The goodwill resulting from the preliminary allocation of the purchase prices of these acquisitions aggregated $21 million, $1 million of which is expected to be deductible for tax purposes. The goodwill was allocated to the vacation exchange and rental ($4 million) and vacation ownership ($17 million) segments. These acquisitions also resulted in $1 million of other intangible assets.

2004 ACQUISITIONS

Two Flags Joint Venture LLC. In 2002, the Company formed Two Flags Joint Venture LLC ("Two Flags") through the contribution of its domestic Days Inn trademark and related license agreements. The Company did not contribute any other assets to Two Flags. The Company then sold 49.9999% of Two Flags to Marriott in exchange for the contribution to Two Flags of the domestic Ramada trademark and related license agreements. The Company retained a 50.0001% controlling equity interest in Two Flags. Both Marriott and the Company had the right, but were not obligated, to cause the sale of Marriott's interest at any time after March 1, 2004 for approximately $200 million, which represented the projected fair market value of Marriott's interest at such time. On April 1, 2004, the Company exercised its right to purchase Marriott's interest in Two Flags for approximately $200 million. In connection with such transaction, the Company assumed a note payable of approximately $200 million, bearing interest at 10%, which was paid in September 2004. As a result, the Company now owns 100% of Two Flags and has exclusive rights to the domestic Ramada and Days Inn trademarks and the related license agreements. Management believes that this acquisition adds a well-known middle market brand to the Company's lodging portfolio.

Pursuant to the terms of the venture, the Company and Marriott shared income from Two Flags on a substantially equal basis. For the period January 1, 2004 through April 1, 2004 (the date on which the Company purchased Marriott's interest) and for the year ended December 31, 2003, the Company recorded pre-tax minority interest expense of $6 million and $25 million, respectively, in connection with Two Flags.

Ramada International. On December 10, 2004, the Company acquired Ramada International, which included the international franchise rights of the Ramada hotel chain for $38 million in cash. The allocation of the purchase price resulted in goodwill of $2 million, all of which is expected to be deductible for tax purposes. Such goodwill was allocated to the Company's lodging segment. This acquisition also resulted in $33 million of other intangible assets. As a result of this acquisition, the Company obtained the worldwide rights to the Ramada trademark and management believes that this acquisition will provide a platform to expand direct franchising internationally.

Landal GreenParks. On May 5, 2004, the Company acquired Landal GreenParks, a Dutch vacation rental company that specializes in the rental of privately-owned vacation homes located in European holiday parks, for $81 million in cash, net of cash acquired of $22 million. As part of this acquisition, the Company also assumed $78 million of debt. The allocation of the purchase price resulted in goodwill of $56 million, of which $7 million is expected to be deductible for tax purposes. Such goodwill was allocated to the Company's vacation exchange and rental segment. This acquisition also resulted in $41 million of other intangible assets. Management believes that this acquisition offers the Company increased access to both the Dutch and German consumer markets, as well as rental properties in high demand locations.

Canvas Holidays Limited. On October 8, 2004, the Company acquired Canvas Holidays Limited, a tour operator based in Scotland, for $51 million in cash. This acquisition resulted in goodwill of $25 million, none of which is expected to be deductible for tax purposes. Such goodwill was allocated to the Company's vacation

exchange and rental segment. This acquisition also resulted in $8 million of other intangible assets. Management believes that this acquisition broadens the Company's product depth in the European vacation market.

Other. During 2004, the Company also acquired one other non-significant business for $8 million in cash. The goodwill resulting from the allocation of the purchase price of this acquisition was $4 million, none of which is expected to be deductible for tax purposes, and was allocated to the vacation exchange and rental segment. This acquisition also resulted in $1 million of other intangible assets.

2003 ACQUISITION

FFD Development Company, LLC. On February 3, 2003, the Company acquired all of the common interests of FFD Development Company, LLC ("FFD") from an independent business trust for $27 million in cash. As part of this acquisition, the Company also assumed $58 million of debt, which was subsequently repaid. The allocation of the purchase price resulted in goodwill of $16 million, none of which is expected to be deductible for tax purposes. Such goodwill was allocated to the Company's vacation ownership segment. FFD was formed prior to the Company's April 2001 acquisition of Fairfield Resorts, Inc. ("Fairfield"), formerly Fairfield Communities, Inc., and was the primary developer of vacation ownership properties for Fairfield.

4. Intangible Assets

Intangible assets consisted of:

	As of December 31, 2005			As of December 31, 2004		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Unamortized Intangible Assets						
Goodwill	$ 2,645			$ 2,633		
Trademarks[a]	$ 580			$ 516		
Amortized Intangible Assets						
Franchise agreements[b]	$ 573	$ 220	$ 353	$ 564	$ 204	$ 360
Other[c]	161	102	59	168	92	76
	$ 734	$ 322	$ 412	$ 732	$ 296	$ 436

(a) Comprised of various tradenames (including the worldwide Wyndham Hotels and Resorts, Ramada, Days Inn, RCI, Landal GreenParks, Fairfield and Trendwest tradenames) that the Company has acquired and which distinguish the Company's consumer services as market leaders. These tradenames are expected to generate future cash flows for an indefinite period of time.
(b) Generally amortized over a period ranging from 20 to 40 years with a weighted average life of 35 years.
(c) Includes customer lists and business contracts, generally amortized over a period ranging from 10 to 20 years with a weighted average life of 14 years.

The changes in the carrying amount of goodwill are as follows:

	Balance as of January 1, 2005	Goodwill Acquired during 2005	Adjustments to Goodwill Acquired during 2004	Foreign Exchange and Other	Balance as of December 31, 2005
Lodging	$ 213	$ 20[a]	$ 8[d]	$ —	$ 241
Vacation Exchange and Rental	1,115	4[b]	12[e]	(49)[f]	1,082
Vacation Ownership	1,305	17[c]	—	—	1,322
Total Company	$ 2,633	$ 41	$ 20	$ (49)	$ 2,645

(a) Relates to the acquisition of Wyndham (see Note 3—Acquisitions).
(b) Primarily relates to the acquisition of a vacation rental business (March 2005).
(c) Relates to the acquisition of a vacation ownership business (August 2005).
(d) Relates to the acquisition of Ramada International (see Note 3—Acquisitions).
(e) Primarily relates to the acquisition of Landal GreenParks (see Note 3—Acquisitions).
(f) Primarily relates to foreign exchange translation adjustments.

Amortization expense relating to all intangible assets was as follows:

	Year Ended December 31,		
	2005	2004	2003
Franchise agreements	$16	$16	$16
Other	16	15	16
Total (*)	$32	$31	$32

(*) Included as a component of depreciation and amortization on the Company's Combined Statements of Income.

Based on the Company's amortizable intangible assets as of December 31, 2005, the Company expects related amortization expense for the five succeeding fiscal years to approximate $30 million in 2006 and $20 million in each of 2007, 2008, 2009 and 2010.

5. Franchising and Marketing/Reservation Activities

Franchise fee revenue of $434 million, $393 million and $376 million on the Combined Statements of Income for 2005, 2004 and 2003, respectively, includes initial franchise fees of $7 million, $6 million and $7 million, respectively.

As part of the ongoing franchise fees, the Company receives marketing and reservation fees from its lodging franchisees, which generally are calculated based on a specified percentage of gross room revenues. Such fees totaled $189 million, $171 million and $166 million during 2005, 2004 and 2003, respectively, and are recorded within the franchise fees line item on the Combined Statements of Income. As provided for in the franchise agreements and generally at the Company's discretion, all of these fees are to be expended for marketing purposes or the operation of an international, centralized, brand-specific reservation system for the respective franchisees.

The number of franchised lodging outlets in operation by market sector is as follows:

	(Unaudited) As of December 31,		
	2005	2004	2003
Upscale[a]	101	—	—
Middle[b]	1,634	1,719	1,615
Economy[c]	4,613	4,680	4,787
	6,348	6,399	6,402

(a) Comprised of the Wyndham Hotels and Resorts lodging brand, acquired in October 2005.
(b) Comprised of the Wingate Inn, Ramada Worldwide, Howard Johnson and AmeriHost Inn (including Aston) lodging brands.
(c) Comprised of the Days Inn, Super 8, Travelodge and Knights Inn lodging brands.

The number of franchised lodging outlets changed as follows:

	(Unaudited) For the Years Ended December 31,		
	2005	2004	2003
Beginning balance	6,399	6,402	6,513
Additions	458	514	369
Terminations	(509)	(517)	(480)
Ending balance	6,348	6,399	6,402

As of December 31, 2005, there was an insignificant amount of applications awaiting approval for execution of new franchise agreements. Additionally, as of December 31, 2005, there was an insignificant number of franchise agreements pending termination.

In connection with ongoing fees the Company receives from its franchisees pursuant to the franchise agreements, the Company is required to provide certain services, including access to an international, centralized, brand-specific reservation system, advertising, promotional and co-marketing programs, referrals, technology, training and volume purchasing. In order to assist franchisees in converting to one of the Company's brands or in franchise expansion, the Company may also, at its discretion, provide development advances (over the period of the franchise agreement typically ranging from 15 to 20 years) to franchisees who are either new or who are expanding their operations. Provided the franchisee is in compliance with the terms of the franchise agreement, all or a portion of the amount of the development advance may be forgiven by the Company. Otherwise, the related principal is due and payable to the Company. In certain instances, the Company may earn interest on unpaid franchisee development advances, which was not significant during 2005, 2004 or 2003. The amount of such development advances recorded on the Company's Combined Balance Sheets was $21 million at both December 31, 2005 and 2004. These amounts are classified within the other non-current assets line item on the Company's Combined Balance Sheets. During 2005, 2004 and 2003, the Company recorded $2 million, $3 million and $2 million, respectively, of expense related to the forgiveness of these advances. Such amounts are recorded within the operating expense line item on the Company's Combined Statements of Income.

6. Income Taxes

The income tax provision consists of the following for the year ended December 31:

	2005	2004	2003
Current			
Federal	$ (39)	$154	$ 39
State	(26)	29	20
Foreign	24	20	19
	(41)	203	78
Deferred			
Federal	186	22	115
State	52	5	(5)
Foreign	(2)	4	(2)
	236	31	108
Provision for income taxes	$195	$234	$186

The Company is part of a consolidated group and is included in the Cendant consolidated tax returns. The utilization of the Company's net operating loss carryforwards by other Cendant companies is reflected in the 2005 current provision.

Pre-tax income for domestic and foreign operations consisted of the following for the year ended December 31:

	2005	2004	2003
Domestic	$543	$493	$ 425
Foreign	83	94	75
Pre-tax income	$626	$587	$ 500

Current and non-current deferred income tax assets and liabilities, as of December 31, are comprised of the following:

	2005	2004
Current deferred income tax assets:		
Accrued liabilities and deferred income	$ 62	$ 42
Provision for doubtful accounts and vacation ownership contract receivables	75	60
Net operating loss carryforwards	18	145
Other	8	2
Valuation allowance(*)	(8)	(12)
Current deferred income tax assets	155	237
Current deferred income tax liabilities:		
Prepaid expenses	3	1
Unamortized servicing rights	5	5
Installment sales of vacation ownership interests	63	46
Current deferred income tax liabilities	71	52
Current net deferred income tax asset	$ 84	$185
Non-current deferred income tax assets:		
Net operating loss carryforwards	$ 30	$ 57
Alternative minimum tax credit carryforward	68	54
Tax basis differences in assets of foreign subsidiaries	117	—
Other	4	5
Valuation allowance(*)	(6)	(5)
Non-current deferred income tax assets	213	111
Non-current deferred income tax liabilities:		
Depreciation and amortization	464	354
Installment sales of vacation ownership interests	475	326
Other	97	119
Non-current deferred income tax liabilities	1,036	799
Non-current net deferred income tax liabilities	$ 823	$688

(*) The valuation allowance of $14 million as of December 31, 2005 primarily relates to state net operating loss carryforwards. The valuation allowance will be reduced when and if the Company determines that the deferred income tax assets are more likely than not to be realized. If determined to be realizable, $1 million of the valuation allowance would reduce goodwill.

As of December 31, 2005, the Company had federal net operating loss carryforwards of $39 million, which primarily expire in 2024. No provision has been made for U.S. federal deferred income taxes on $125 million of accumulated and undistributed earnings of foreign subsidiaries as of December 31, 2005 since it is the present intention of management to reinvest the undistributed earnings indefinitely in those foreign operations. The determination of the amount of unrecognized U.S. federal deferred income tax liability for unremitted earnings is not practicable.

The Company's effective income tax rate differs from the U.S. federal statutory rate as follows for the year ended December 31:

	2005	2004	2003
Federal statutory rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefits	2.7	3.8	2.0
Changes in tax basis differences in assets of foreign subsidiaries	(10.0)	—	—
Taxes on foreign operations at rates different than U.S. federal statutory rates	(1.1)	(1.8)	(1.9)
Taxes on repatriated foreign income, net of tax credits	1.8	2.6	1.9
Adjustment of estimated income tax accruals	2.3	0.2	0.6
Other	0.5	0.1	(0.4)
	31.2%	39.9%	37.2%

The decrease in the 2005 effective tax rate that resulted in a federal income tax benefit of $63 million is primarily the result of a one-time increase in the tax basis of certain foreign assets. In March 2005, the Company entered into a foreign tax restructuring where certain of its foreign subsidiaries were considered liquidated for United States tax purposes. This liquidation resulted in a taxable transaction which resulted in an increase in the tax basis of the assets held by these subsidiaries to their fair market value. This resulted in the creation of a deferred tax asset and recognition of a deferred tax benefit during 2005.

The Company's and Cendant's income tax returns are periodically examined by various tax authorities. The Company and Cendant currently are under audit by several tax authorities. In connection with these and future examinations, certain tax authorities, including the Internal Revenue Service ("IRS"), may raise issues and impose additional assessments. The Company and Cendant regularly evaluate the likelihood of additional assessments resulting from these examinations and establish reserves, through the provision for income taxes, for potential amounts that may result therefrom. Such reserves, which are recorded on Cendant's balance sheets as of December 31, 2005 and 2004, are adjusted as information becomes available or when an event requiring a change to the reserve occurs. The resolution of tax matters could have a material impact on the Company's effective tax rate and results of operations.

The Company and Cendant are subject to income taxes in the United States and several foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and recording related assets and liabilities. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company and Cendant are regularly under audit by tax authorities whereby the outcome of the audits is uncertain. Accruals for tax contingencies are provided for in accordance with the requirements of SFAS No. 5, "Accounting for Contingencies" and are currently maintained on Cendant's balance sheet and will be allocated to the Company upon the separation.

The IRS is currently examining Cendant's taxable years 1998 through 2002 during which the Company was included in Cendant's tax returns. Although the Company and Cendant believe there is appropriate support for the positions taken on its tax returns, the Company and Cendant have recorded liabilities representing the best estimates of the probable loss on certain positions. The Company and Cendant believe that the accruals for tax liabilities are adequate for all open years, based on assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. Although the Company and Cendant believe the recorded assets and liabilities are reasonable, tax regulations are subject to interpretation and tax litigation is inherently uncertain; therefore, the Company's and Cendant's assessments can involve both a series of complex judgments about future events and rely heavily on estimates and assumptions. While the Company and Cendant believe that the estimates and assumptions supporting the assessments are reasonable, the final determination of tax audits and any other related litigation could be materially different than that which is reflected in historical income tax provisions and recorded assets and liabilities. Based on the results of an audit or litigation, a material effect on the Company's income tax provision, net income, or cash flows in the period or periods for which that determination is made could result.

7. Vacation Ownership Contract Receivables

The Company generates vacation ownership contract receivables by extending financing to the purchasers of VOIs. Current and long-term vacation ownership contract receivables, net as of December 31, consisted of:

	2005	2004
Current vacation ownership contract receivables:		
Securitized	$ 180	$ 157
Other	75	72
	255	229
Less: Allowance for loan losses	(16)	(14)
Current vacation ownership contract receivables, net	$ 239	$ 215
Long-term vacation ownership contract receivables:		
Securitized	$1,198	$1,008
Other	758	656
	1,956	1,664
Less: Allowance for loan losses	(121)	(105)
Long-term vacation ownership contract receivables, net	$1,835	$1,559

Principal payments that are contractually due on the Company's vacation ownership contract receivables during the next twelve months are classified as current on the Company's Combined Balance Sheets. Principal payments due on the Company's vacation ownership contract receivables during each of the five years subsequent to December 31, 2005 and thereafter are as follows:

	Securitized	Other	Total
2006	$ 180	$ 75	$ 255
2007	181	80	261
2008	185	85	270
2009	175	88	263
2010	149	89	238
Thereafter	508	416	924
	$ 1,378	$833	$ 2,211

The average interest rate on outstanding vacation ownership contract receivables was 13.1% and 13.4% as of December 31, 2005 and 2004, respectively.

The activity in the allowance for loan losses on vacation ownership contract receivables is as follows:

	Amount
Allowance for loan losses as of January 1, 2003	$ (72)
Provision for loan losses	(70)
Contract receivables written-off, net	65
Allowance for loan losses as of December 31, 2003	(77)
Provision for loan losses	(86)
Contract receivables written-off, net	44
Allowance for loan losses as of December 31, 2004	(119)
Provision for loan losses	(128)(*)
Contract receivables written-off, net	110
Allowance for loan losses as of December 31, 2005	$ (137)

(*) Includes a $12 million provision associated with estimated losses resulting from the 2005 Gulf Coast hurricanes.

Securitizations

The Company pools qualifying vacation ownership contract receivables and sells them to bankruptcy-remote entities. Vacation ownership contract receivables qualify for securitization based primarily on the credit strength of the VOI purchaser to whom financing has been extended. Prior to September 1, 2003, sales of vacation ownership contract receivables were treated as off-balance sheet sales as the entities utilized were structured as bankruptcy-remote QSPEs pursuant to SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." Subsequent to September 1, 2003, newly originated as well as certain legacy vacation ownership contract receivables are securitized through bankruptcy-remote SPEs that are consolidated within the Company's Combined Financial Statements.

On Balance Sheet. Vacation ownership contract receivables securitized through the on-balance sheet, bankruptcy-remote SPEs are consolidated within the Company's Combined Financial Statements (see Note 12—Long-Term Debt and Borrowing Arrangements). The Company continues to service the securitized vacation ownership contract receivables pursuant to servicing agreements negotiated on an arms-length basis based on market conditions. The activities of these bankruptcy-remote SPEs are limited to (i) purchasing vacation ownership contract receivables from the Company's vacation ownership subsidiaries, (ii) issuing debt securities and/or borrowing under a conduit facility to effect such purchases and (iii) entering into derivatives to hedge interest rate exposure. The securitized assets of these bankruptcy-remote SPEs are not available to pay the general obligations of the Company. Additionally, the creditors of these SPEs have no recourse to the Company's general credit. The Company has made representations and warranties customary for securitization transactions, including eligibility characteristics of the receivables and servicing responsibilities, in connection with the securitization of these assets (see Note 13—Commitments and Contingencies). The Company does not recognize gains or losses resulting from these securitizations at the time of sale to the on-balance sheet, bankruptcy-remote SPE. Income is recognized when earned over the contractual life of the vacation ownership contract receivables.

Off Balance Sheet. Certain structures used by the Company to securitize vacation ownership contract receivables prior to September 1, 2003 did not qualify for inclusion in the Company's Combined Financial Statements and, therefore, securitizations through these structures were treated as off-balance sheet sales, with the Company retaining the servicing rights and a subordinated interest. As these securitization facilities are precluded from consolidation pursuant to generally accepted accounting principles, the debt issued by these entities and the collateralizing assets, which are serviced by the Company, are not reflected on the Company's Combined Balance Sheets. However, the retained interest, amounting to $13 million and $40 million as of December 31, 2005 and 2004, respectively, was recorded within other non-current assets on the Company's Combined Balance Sheets. The Company continues to service the securitized vacation ownership contract receivables pursuant to servicing agreements negotiated on an arms-length basis based on market conditions. The assets of these QSPEs are not available to pay the general obligations of the Company. Additionally, the creditors of these QSPEs have no recourse to the Company's general credit. However, the Company has made representations and warranties customary for securitization transactions, including eligibility characteristics of the receivables and servicing responsibilities, in connection with the securitization of these assets (see Note 13—Commitments and Contingencies). Presented below is detailed information as of December 31, 2005 for these QSPEs (to which vacation ownership contract receivables were sold prior to the establishment of the on-balance sheet, bankruptcy-remote SPEs):

	Assets Serviced[a]	Funding Capacity	Debt Issued[b]	Available Capacity[c]
Vacation Ownership QSPEs	$ 89	$ 83	$ 83	$ —

(a) Represents the balance of vacation ownership contract receivables as of December 31, 2005, of which $2 million is 60 days or more past due and which had an average balance of $112 million during 2005. There are no credit losses on securitized vacation ownership contract receivables, since the Company typically has repurchased such receivables from the QSPEs prior to delinquency, although it is not obligated to do so.

(b) Represents term notes.

(c) Subject to maintaining sufficient assets to collateralize debt.

The cash flow activity presented below covers the period up to and including the date of consolidation of the on-balance sheet SPEs in addition to the full year activity between the Company and securitization entities that remain off-balance sheet as of December 31, 2005.

	2005	2004	2003
Proceeds from new securitizations	$—	$ —	$620
Proceeds from collections reinvested in securitizations	—	—	39
Servicing fees received	1	3	10
Other cash flows received on retained interests[a]	9	34	28
Purchase of delinquent or foreclosed loans[b]	(2)	(19)	(57)
Cash received upon release of reserve account	1	6	12
Purchases of upgraded/defective contracts[c]	(8)	(77)	(55)

(a) Represents cash flows received on retained interests other than servicing fees.
(b) The purchase of delinquent or foreclosed vacation ownership contract receivables is primarily at the Company's option and not based on a contractual relationship with the securitization entities.
(c) Represents the purchase of contracts that no longer meet the securitization criteria, primarily due to modifications to the original contract as a result of an upgrade by a current owner.

During 2003, the Company recognized pre-tax gains of $39 million on the securitization of vacation ownership contract receivables through the off-balance sheet, bankruptcy-remote QSPEs (prior to the Company's consolidation thereof on September 1, 2003), which were calculated using the following key economic assumptions: 7-15% prepayment speed; 7.0-7.6 weighted average life (in years); 15% discount rate; and 9.5-13.7% anticipated credit losses. Such gains were recorded within consumer financing on the Company's Combined Statement of Income.

8. Inventory

Inventory, as of December 31, consisted of:

	2005	2004
Land held for VOI development	$ 88	$ 72
VOI construction in process	308	226
Completed inventory and vacation credits	240	227
Total inventory	636	525
Less: Current portion	446	365
Non-current inventory	$190	$160

Inventory that the Company expects to sell within the next twelve months is classified as current on the Company's Combined Balance Sheets.

9. Property and Equipment, net

Property and equipment, net, as of December 31, consisted of:

	2005	2004
Land	$ 138	$ 153
Building and leasehold improvements	288	274
Capitalized software	158	133
Furniture, fixtures and equipment	329	337
Vacation rental property capital leases	118	132
Construction in progress	67	53
	1,098	1,082
Less: Accumulated depreciation and amortization	(380)	(347)
	$ 718	$ 735

During 2005, 2004 and 2003, the Company recorded depreciation and amortization expense of $99 million, $88 million and $75 million, respectively, related to property and equipment.

10. Other Current Assets

Other current assets, as of December 31, consisted of:

	2005	2004
Prepaid expenses	$ 95	$ 97
Restricted cash	42	44
Other	67	66
	$204	$207

11. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities, as of December 31, consisted of:

	2005	2004
Accrued payroll and related	$105	$ 91
Accrued advertising and marketing	69	59
Accrued other	256	219
	$430	$369

12. Long-Term Debt and Borrowing Arrangements

Long-term debt as of December 31, consisted of:

	December 31,	
	2005	2004
Securitized vacation ownership debt	$ 1,135	$ 909
Other:		
Vacation ownership asset-linked debt	550	425
Bank borrowings:		
Vacation ownership	113	136
Vacation rental	68	84
Vacation rental capital leases	139	167
Other	37	47
Total long-term debt	2,042	1,768
Less: Current portion	355	290
Long-term debt	$ 1,687	$ 1,478

The Company's outstanding debt as of December 31, 2005 matures as follows:

	Securitized Vacation Ownership Debt	Other	Total
2006	$ 154	$201	$ 355
2007	204	559	763
2008	373	7	380
2009	93	7	100
2010	71	18	89
Thereafter	240	115	355
	$ 1,135	$907	$ 2,042

As debt maturities are based on the contractual payment terms of the underlying vacation ownership contract receivables, actual maturities may differ as a result of prepayments by the vacation ownership contract receivable obligors.

The Company's borrowing arrangements contain various combinations of restrictive covenants, including performance triggers and advance rates linked to the quality of the underlying assets, financial reporting requirements, restrictions on dividends, mergers and changes of control and a requirement that the Company generate at least $400 million of net income before depreciation and amortization, interest expense (other than interest expense relating to securitized vacation ownership borrowings), income taxes and minority interest, determined quarterly for the preceding twelve month period. As of December 31, 2005, the Company was in compliance with all financial covenants of its borrowing arrangements.

As of December 31, 2005, available capacity under the Company's borrowing arrangements was as follows:

	Total Capacity	Outstanding Borrowings	Available Capacity
Securitized vacation ownership debt	$ 1,541	$ 1,135	$ 406
Other:			
Vacation ownership asset-linked debt	600	550	50
Bank borrowings:			
Vacation ownership	132	113	19
Vacation rental	68	68	—
Vacation rental capital leases	139	139	—
Other	37	37	—
	$ 2,517	$ 2,042	$ 475

Securitized Vacation Ownership Debt

As previously discussed in Note 7—Vacation Ownership Contract Receivables, the Company issues debt through the securitization of vacation ownership contract receivables. The debt issued through these securitizations represents fixed rate and floating rate term notes for which the weighted average interest rate was 4.1%, 3.3% and 3.2% for 2005, 2004 and 2003, respectively. The Company also has access to an $800 million bank conduit facility, of which $394 million and $361 million was drawn as of December 31, 2005 and 2004, respectively. This facility bears interest at variable rates and had a weighted average interest rate of 3.2%, 1.4% and 2.0% during 2005, 2004 and 2003, respectively. This debt (including the debt issued under the conduit) is collateralized by $1,515 million of underlying vacation ownership contract receivables and related assets.

Interest expense incurred in connection with the Company's securitized vacation ownership debt amounted to $46 million, $36 million and $10 million during 2005, 2004 and 2003, respectively, and is recorded within the operating expenses line item on the Combined Statements of Income as the Company earns consumer finance income on the related securitized vacation ownership contract receivables.

Other

Vacation Ownership Asset-Linked Debt. The Company borrows under a $600 million asset-linked facility through Cendant to support the creation of certain vacation ownership-related assets and the acquisition and development of vacation ownership properties. This facility expires in May 2007 and bears interest at a rate of LIBOR plus 62.5 basis points. These borrowings are collateralized by $1,305 million of vacation ownership-related assets, consisting primarily of unsecuritized vacation ownership contract receivables and vacation ownership inventory. The weighted average interest rate on these borrowings was 5.1% and 2.6% for 2005 and 2004, respectively.

Vacation Ownership Bank Borrowings. The Company's bank borrowings principally represent $104 million outstanding under foreign credit facilities used to support the Company's vacation ownership operations in the South Pacific. This facility bears interest at Australian Dollar LIBOR plus 60 basis points and had a weighted average interest rate of 6.3% and 3.3% for 2005 and 2004, respectively. These secured borrowings are collateralized by $133 million of underlying vacation ownership contract receivables and related assets.

Vacation Rental Bank Borrowings. As of December 31, 2005 and 2004, the Company had bank debt outstanding of $68 million and $84 million, respectively, which was assumed in connection with the Company's acquisition of Landal GreenParks during 2004 and was subsequently refinanced. The bank debt is collateralized by $117 million of land and related vacation rental assets and had a weighted average interest rate of 3.0% for both 2005 and 2004.

Vacation Rental Capital Leases. The Company leases vacation homes located in European holiday parks as part of its vacation exchange and rental business. These leases are recorded as capital lease obligations under generally accepted accounting principles with corresponding assets classified within property, plant and equipment on the Combined Balance Sheets. The vacation rental capital lease obligations had a weighted average interest rate of 7.5% for both 2005 and 2004.

Other. The Company also maintains other debt facilities which arise through the ordinary course of operations. This debt principally reflects $18 million of borrowings under a foreign unsecured credit facility and $11 million of mortgage borrowings related to an office building.

Interest expense incurred in connection with the Company's other debt amounted to $36 million, $38 million and $11 million during 2005, 2004 and 2003, respectively, and is recorded within the interest expense (income) line item on the Combined Statements of Income.

13. Commitments and Contingencies

COMMITMENTS

Leases

The Company is committed to making rental payments under noncancelable operating leases covering various facilities and equipment. Future minimum lease payments required under noncancelable operating leases as of December 31, 2005 are as follows:

Year	Amount
2006	$ 30
2007	23
2008	16
2009	13
2010	11
Thereafter	12
	$ 105

During 2005, 2004 and 2003, the Company incurred total rental expense of $55 million, $48 million and $43 million, respectively.

Purchase Commitments

In the normal course of business, the Company makes various commitments to purchase goods or services from specific suppliers, including those related to vacation ownership resort development and other capital expenditures. None of the purchase commitments made by the Company as of December 31, 2005 (aggregating $349 million) were individually significant; the majority relate to commitments for the development of vacation ownership properties (aggregating $233 million, of which $219 million relates to 2006).

Letters of Credit

As of December 31, 2005 and December 31, 2004, the Company had $44 million and $16 million, respectively, of irrevocable letters of credit outstanding, which mainly support development activity at the Company's vacation ownership business.

LITIGATION

The Company is involved in claims, legal proceedings and governmental inquiries related to contract disputes, business practices, intellectual property, environmental issues and other commercial, employment and tax matters. Such matters include, but are not limited to, allegations that (i) the Company's Fairfield subsidiary violated alleged duties to members of its internal vacation exchange program through changes made to its reservations and availability policies, which changes diminished the value of vacation ownership interests purchased by members; (ii) its TripRewards loyalty program infringes on third-party patents; (iii) the Company's RCI Points exchange program, a global points-based exchange network that allows members to redeem points, is an unlicensed travel club and the unregistered sales of memberships in that program violate the Alberta Fair Trading Act and (iv) the Company's vacation ownership business alleged failure to perform its duties arising under its management agreements, as well as for construction defects and inadequate maintenance, which claims are made by property owners' associations from time to time.

The Company believes that it has adequately accrued for such matters with a reserve of approximately $28 million, or, for matters not requiring accrual, believes that such matters will not have a material adverse effect on its results of operations, financial position or cash flows based on information currently available. However, litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable resolutions could occur. As such, an adverse outcome from such unresolved proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings or cash flows in any given reporting period. However, the Company does not believe that the impact of such unresolved litigation should result in a material liability to the Company in relation to its combined financial position or liquidity.

GUARANTEES/INDEMNIFICATIONS

Standard Guarantees/Indemnifications

In the ordinary course of business, the Company enters into numerous agreements that contain standard guarantees and indemnities whereby the Company indemnifies another party for breaches of representations and warranties. In addition, many of these parties are also indemnified against any third-party claim resulting from the transaction that is contemplated in the underlying agreement. Such guarantees and indemnifications are granted under various agreements, including those governing (i) purchases, sales or outsourcing of assets or businesses, (ii) leases of real estate, (iii) licensing of trademarks, (iv) development of vacation ownership properties, (v) access to credit facilities and use of derivatives and (vi) issuances of debt securities. The guarantees and indemnifications issued are for the benefit of the (i) buyers in sale agreements and sellers in purchase agreements, (ii) landlords in lease contracts, (iii) franchisees in licensing agreements, (iv) developers in vacation ownership development agreements, (v) financial institutions in credit facility arrangements and derivative contracts and (vi) underwriters in debt security issuances. While some of these guarantees and indemnifications extend only for the duration of the underlying agreement, many survive the expiration of the term of the agreement or extend into perpetuity (unless subject to a legal statute of limitations). There are no specific limitations on the maximum potential amount of future payments that the Company could be required to make under these guarantees and indemnifications, nor is the Company able to develop an estimate of the maximum potential amount of future payments to be made under these guarantees and indemnifications as the triggering events are not subject to predictability. With respect to certain of the aforementioned guarantees and indemnifications, such as indemnifications of landlords against third-party claims for the use of real estate property leased by the Company, the Company maintains insurance coverage that mitigates any potential payments to be made.

Other Guarantees/Indemnifications

In the normal course of business, the Company's vacation ownership business provides guarantees to certain owners' associations for funds required to operate and maintain vacation ownership properties in excess of assessments collected from owners of the vacation ownership interests. The Company may be required to fund such excess as a result of unsold Company-owned vacation ownership interests or failure by owners to pay such assessments. These guarantees extend for the duration of the underlying subsidy agreements (which generally approximate one year and are renewable on an annual basis) or until a stipulated percentage (typically 80% or higher) of related vacation ownership interests are sold. The maximum potential future payments that the Company could be required to make under these guarantees was approximately $175 million as of December 31, 2005. The Company would only be required to pay this maximum amount if none of the owners assessed paid their assessments. Any assessments collected from the owners of the vacation ownership interests would reduce the maximum potential amount of future payments to be made by the Company. Additionally, should the Company be required to fund the deficit through the payment of any owners' assessments under these guarantees, the Company would be permitted access to the property for its own use and may use that property to engage in revenue-producing activities, such as marketing or rental. Historically, the Company has not been required to make material payments under these guarantees, as the fees collected from owners of vacation ownership interests have been sufficient to support the operation and maintenance of the vacation ownership properties. As of December 31, 2005, the liability recorded by the Company in connection with these guarantees was $11 million.

14. Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income are as follows:

	Currency Translation Adjustments	Unrealized Gains on Cash Flow Hedges, Net	Accumulated Other Comprehensive Income/(Loss)
Balance, January 1, 2003, net of tax of $(1)	$ 96	$ —	$ 96
Current period change	84	—	84
Balance, December 31, 2003, net of tax of $5	180	—	180
Current period change	33	1	34
Balance, December 31, 2004, net of tax of $39	213	1	214
Current period change	(106)	—	(106)
Balance, December 31, 2005, net of tax of $58	$ 107	$ 1	$ 108

15. Stock-Based Compensation

As of December 31, 2005, all equity awards (stock options and restricted stock units ("RSUs")) held by Company employees were granted by Cendant in Cendant common stock. At the time of separation, Cendant anticipates equitably adjusting a portion of its outstanding equity awards and, as a result, the Company expects to grant one equity award in Wyndham Worldwide common stock for every five equity awards outstanding in Cendant common stock.

CENDANT STOCK-BASED COMPENSATION PLANS

Stock Options

Stock options granted by Cendant to its employees generally have a ten-year term, and those granted prior to 2004 vest ratably over periods ranging from two to five years. In 2004, Cendant adopted performance and time vesting criteria for stock option grants. The predetermined performance criteria determine the number of options

that will ultimately vest and are based on the growth of Cendant's earnings and cash flows over the vesting period of the respective award. The number of options that will ultimately vest may range from 0% to 200% of the base award. Vesting occurs over a four-year period, but cannot exceed 25% of the base award in each of the three years following the grant date. Cendant's policy is to grant options with exercise prices at then-current fair market value.

The annual activity of Cendant's common stock option plans for Cendant employees consisted of (in millions, except per share amounts):

	2005		2004		2003	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance at beginning of year	151	$ 17.83	188	$ 17.21	237	$ 16.23
Granted at fair market value[a]	1	20.38	1	23.12	1	13.40
Granted in connection with acquisitions	—	—	2	15.60	1	15.02
Granted in connection with PHH spin-off[b]	6	*	—	—	—	—
Exercised	(24)	11.35	(38)	14.61	(40)	10.77
Forfeited	(5)	20.23	(2)	19.33	(11)	19.45
Balance at end of year	129	$ 18.09	151	$ 17.83	188	$ 17.21

(*) Not meaningful.
(a) In 2005 and 2004, the stated value reflects the maximum number of options assuming achievement of all performance and time vesting criteria.
(b) As a result of the January 2005 distribution of PHH Corporation by Cendant, the closing price of Cendant common stock was adjusted downward by $1.10 on January 31, 2005. Additionally, Cendant granted incremental options to achieve a balance of 1.04249 options outstanding subsequent to the spin-off for each option outstanding prior to the spin-off. The exercise price of each option was also adjusted downward by a proportionate value.

The table below summarizes information regarding Cendant's outstanding and exercisable stock options as of December 31, 2005:

	Outstanding Options			Exercisable Options	
Range of Exercise Prices	Number of Options	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
$0.01 to $10.00	26	3.5	$ 9.15	26	$ 9.15
$10.01 to $20.00	64	3.8	17.10	63	17.15
$20.01 to $30.00	25	3.1	22.95	24	23.08
$30.01 to $40.00	14	1.9	30.93	13	30.93
	129(*)	3.4	$ 18.09	126	$ 18.10

(*) As of December 31, 2005, approximately 15 million of the total options outstanding in Cendant common stock related to options granted to employees of the Company.

As discussed above, a portion of the total outstanding options granted by Cendant as of the date of the separation will be equitably adjusted, including options that were granted to Company employees as well as options that were granted to other Cendant employees who are not employed by the Company. Based upon the current anticipated distribution ratio of five to one, as of December 31, 2005, the Company would have expected to issue approximately 26 million options at the date of separation in connection with Cendant's equitable adjustment.

The weighted-average grant-date fair value of Cendant common stock options granted in the normal course of business during 2005, 2004 and 2003 was $5.89, $6.90 and $5.19, respectively. The weighted-average grant-date

fair value of Cendant common stock options granted in connection with acquisitions made during 2004 and 2003 was $9.49 and $3.89, respectively. No options were granted in connection with acquisitions made in 2005. The fair values of these stock options are estimated on the dates of grant using the Black-Scholes option-pricing model with the following weighted average assumptions for Cendant common stock options granted in 2005, 2004 and 2003:

	2005	2004	2003
Dividend yield	1.7%	1.5%	—
Expected volatility	30.0%	30.0%	49.0%
Risk-free interest rate	3.8%	4.0%	2.4%
Expected holding period (years)	5.5	5.5	3.6

Restricted Stock Units

RSUs granted by Cendant entitle the employee to receive one share of Cendant common stock upon vesting. RSUs granted in 2003 vest ratably over a four-year term. Subsequently, Cendant adopted performance and time vesting criteria for RSU grants. The predetermined performance criteria determine the number of RSUs that will ultimately vest and are based on the growth of Cendant's earnings and cash flows over the vesting period of the respective award. The number of RSUs that will ultimately vest may range from 0% to 200% of the base award. Vesting occurs over a four year period, but cannot exceed 25% of the base award in each of the three years following the grant date. The annual activity related to Cendant's RSU plan for Cendant employees consisted of (in millions, except per share amounts):

	2005		2004		2003	
	Number of RSUs	Weighted Average Grant Price	Number of RSUs	Weighted Average Grant Price	Number of RSUs	Weighted Average Grant Price
Balance at beginning of year	16	$ 20.85	6	$ 13.98	—	$ —
Granted at fair market value[a]	14	20.19	13	23.16	6	13.98
Granted in connection with PHH spin-off[b]	1	*	—	—	—	—
Vested	(3)	19.48	(2)	13.97	—	—
Canceled	(5)	20.90	(1)	17.02	—	—
Balance at end of year	23[c]	$ 20.65	16	$ 20.85	6	$ 13.98

(*) Not meaningful.
(a) In 2005 and 2004, reflects the maximum number of RSUs assuming achievement of all performance and time vesting criteria.
(b) As a result of the January 2005 spin-off of PHH Corporation by Cendant, the closing price of Cendant common stock was adjusted downward by $1.10 on January 31, 2005. In order to provide an equitable adjustment to holders of its RSUs, Cendant granted incremental RSUs to achieve a balance of 1.0477 RSUs outstanding subsequent to the spin-off for each RSU outstanding prior to the spin-off.
(c) As of December 31, 2005, approximately 7 million of the total RSUs outstanding are related to RSUs granted to employees of the Company.

As discussed above, the total outstanding RSUs granted by Cendant as of the date of the separation will be equitably adjusted, including RSUs that were granted to Company employees as well as RSUs that were granted to other Cendant employees who are not employed by the Company. Based upon the current anticipated distribution ratio, as of December 31, 2005, the Company would have expected to issue approximately three million RSUs at the date of separation in connection with Cendant's equitable adjustment.

STOCK-BASED COMPENSATION EXPENSE ALLOCATED TO THE COMPANY

During 2005, 2004 and 2003, Cendant allocated pre-tax stock-based compensation expense of $16 million, $13 million and $4 million, respectively, to the Company. Such compensation expense relates only to the options and RSUs that were granted by Cendant to the Company's employees subsequent to January 1, 2003. The allocation was based on the estimated number of options and RSUs Cendant believed it would ultimately provide

and the underlying vesting period of the award. As Cendant measured its stock-based compensation expense using the intrinsic value method during the periods prior to January 1, 2003, Cendant did not recognize compensation expense upon the issuance of equity awards to its employees. Therefore, the Company was not allocated compensation expense for options that were granted by Cendant to the Company's employees prior to January 1, 2003 (there were no RSUs granted prior to January 1, 2003). See Note 2—Summary of Significant Accounting Policies for more information regarding Cendant's accounting policy for stock-based compensation.

Presented below is the effect on net income for 2004 and 2003 had compensation expense been recognized by Cendant and allocated to the Company for options that were granted prior to January 1, 2003:

	Year Ended December 31,	
	2004	2003
Reported net income	$349	$299
Add back: Stock-based employee compensation expense included in reported net income, net of tax	8	2
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of tax	(8)	(12)
Pro forma net income	$349	$289

As of January 1, 2005, there were no outstanding awards for which stock-based compensation expense is not reflected within reported net income; accordingly, pro forma information is not presented subsequent to December 31, 2004.

16. Employee Benefit Plans

Cendant sponsors a domestic defined contribution savings plan that provides certain eligible employees of the Company an opportunity to accumulate funds for retirement. The Company matches the contributions of participating employees on the basis specified by the plan. In addition, Cendant and the Company sponsor several foreign employee benefit plans, which were acquired with certain businesses within vacation exchange and rental, which provide eligible employees within the vacation exchange and rental business an opportunity to accumulate funds for retirement. The Company's cost for these plans was $16 million, $15 million and $12 million during 2005, 2004 and 2003, respectively.

17. Financial Instruments

RISK MANAGEMENT

Following is a description of the Company's risk management policies:

Foreign Currency Risk

The Company uses foreign currency forward contracts to manage its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables, forecasted earnings of foreign subsidiaries and forecasted foreign currency denominated vendor costs. The Company primarily hedges its foreign currency exposure to the British pound, Euro and Canadian dollar. The majority of forward contracts utilized by the Company does not qualify for hedge accounting treatment under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." The fluctuations in the value of these forward contracts do, however, largely offset the impact of changes in the value of the underlying risk that they are intended to economically hedge. Forward contracts that are used to hedge certain forecasted disbursements and receipts up to 18 months are designated and do qualify as cash flow hedges. The amount of gains or losses reclassified from other comprehensive income to earnings resulting from ineffectiveness or from excluding a component of the

forward contracts' gain or loss from the effectiveness calculation for cash flow hedges during 2005, 2004 and 2003 was not material. The impact of these forward contracts was not material to the Company's results of operations or financial position, nor is the amount of gains or losses the Company expects to reclassify from other comprehensive income to earnings over the next 12 months.

Interest Rate Risk

The debt used to finance much of the Company's operations is also exposed to interest rate fluctuations. The Company uses various hedging strategies and derivative financial instruments to create a desired mix of fixed and floating rate assets and liabilities. Derivative instruments currently used in these hedging strategies include swaps and interest rate caps.

The derivatives used to manage the risk associated with the Company's floating rate debt include freestanding derivatives and derivatives designated as cash flow hedges. In connection with its qualifying cash flow hedges, the Company recorded net pre-tax gains of $5 million and $2 million during 2005 and 2004, respectively, to other comprehensive income. Such amounts were insignificant in 2003. The pre-tax amount of gains reclassified from other comprehensive income to earnings resulting from ineffectiveness or from excluding a component of the derivatives' gain or loss from the effectiveness calculation for cash flow hedges was $5 million during 2005. Such gains or losses were insignificant in 2004 and 2003. The amount of losses the Company expects to reclassify from other comprehensive income to earnings during the next 12 months is not material. These freestanding derivatives had a nominal impact on the Company's results of operations in 2005, 2004 and 2003.

Credit Risk and Exposure

The Company is exposed to counterparty credit risk in the event of nonperformance by counterparties to various agreements and sales transactions. The Company manages such risk by evaluating the financial position and creditworthiness of such counterparties and by requiring collateral in instances in which financing is provided. The Company mitigates counterparty credit risk associated with its derivative contracts by monitoring the amounts at risk with each counterparty to such contracts, periodically evaluating counterparty creditworthiness and financial position, and where possible, dispersing its risk among multiple counterparties.

As of December 31, 2005, there were no significant concentrations of credit risk with any individual counterparty or groups of counterparties. However, approximately 24% of the Company's outstanding vacation ownership contract receivables portfolio relates to customers who reside in California. With the exception of the financing provided to customers of its vacation ownership businesses, the Company does not normally require collateral or other security to support credit sales.

Market Risk

The Company is subject to risks relating to the geographic concentrations of (i) areas in which the Company is currently developing and selling vacation ownership properties, (ii) sales offices in certain vacation areas and (iii) customers of the Company's vacation ownership business; which in each case, may result in the Company's results of operations being more sensitive to local and regional economic conditions and other factors, including competition, natural disasters and economic downturns, than the Company's results of operations would be absent such geographic concentrations. Local and regional economic conditions and other factors may differ materially from prevailing conditions in other parts of the world. Florida, Nevada and California are examples of areas with concentrations of sales offices. For the twelve months ended December 31, 2005, approximately 14%, 14% and 12% of the Company's VOI sales revenue was generated in sales offices located in Florida, Nevada and California, respectively.

Approximately 10%, 11% and 10% of net revenue included within the Company's Combined Statements of Income was generated from transactions in the state of Florida in 2005, 2004 and 2003, respectively.

FAIR VALUE

The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, accounts payable and accrued expenses and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities. The carrying amounts and estimated fair values of all other financial instruments as of December 31, are as follows:

	2005		2004	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Vacation ownership contract receivables, net	$ 2,074	$ 2,074	$ 1,774	$ 1,774
Debt				
Total debt	2,042	2,036	1,768	1,755
Derivatives(*)				
Foreign exchange forwards	1	1	2	2
Interest rate swaps and caps	4	4	—	—

(*) Derivative instruments in gain positions.

18. Segment Information

The reportable segments presented below represent the Company's operating segments for which separate financial information is available and which are utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management evaluates the operating results of each of its reportable segments based upon revenue and "EBITDA," which is defined as net income before depreciation and amortization, interest (excluding interest on securitized vacation ownership debt), income taxes and minority interest, each of which is presented on the Company's Combined Statements of Income. The Company's presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

YEAR ENDED DECEMBER 31, 2005

	Lodging	Vacation Exchange and Rental	Vacation Ownership	Corporate and Other(b)	Total
Net revenues(a)	$ 533	$ 1,068	$ 1,874	$ (4)	$3,471
EBITDA	197	284	283	(13)	751
Depreciation and amortization	27	72	31	1	131
Segment assets	1,797	2,365	5,026	(21)	9,167
Capital expenditures	19	58	56	1	134

YEAR ENDED DECEMBER 31, 2004

	Lodging	Vacation Exchange and Rental	Vacation Ownership	Corporate and Other(b)	Total
Net revenues(a)	$ 443	$ 921	$ 1,661	$ (11)	$3,014
EBITDA	189	286	265	(21)	719
Depreciation and amortization	26	63	30	—	119
Segment assets	1,528	2,378	4,307	130	8,343
Capital expenditures	15	47	49	5	116

YEAR ENDED DECEMBER 31, 2003

	Lodging	Vacation Exchange and Rental	Vacation Ownership	Corporate and Other[b]	Total
Net revenues[a]	$ 410	$ 726	$ 1,526	$ (10)	$2,652
EBITDA	153	220	251	(22)	602
Depreciation and amortization	26	51	30	—	107
Capital expenditures	13	33	56	—	102

(a) Transactions between segments are recorded at fair value and eliminated in consolidation. Inter-segment net revenues were not significant to the net revenues of any one segment.
(b) Includes the elimination of transactions between segments.

Provided below is a reconciliation of EBITDA to income before income taxes and minority interest.

	Year Ended December 31,		
	2005	2004	2003
EBITDA	$ 751	$ 719	$ 602
Depreciation and amortization	131	119	107
Interest expense (income), net	(6)	13	(5)
Income before income taxes and minority interest	$ 626	$ 587	$ 500

The geographic segment information provided below is classified based on the geographic location of the Company's subsidiaries.

	United States	United Kingdom	All Other Countries	Total
2005				
Net revenues	$2,714	$ 211	$ 546	$3,471
Total assets	7,413	1,103	651	9,167
Net property and equipment	322	50	346	718
2004				
Net revenues	$2,385	$ 174	$ 455	$3,014
Total assets	6,356	1,237	750	8,343
Net property and equipment	285	61	389	735
2003				
Net revenues	$2,208	$ 155	$ 289	$2,652

19. Related Party Transactions

DIVIDENDS TO CENDANT AND OTHER CAPITAL TRANSACTIONS

During 2005, the Company made cash dividend payments of $59 million to Cendant, which was recorded as a reduction of invested equity on the Company's Combined Balance Sheet. In connection with dispositions of various entities by Cendant during 2005, the Company eliminated all intercompany balances due to such entities. Accordingly, the Company recorded a non-cash increase of $88 million to invested equity on its Combined Balance Sheet during 2005. Also, during 2004 and 2003, the Company received capital contributions of $13 million and $40 million, respectively, from Cendant.

DUE FROM CENDANT, NET

The following table summarizes related party transactions occurring between the Company and Cendant:

	2005	2004	2003
Due from Cendant, beginning balance	$ 661	$ 577	$174
Corporate-related functions	(88)	(79)	(77)
Income taxes, net	63	(181)	(79)
Net interest earned on amounts due from and to Cendant	30	16	8
Advances to Cendant, net	459	328	551
	464	84	403
Due from Cendant, ending balance	$1,125	$ 661	$577

Corporate-Related Functions

The Company is allocated general corporate overhead expenses from Cendant for corporate-related functions based on a percentage of the Company's forecasted revenues. General corporate overhead expense allocations include executive management, tax, accounting, financial systems management, legal, treasury and cash management, certain employee benefits and real estate usage for common space. During 2005, 2004 and 2003, the Company was allocated $36 million, $30 million and $29 million, respectively, of general corporate expenses from Cendant, which are included within the general and administrative expenses line item on the Combined Statements of Income.

Cendant also incurs certain expenses on behalf of the Company. These expenses, which directly benefit the Company, are allocated to the Company based upon the Company's actual utilization of the services. Direct allocations include costs associated with insurance, information technology, revenue franchise audit, telecommunications and real estate usage for Company-specific space. During 2005, 2004 and 2003, the Company was allocated $52 million, $49 million and $48 million, respectively, of expenses directly benefiting the Company, which are included within the general and administrative and operating expense line items on the Combined Statements of Income.

The Company believes the assumptions and methodologies underlying the allocations of general corporate overhead and direct expenses from Cendant are reasonable. However, such expenses are not indicative of, nor is it practical or meaningful for the Company to estimate for all historical periods presented, the actual level of expenses that would have been incurred had the Company been operating as a separate, stand-alone public company.

Related Party Agreements

The Company conducts the following business activities, among others, with Cendant's other business units or newly separated companies, as applicable: (i) provision of access to hotel accommodation and vacation exchange and rental inventory to be distributed through Travelport; (ii) utilization of employee relocation services, including relocation policy management, household goods moving services and departure and destination real estate related services; (iii) utilization of commercial real estate brokerage services, such as transaction management, acquisition and disposition services, broker price opinions, renewal due diligence and portfolio review; (iv) utilization of corporate travel management services of Travelport; and (v) designation of Cendant's car rental brands, Avis and Budget, as the exclusive primary and secondary suppliers, respectively, of car rental services for the Company's employees. The majority of the related party agreement transactions were settled in cash.

Income Taxes, net

As discussed in Note 2—Summary of Significant Accounting Policies, the Company is included in the consolidated federal and state income tax returns of Cendant. The net income tax payable to Cendant

approximated $703 million and $766 million as of December 31, 2005 and 2004, respectively, and is recorded as a component of the due from Cendant, net line item on the Combined Balance Sheets.

Net Interest Earned on Amounts Due from and to Cendant and Advances to Cendant, net

Also in the ordinary course of business, Cendant sweeps cash from the Company's bank accounts and the Company maintains certain balances due to or from Cendant. Inclusive of unpaid corporate allocations, the Company had net amounts due from Cendant, exclusive of income taxes, totaling $1,828 million and $1,427 million as of December 31, 2005 and 2004, respectively. Certain of the advances between the Company and Cendant are interest-bearing. In connection with the interest-bearing balances, the Company recorded net interest income of $30 million, $16 million and $8 million during 2005, 2004 and 2003, respectively.

20. Selected Quarterly Financial Data—(unaudited)

Provided below is selected unaudited quarterly financial data for 2005 and 2004.

	2005			
	First (As Restated)[c]	Second	Third	Fourth (As Restated)[c]
Net revenues				
Lodging	$ 112	$ 129	$148	$ 144
Vacation Exchange and Rental	287	263	283	235
Vacation Ownership	400	473	520	481
Corporate and Other[a]	(4)	2	(3)	1
	$ 795	$ 867	$948	$ 861
EBITDA				
Lodging	$ 40	$ 47	$ 65	$ 45
Vacation Exchange and Rental	86	58	94	46
Vacation Ownership	40	76	79	88
Corporate and Other[a]	(7)	1	(6)	(1)
	159	182	232	178
Less: Depreciation and amortization	32	33	33	33
Interest expense (income), net	2	1	(2)	(7)
Income before income taxes and minority interest	125	148	201	152
Provision for income taxes	(5)	59	80	61
Net income[b]	$ 130	$ 89	$121	$ 91

	2004			
	First	Second	Third	Fourth
Net revenues				
Lodging	$ 93	$ 116	$132	$ 102
Vacation Exchange and Rental	240	216	247	218
Vacation Ownership	377	410	454	420
Corporate and Other[a]	(3)	(3)	(3)	(2)
	$707	$ 739	$830	$ 738
EBITDA				
Lodging	$ 33	$ 59	$ 59	$ 38
Vacation Exchange and Rental	91	66	81	48
Vacation Ownership	43	63	81	78
Corporate and Other[a]	(6)	(4)	(4)	(7)
	161	184	217	157
Less: Depreciation and amortization	26	29	31	33
Interest expense (income), net	(2)	8	5	2
Income before income taxes and minority interest	137	147	181	122
Provision for income taxes	55	59	72	48
Minority interest, net of tax	3	—	—	1
Net income	$ 79	$ 88	$109	$ 73

(a) Includes the elimination of transactions between segments.
(b) Net income for the fourth quarter includes costs incurred to combine the operations of the Company's vacation exchange and rental business of $14 million.
(c) See Note 22 to the combined financial statements.

21. Subsequent Events

Separation from Cendant

On October 23, 2005, Cendant's Board of Directors preliminarily approved a plan to separate Cendant into four independent, publicly traded companies—one for each of Cendant's Hospitality Services (including Timeshare Resorts), Real Estate Services, Travel Distribution Services and Vehicle Rental businesses. In connection with the Company's separation, the Company expects to borrow approximately $1,360 million of debt, which is not reflected within the Combined Financial Statements. The amount of debt to be issued was based on future estimates of the Company's ability to service such debt relative to Realogy and Travelport. Cendant's corporate debt does not specifically relate to the Company's operations or prior acquisitions. All of the proceeds received in connection with the Company's planned borrowings (approximately $1,360 million) will be transferred to Cendant solely to repay a portion of Cendant's corporate debt (including its asset-linked facility relating to certain of the assets of Cendant's Hospitality Services (including Timeshare Resorts) businesses).

Additionally, pursuant to the Separation and Distribution Agreement, subject to certain exceptions contained in the Tax Sharing Agreement, upon distribution of the Company's common stock to Cendant stockholders, the Company is expected to be allocated 30% of certain Cendant corporate assets and assume and be responsible for 30% of certain Cendant contingent and other corporate liabilities, including those relating to unresolved tax and legal matters (none of which are reflected within the Combined Financial Statements). Realogy Corporation and Travelport Inc., both of which also are expected to be distributed to Cendant's stockholders as part of the separation plan, are expected to assume and be responsible for 50% and 20%, respectively, of these assets and liabilities. Similar to the determination of debt to be issued, the amount of liabilities to be assumed was determined based on the Company's ability to satisfy those liabilities which was generally based on certain earnings contributions of the Company and Real Estate Services and Travel Distribution Services businesses in

2005. The actual amount that the Company may be required to pay under these arrangements could vary depending upon the outcome of any unresolved matters, which may not be resolved for several years, and if any of the other parties responsible for such liabilities were to default in its payment of costs or expenses related to any such liability.

Certain lawsuits are currently outstanding against Cendant, some of which relate to accounting irregularities arising from some of the CUC International, Inc. ("CUC") business units acquired when HFS Incorporated merged with CUC to form Cendant. While Cendant has settled many of the principal lawsuits relating to the accounting irregularities, these settlements do not encompass all litigation associated with it. Cendant and the Company do not believe that it is feasible to predict or determine the final outcome or resolution of these unresolved proceedings. An adverse outcome from such unresolved proceedings or other proceedings for which the Company has assumed liability under the separation agreements could be material to the Company's earnings or cash flows in any given reporting period.

Potential Sale of Travelport

On April 24, 2006, Cendant announced a modification to its previously announced separation plan. In addition to pursuing its original plan to distribute the shares of common stock of Travelport, the Cendant subsidiary that will hold the assets and liabilities associated with Cendant's Travel Distribution Services businesses, to Cendant stockholders, Cendant was also exploring the possible sale of Travelport.

Definitive Agreement to Sell Travelport (Unaudited)

On June 30, 2006, Cendant entered into a definitive agreement to sell Travelport for $4,300 million in cash. The sale is expected to be completed in August 2006. If the sale of Travelport is completed, the net cash proceeds from the sale would be utilized in part to reduce the indebtedness anticipated to be incurred by the Company in connection with the separation and utilized to satisfy certain outstanding Cendant corporate indebtedness. The amount and timing of such reduction would depend, in large part, on the timing of the completion of the sale of Travelport and on the ultimate amount of proceeds received by the Company in such a sale.

In addition, if a sale of Travelport is completed, the Company expects that such sale would change the Company's expected allocation of Cendant's contingent and other corporate liabilities and contingent and other corporate assets attributable to periods prior to the completion of the plan of separation from 30% to 37.5%. There can be no assurance that a sale of Travelport will be completed or as to the terms of any such sale. If a sale is not completed, Cendant expects to pursue its original plan to distribute the shares of common stock of Travelport to Cendant stockholders. Upon a sale of Travelport, certain Cendant assets and liabilities may be allocated only to the Company and Realogy. Although the Company does not currently expect the terms of any commercial arrangements, including any short-term transition arrangements, to be affected by a potential sale of Travelport, there can be no assurance that this will be the case.

Acquisition of Baymont Inn & Suites

On April 7, 2006, the Company completed the previously announced acquisition of the Baymont Inn & Suites brand and system of 115 independently owned franchised properties for approximately $60 million in cash. In addition, in April 2006, following the closing of the acquisition, the Company announced its intent to consolidate the AmeriHost-branded properties with its newly acquired Baymont-branded properties to create a more significant midscale brand.

22. Restatement of Combined Statement of Income, Balance Sheets, Invested Equity and Statements of Cash Flows

The Company has restated the presentation in its Combined Statements of Cash Flows to reflect income taxes payable to Cendant as effectively cash settled by the Company within operating cash flows with an equal offsetting adjustment to investing cash flows. The reclassification has been made to reflect the change in amounts

due from Cendant on a net basis in investing activities in the combined statement of cash flows for all periods presented. The Company also restated the annual combined statement of income, balance sheets and invested equity. Such restatement corrected (i) the effect of entries recorded in reverse in 2005 and (ii) the goodwill balance for adjustments relating to previous acquisitions. These errors were limited to the Company's vacation exchange and rental business.

The effects of these adjustments to the Combined Statements of Income, Balance Sheets, Invested Equity and Cash Flows included in the Company's previously issued Combined Financial Statements for the years ended December 31, are as follows:

	2005		2004		2003	
	As Previously Reported	As Restated	As Previously Reported	As Restated	As Previously Reported	As Restated
Statement of Income						
Net revenues	$ 3,470	$3,471				
Marketing and reservation expenses	632	628				
Operating income	615	620				
Net income	428	431				
Balance Sheets						
Total current assets	$ 2,569	$2,568	$ 2,075	$2,071		
Goodwill	2,641	2,645	2,629	2,633		
Total assets	9,164	9,167				
Total invested equity	5,030	5,033				
Total liabilities and invested equity	9,164	9,167				
Statement of Invested Equity						
Net income	$ 428	$ 431				
Total comprehensive income	322	325				
Total invested equity	5,030	5,033				
Statements of Cash Flows						
Net income	$ 428	$ 431				
Income taxes payable to Cendant	(68)	—	$ 180	—	$ 35	—
Net cash provided by operating activities	421	488	322	$ 142	445	$ 410
Net intercompany funding to parent	(331)	(398)	(224)	(44)	(471)	(436)
Net cash used in investing activities	(625)	(692)	(503)	(323)	(624)	(589)

Annex A

OPINION OF EVERCORE GROUP L.L.C.

EVERCORE GROUP L.L.C.

June 26, 2006

Board of Directors
Cendant Corporation
9 West 57th Street
New York, NY 10019

Members of the Board of Directors:

We understand that the Board of Directors of Cendant Corporation (the "Company") has preliminarily approved a plan to separate (the "Separation Plan") the Company into four independent, publicly traded companies through distributions to the holders of the common stock, par value $0.01 per share (the "Company Common Stock"), of the Company, of all of the shares of common stock of three subsidiaries of the Company that hold or will hold all of the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of the businesses other than the Company's vehicle rental business, which will remain with the Company after such distributions. We understand that the Separation Plan has been modified such that the Company is exploring the sale of its travel distribution services business to a third party (a "Travelport Sale") in lieu of its distribution. Accordingly, we understand that the Company is considering distributing (the "Distribution") to the holders of Company Common Stock all of the shares of common stock, par value $0.01 per share (the "Distributed Stock"), of Wyndham Worldwide Corporation (the "Distributed Company").

You have asked us whether, in our opinion as of the date hereof, the proposed Distribution is fair, from a financial point of view, to the holders of Company Common Stock.

In connection with rendering our opinion, we have, among other things:

(i) Reviewed certain publicly available business and financial information relating to the Company and the Distributed Company that we deemed to be relevant;

(ii) Reviewed certain internal financial statements and other non-public financial and operating data relating to the Company and the Distributed Company that were prepared and furnished to us by the management of the Company;

(iii) Reviewed certain financial projections relating to the Company and the Distributed Company that were provided by and approved for use in connection with this opinion by the management of the Company;

(iv) Discussed the past and current operations, financial projections and current financial condition of the Company and Distributed Company with the management of the Company;

(v) Compared certain financial information for the Company and the Distributed Company with similar information for other relevant companies the securities of which are publicly traded;

(vi) Reviewed the financial terms of certain publicly available transactions that we deemed comparable to the Distribution;

(vii) Reviewed the historical market prices and trading activity for the shares of Company Common Stock;

(viii) Reviewed the contemplated allocation of indebtedness and other liabilities to the Company and the Distributed Company following the Distribution (including the potential allocation of proceeds arising from a Travelport Sale);

(ix) Reviewed a draft of the Form 10 registration statement filed by the Distributed Company in connection with the Distribution in substantially final form and assumed that its final form will not vary in any respect material to our analysis; and

(x) Performed other examinations and analyses and considered other factors that we deemed appropriate.

For purposes of our analysis and opinion, we have assumed and relied upon, without assuming any responsibility for independent verification of, the accuracy and completeness of the information publicly available, and the information supplied or otherwise made available to, discussed with, or reviewed by us. For purposes of rendering this opinion, members of the management of the Company have provided us certain financial projections relating to the Company and the Distributed Company. With respect to the financial projections (including the Company's outlook with respect to the long-term growth prospects of its businesses), we have assumed that they have been reasonably prepared on bases reflecting the best available estimates and good faith judgments of the future competitive, operating and regulatory environments and related financial performance of the Company and the Distributed Company. Additionally, we have relied upon the assessments of the Company's management with respect to the business, operational and strategic risks, incremental costs and incremental cost savings arising from the Distribution.

We have not made nor assumed any responsibility for making any independent valuation or appraisal of the assets or liabilities of the Company or any of its subsidiaries, nor have we been furnished with any such appraisals, nor have we evaluated the solvency or fair value of the Company or any of its subsidiaries under any state or federal laws relating to bankruptcy, insolvency or similar matters. Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It is understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

We have assumed that the Distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code and, accordingly, that, for U.S. federal income tax purposes: (x) no income, gain or loss will be recognized by holders of Company Common Stock as a result of the receipt of Distributed Stock pursuant to the Distribution, except with respect to any cash received in lieu of fractional shares of Distributed Stock and (y) no gain or loss will be recognized by the Company or the Distributed Company upon the distribution of Distributed Stock and no amount will be includible in the income of the Distributed Company or the Company as a result of the Distribution and certain related transactions other than taxes arising out of internal restructuring transactions undertaken in connection with the Separation Plan and with respect to any "excess loss account" or "intercompany transaction" required to be taken into account by the Company under Treasury regulations relating to consolidated federal income tax returns which have been assumed to be not in excess of the aggregate amounts estimated by the management of the Company and provided to us in connection with our analysis. We have assumed that all necessary governmental and regulatory and other approvals or consents (contractual or otherwise) for the Distribution have been or will be timely obtained or made and that no restrictions will be imposed or costs incurred (other than costs in the amounts estimated by management of the Company and provided to us in connection with our analysis) that will have an adverse effect on the Company, its subsidiaries or the Distributed Company following the Distribution. We have further assumed that the Distribution will comply with all applicable U.S. federal and state laws and foreign laws, including, without limitation, laws relating to the payment of dividends, bankruptcy, insolvency, reorganization, fraudulent conveyance, fraudulent

transfer or other similar laws affecting the rights of creditors. We are not a legal, regulatory, accounting or tax expert and have assumed the accuracy and completeness of assessments by the Company and its advisors with respect to legal, regulatory, accounting and tax matters.

We were not authorized to solicit and did not solicit, any proposals from any third parties for the acquisition of the Company or the Distributed Company nor have we made any determination as to whether any such proposals could be obtained if solicited. Other than the alternative of preserving the status quo, we did not consider and therefore this opinion does not address the merits of the Distribution as compared to other business strategies that might be available to the Company nor does it address the underlying business decision of the Company to proceed with the Distribution.

We are not expressing any opinion herein as to the prices at which the shares of Company Common Stock or the shares of Distributed Stock will trade following the consummation of the Distribution. The actual values of and prices at which the shares of Company Common Stock and the shares of Distributed Stock will trade following the Distribution will depend on a variety of factors including, without limitation, prevailing interest rates, dividend rates, market conditions, general economic conditions and other factors that generally influence the prices of securities. This letter does not address whether the aggregate market value of the outstanding shares of Company Common Stock and the outstanding shares of Distributed Stock following the Distribution will exceed the aggregate market value of the outstanding shares of Company Common Stock at any time prior to the Distribution or the aggregate market value of the outstanding shares of Company Common Stock in the absence of the Distribution. The shares of Company Common Stock and shares of Distributed Stock may, after the Distribution, initially trade at prices below those at which they would trade on a fully distributed basis.

We have acted as financial advisor to the Company in connection with the Distribution and will receive fees for our services, the principal portion of which is contingent upon consummation of the Distribution. In addition, the Company has agreed to reimburse certain of our expenses and to indemnify us for certain liabilities arising out of our engagement. Evercore has also been engaged by the Company as an adviser in connection with other parts of the Separation Plan and the potential Travelport Sale.

It is understood that this letter and the opinion expressed herein is for the information of the Company's Board of Directors in connection with its consideration of the Distribution and does not constitute a recommendation to any Company stockholder as to how such holder should respond to the Distribution, including whether such stockholder should buy, sell or continue to hold Company Common Stock or, following the Distribution, Distributed Stock. This opinion may not be disclosed, quoted, referred to or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval, except that this opinion may be included in its entirety, if required, in any filing made by the Company or the Distributed Company in respect of the Distribution with the Securities and Exchange Commission, provided that this opinion is reproduced in such filing in full and any description of or reference to us or summary of this opinion and the related analyses in such filing is in a form acceptable to us and our counsel.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Distribution is fair, from a financial point of view, to the holders of Company Common Stock.

Very truly yours,

EVERCORE GROUP L.L.C.

By: /s/ EDUARDO G. MESTRE

Annex B

OPINION OF DUFF & PHELPS, LLC

June 26, 2006

Board of Directors
Cendant Corporation
9 W. 57th Street
New York, NY 10019

Dear Directors:

You have retained Duff & Phelps, LLC ("Duff & Phelps") to provide an opinion (the "Opinion") as to the solvency and adequacy of capitalization of each of Cendant Corporation ("Cendant"), Realogy Corporation ("Realogy"), and Wyndham Worldwide Corporation ("Wyndham") after giving effect to Cendant's distributions of Realogy common stock and Wyndham common stock to Cendant stockholders (the "Distribution"). You have requested us to determine as of June 26, 2006, whether, as of the date of the Distribution and after giving effect to the Distribution (certain terms used herein are defined in Appendix A to this letter and, for the purposes of this letter, shall only have the meanings set forth in Appendix A):

1) The "fair saleable value" of the assets of each of Cendant, Realogy, and Wyndham, as applicable, exceeds the sum of its respective liabilities, including all contingent and other liabilities;

2) The "present fair saleable value" of the assets of each of Cendant, Realogy, and Wyndham, as applicable, exceeds the amount that will be required to pay its respective probable liabilities, including all contingent and other liabilities, on its respective existing debts as such debts become absolute and matured;

3) Each of Cendant, Realogy, and Wyndham, as applicable, will not have an unreasonably small amount of capital for the respective businesses in which it is engaged or is proposed to be engaged following the Distribution, based on discussions with management of Cendant, Realogy, and Wyndham as applicable;

4) Each of Cendant, Realogy, and Wyndham, as applicable, will be able to pay its respective liabilities, including all "contingent and other liabilities", as they become absolute and matured;

5) The fair saleable value of Cendant's assets exceeds the value of its liabilities, including all contingent and other liabilities, by an amount that is greater than its stated capital amount (pursuant to Section 154 of the Delaware General Corporation Law); and

6) The sum of the assets of each of Cendant, Realogy, and Wyndham, as applicable, at fair valuation is greater than all its respective debts at fair valuation.

Scope of Analysis

Our due diligence, procedures, and financial analysis with respect to the preparation of our Opinion included, but was not limited to, the items summarized below.

1. Discussed with senior management of Cendant the history, current operations, future outlook, and "contingent and other liabilities" of each of Cendant, Realogy, and Wyndham following the Distribution;

2. Reviewed Cendant's Form 10-Ks filed with the Securities and Exchange Commission ("SEC") for the years ended December 31, 2002 through 2005 which included audited financial statements; Cendant's Form 10-Q for the quarter ended March 31, 2006 which included unaudited financial statements; and Form 10s (and Amendments thereto) for Realogy and Wyndham;

3. Reviewed the terms of the Separation and Distribution Agreement and other internal documents provided to us by management of Cendant, Realogy, and Wyndham, including financial projections for Cendant, Realogy, and Wyndham; identified contingent liabilities and contingent assets; the Travelport Confidential Offering Memorandum; the Realogy Confidential Information Memorandum (and the Supplement No. 1 thereto) relating to the $1.5 billion senior credit facilities; financial statements for Avis Budget Car Rental, LLC for the three months ended March 31, 2006; and presentations delivered to the Cendant Board by certain of Cendant's other financial advisors;

4. Reviewed certain other relevant, publicly available information, including economic, investment information, and trends with respect to the real estate services industry, the hospitality industry, the travel industry, and the vehicle rental industry;

5. Developed our own financial projections for each of Cendant, Realogy, and Wyndham, including cash flow forecasts based on management's projections for each of Cendant, Realogy, and Wyndham, statements by management as to their plans and intentions, our investigation and understanding of the businesses, and such other information as we deemed appropriate;

6. Performed sensitivity analyses for each of Cendant, Realogy, and Wyndham using financial assumptions that represent reasonable downside scenarios versus the base case financial assumptions that we analyzed;

7. Analyzed financial, market and transaction information on public companies deemed comparable to each of Cendant, Realogy, and Wyndham and obtained from regularly published sources and compared each of Cendant's, Realogy's, and Wyndham's post-Distribution capital structure and cash flow generating ability with those of companies engaged in comparable lines of business;

8. Analyzed information on transactions deemed comparable to the separation of Realogy and Wyndham from Cendant; and

9. Reviewed such other documents, investment and financial studies, and conducted other analyses as we deemed appropriate.

Assumptions, Qualifications and Limiting Conditions

In preparing its forecasts, performing its analysis and rendering its Opinion with respect to the Distribution, Duff & Phelps:

1. Relied upon the accuracy, completeness, and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to it from private sources, including Cendant, Realogy, and Wyndham management, and did not attempt to independently verify such information;

2. Assumed that any estimates, evaluations and projections furnished to Duff & Phelps were reasonably prepared and based upon the best currently available information and good faith judgment of the person furnishing the same;

3. Assumed that there has been no material adverse change in the assets, financial condition, business, or prospects of Cendant, Realogy, or Wyndham (after giving effect to the Distribution) since the date of the most recent financial statements and other information made available to us; and

4. Assumed that the final version of all documents reviewed by us in draft form conform in all material respects to the drafts reviewed.

Nothing has come to our attention in the course of this engagement which would lead us to believe that (i) any information provided to us or assumptions made by us are insufficient or inaccurate in any material respect or (ii) it is unreasonable for us to use and rely upon such information or make such assumptions.

In our analysis and in connection with the preparation of this Opinion, Duff & Phelps has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Distribution. The Opinion is necessarily based upon market, economic, financial and other conditions as they exist and can be evaluated as of the date hereof, and Duff & Phelps disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of Duff & Phelps after the date hereof.

Conclusion

Based on all factors we regard as relevant and assuming the accuracy and completeness of the information provided to us and assuming the substantial continuity of current economic, competitive, and financial conditions, it is our opinion that after giving effect to the Distribution:

1) The "fair saleable value" of the assets of each of Cendant, Realogy, and Wyndham, as applicable, exceeds the sum of its respective liabilities, including all contingent and other liabilities;

2) The "present fair saleable value" of the assets of each of Cendant, Realogy, and Wyndham, as applicable, exceeds the amount that will be required to pay its respective probable liabilities, including all contingent and other liabilities, on its respective existing debts as such debts become absolute and matured;

3) Each of Cendant, Realogy, and Wyndham, as applicable, will not have an unreasonably small amount of capital for the respective businesses in which it is engaged or is proposed to be engaged following the Distribution, based on discussions with management of Cendant, Realogy, or Wyndham, as applicable;

4) Each of Cendant, Realogy, and Wyndham, as applicable, will be able to pay its respective liabilities, including all "contingent and other liabilities", as they become absolute and matured;

5) The fair saleable value of Cendant's assets exceeds the value of its liabilities, including all contingent and other liabilities, by an amount that is greater than its stated capital amount (pursuant to Section 154 of the Delaware General Corporation Law); and

6) The sum of the assets of each of Cendant, Realogy, and Wyndham, as appropriate, at fair valuation is greater than all its respective debts at fair valuation.

The Opinion is solely that of Duff & Phelps. Our liability in connection with this letter shall be limited in accordance with the terms set forth in the engagement letter between Duff & Phelps and Cendant dated September 30, 2005 (the "Engagement Letter"). This letter is delivered for the benefit of Cendant, Realogy, and Wyndham and their respective boards of directors. This letter is confidential, except (i) that Duff & Phelps consents to its use or disclosure by request of any court or regulatory agency, as may otherwise be required by any law, regulation or order or in connection with any legal or similar proceeding involving the Distribution, (ii) that Duff & Phelps consents to its inclusion in any filing (or supplemental disclosure request) by Cendant, Realogy, or Wyndham with the SEC, the New York Stock Exchange, or any other regulatory authority in connection with the Distribution or plan of separation, and (iii) as otherwise provided in the Engagement Letter.

Respectfully submitted,

/s/ Duff & Phelps, LLC

DUFF & PHELPS, LLC

APPENDIX A

DEFINITIONS OF TERMS USED IN THIS LETTER

“Fair saleable value” means the aggregate amount of net consideration (as of the date of Duff & Phelps’ Opinion), after giving effect to reasonable costs of sale or taxes, where the probable amount of any such taxes is disclosed to Duff & Phelps by Cendant, that could be expected to be realized from an interested purchaser by a seller, in an arm’s-length transaction under present conditions in a current market for the sale of assets of a comparable business enterprise, where both parties are aware of all relevant facts and neither party is under any compulsion to act, where such seller is interested in disposing of the entire operation as a going concern, presuming the business will be continued in its present form and character, and with reasonable promptness, not to exceed one year.

“Present fair saleable value” means the aggregate amount of net consideration (as of the date of Duff & Phelps’ Opinion) after giving effect to reasonable costs of sale or taxes, where the probable amount of any such taxes is disclosed to Duff & Phelps by Cendant, that could be expected to be realized from an interested purchaser by a seller, in an arm’s-length transaction under present conditions in a current market for the sale of assets of a comparable business enterprise, where both parties are aware of all relevant facts and neither party is under any compulsion to act, where such seller is interested in disposing of the entire operation as a going concern, presuming the business will be continued in its present form and character, and with reasonable promptness, not to exceed six months.

“Liabilities, including all contingent and other liabilities” has the meanings that are generally determined in accordance with applicable federal laws governing determinations of the insolvency of debtors.

“Contingent and other liabilities” means contingent and other liabilities as either publicly disclosed, set forth in written materials delivered to Duff & Phelps by Cendant, Realogy, or Wyndham or identified to Duff & Phelps by officers or representatives of Cendant, Realogy, or Wyndham.

“Not have an unreasonably small amount of capital for the respective businesses in which it is engaged or is proposed to be engaged” and “able to pay its respective liabilities, including all “contingent and other liabilities”, as they become absolute and matured” means that Cendant, Realogy, or Wyndham, as applicable, will be able to generate enough cash from operations, planned asset dispositions, refinancing or a combination thereof to meet its respective obligations (including all contingent and other liabilities) as they become due.

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
212-735-3000

July 12, 2006

VIA EDGAR

United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-4561

Attn: Michael McTiernan, Esq.
Special Counsel

RE: Wyndham Worldwide Corporation
Amendment No. 4 to Registration Statement on Form 10
Commission File No. 001-32876

Dear Mr. McTiernan:

Per our discussion with the staff (the "Staff") of the Securities and Exchange Commission yesterday, on behalf of Wyndham Worldwide Corporation (the "Company"), enclosed herewith is Amendment No. 4 to the Company's Registration Statement on Form 10 (the "Registration Statement"). The amended Registration Statement updates the disclosure in the Registration Statement to describe the additional risk of how a failure by Cendant to complete the sale of its wholly-owned subsidiary, Travelport Inc., could affect the market price of the Company's common stock. The additional disclosure has been included on pages 9, 42, 45 and 46. The Company has also revised the disclosure on pages 14, 23, 41, 83, 203 and F-18 to reflect the fact that on July 7, 2006, it entered into the previously described Credit Agreement and an Interim Term Loan Agreement, both of which the Company has filed as exhibits to the Registration Statement. The Company has also filed as exhibits to this amended filing the previously contemplated amendments to certain existing vacation ownership securitization program facilities. In addition, the Company has revised the disclosure on pages 103, 205 and F-18 to reflect the fact that on July 11, 2006, the Company has closed an additional series of notes payable from vacation ownership loans in the initial principal amount of $550 million, which was previously discussed with the Staff, and has filed as exhibits to this amended filing the Indenture and Servicing Agreement and the related guaranty.

We thank you for your prompt attention to this letter and look forward to hearing from you at your earliest convenience. Please direct any questions concerning this filing to the undersigned at (212) 735-3688.

Very truly yours,

/s/ Daniel E. Wolf
Daniel E. Wolf

cc: Geoffrey Ossias
Matthew Maulbeck
Josh Forgione
Eric J. Bock
Scott G. McLester